



SignalPoint Asset Management, LLC  
1201 E. Walnut Street  
Springfield, MO 65802  
(417) 869-9980  
[www.signalpointinvest.com](http://www.signalpointinvest.com)

March 1, 2019

This Brochure provides information about the qualifications and business practices of SignalPoint Asset Management, LLC (hereinafter "SignalPoint"). If you have any questions about the contents of this Brochure, please contact us at (417) 869-9980. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

SignalPoint is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

---

Form ADV Part 2A

Additional information about SignalPoint is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

This Brochure contains no material changes since its last annual update dated March 1, 2018.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (417) 869-9980 or by email at: [WCostenbader@Signalpointinvest.com](mailto:WCostenbader@Signalpointinvest.com).

## Table of Contents

Cover Page .....	i
Material Changes .....	iii
Annual Update .....	iii
Material Changes since the Last Update .....	iii
Table of Contents .....	iv
Item 4 Advisory Business .....	1
Item 5 Fees and Compensation .....	2
Item 6 Performance-Based Fees and Side-By-Side Management .....	3
Item 7 Types of Clients.....	3
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9 Disciplinary Information .....	6
Item 10 Other Financial Industry Activities and Affiliations .....	7
Item 12 Brokerage Practices .....	8
Item 13 Review of Accounts .....	10
Item 14 Client Referrals and Other Compensation.....	11
Item 15 Custody .....	11
Item 16 Investment Discretion .....	12
Item 17 Voting Client Securities & Class Action Lawsuits .....	12
Item 18 Financial Information.....	12
Brochure Supplement(s) – Appendix 1 (Wrap Fee Brochure)	

## Item 4 Advisory Business

SignalPoint Asset Management, LLC ("SignalPoint") was formed in August 2008 and is registered with the Securities and Exchange Commission. SignalPoint is principally owned by Jonathan Timson, Jay Handy, and Robin Walker. SignalPoint offers two investment management products. SignalPoint serves as sponsor and portfolio manager for a wrap fee program, which is described in Appendix 1. SignalPoint also offers a wrap program sponsored by Schwab Wealth Investment Advisory, Inc., called Institutional Intelligent Portfolios™. The Institutional Intelligent Portfolios are discussed in a separate Form ADV Part 2a. SignalPoint also markets its services by means of a d/b/a, Walnut Capital.

### **SignalPoint Asset Management**

SignalPoint offers investment management services to individual and institutional clients. Signalpoint will either invest clients' assets into one of the SignalPoint strategies or create a custom strategy for the client. Please see *Item 8 Methods of Analysis, Investment Strategies and Risk of Loss* for a description of our SignalPoint strategies.

At the outset of each direct client relationship, SignalPoint spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, SignalPoint helps to define with each direct client: 1) the client's risk tolerance, return needs and financial long-term goals (the client "profile"); and 2) the client's investment objectives and guidelines (the "investment plan"). The client's investment objectives and attitude towards risk are discussed periodically with each direct client but are not necessarily written documents.

At times, the registered representatives of broker-dealers, other investment advisors, or a Solicitor may use a questionnaire separate from SignalPoint's client Profile and has determined suitability based on the information contained therein. In such instances, SignalPoint relies upon this other questionnaire to determine the goals and objectives of the portfolio in question. In any case, it is the responsibility of the registered representatives of broker-dealers, other investment advisors and/or the client to promptly notify SignalPoint of any changes in financial condition of the client that would necessitate a change in the client's investment objective. Under these arrangements, while accounts may be monitored on a regular basis for performance and adherence to a client's stated objectives, the client's stated objectives for the account(s) under management may be formed without consideration of the client's other assets, investments, insurance and other obligations.

Each client can impose reasonable restrictions on the management of his/her account, including the designation of specific securities or types of securities that should not be purchased for the account, or that should be sold if held in the account.

SignalPoint will recommend and use one of its ETF strategies to carry out the client's objectives and guidelines as well as formulate accounts containing individual securities. These ETF strategies, and at times the accounts holding securities outside of SignalPoint's ETF strategies, are used pursuant to a wrap fee arrangement with the client. This means that the cost of SignalPoint's investment advisory services, the cost of executing brokerage transactions and custodial fees are "wrapped" into a single annual fee based on the value of the client's portfolio. In order to participate, clients must establish a brokerage account with a qualified custodian. Although SignalPoint requires that clients establish an account at a qualified custodian to participate, it is the client's decision to custody assets with such a custodian. For further information, please see SignalPoint's wrap fee brochure. Mutual funds, closed-end funds and ETFs also charge internal management fees and expenses, which are disclosed in the fund's prospectus. Such fees and expenses are exclusive of and in addition to SignalPoint's wrap fee. SignalPoint may also utilize ETF's available on Schwab's OneSource® platform. Schwab will not charge SignalPoint a transaction fee when buying or selling these ETF's.

The investment plan will determine which strategy or combination of strategies best suits the client's needs. The client's investment plan will be updated from time to time when requested by the client or when determined to be necessary or advisable by SignalPoint based on updates to the client's financial or other circumstances. To implement the client's investment objectives, SignalPoint may manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, SignalPoint will have the authority to supervise and direct the portfolio without prior consultation with the client.

**Institutional Intelligent Portfolios™**

We provide portfolio management services through Institutional Intelligent Portfolios™ (the "IIP Program"), an automated, online investment management platform for use by independent investment advisers and sponsored by Schwab Performance Technologies (the "Program" and "SPT", respectively). Through the IIP Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. This program is discussed in a separate disclosure brochure.

**Strategist Services**

SignalPoint has been retained as a portfolio strategist ("Strategist") by financial institutions ("Firms") that offer an open-architecture investment platform ("Program") to registered financial advisers and broker-dealers ("Financial Advisers"). As a selected Strategist, SignalPoint provides its SignalPoint Model Portfolios to the Program, which is designed to satisfy stated investment objectives. The SignalPoint Model Portfolios are constructed using SignalPoint's ETF Investment Strategies, which are described in *Item 8 Methods of Analysis, Investment Strategies and Risk of Loss*. Under such a Strategist arrangement, the Financial Advisor or Firm may recommend that SignalPoint Model Portfolios be used for client accounts. When a SignalPoint Model Portfolio is utilized, the Firm will pay SignalPoint's Model Portfolio management fee on behalf of the client, monitor and evaluate SignalPoint's Model Portfolio performance, execute the client's portfolio transactions and provide custodial and other services for the client's assets, most typically for a single fee paid by the client to the Financial Advisor or Firm.

The agreement between SignalPoint and Sponsors provides for SignalPoint to offer SignalPoint Model Portfolios that satisfy stated investment objectives and limitations. Changes to the SignalPoint Model Portfolios, including but not limited to, changes in the assets selected, and changes to the portfolio weights of the selected assets, are typically communicated to the Sponsor at least quarterly. The Firm or Financial Advisor makes the changes in the client portfolio based upon the changes in the SignalPoint Model Portfolio.

SignalPoint may also provide investing consulting services for an hourly fee.

**Type and Value of Assets Currently Managed**

As of December 31, 2018, SignalPoint manages or advises approximately \$338 million of client assets on a discretionary basis, and approximately \$9 million of client assets on a non-discretionary basis.

**Item 5 Fees and Compensation**

The specific way fees are charged by SignalPoint is established in a client's written agreement with SignalPoint. Fees may be waived in certain circumstances and are negotiable based on the SignalPoint representative providing the services, the complexity of the client's situation, the composition of the client's account, the relationship of the client with the SignalPoint representative, and the total amount of assets under management for the client. Fees may be higher or lower than those charged by other advisers and you may be able to obtain similar services elsewhere for a lower fee. Fees typically are billed quarterly, in advance, and calculated based on the market value of each client account as of the last day of the prior quarter. Except as described in SignalPoint's wrap fee brochure, SignalPoint's

---

Form ADV Part 2A

advisory fees do not include brokerage commissions or securities transaction fees that may be charged by client's custodian, which custodian must be a "qualified custodian" (as required by applicable regulatory requirements) and/or broker-dealer. Investment companies (mutual funds, ETFs, etc.) in which a client's assets may be invested charge additional management fees and other expenses as described in the respective fund's prospectus. Any such charges, fees and commissions are exclusive of, and in addition to SignalPoint's advisory fee.

Clients typically grant SignalPoint authority to deduct its advisory fees directly from the client's account. Client's custodian and/or broker-dealer will provide, at minimum, quarterly account statements directly to client that reflect all transactions in client's account(s), including the amount of any advisory fee deducted. Client is responsible for verifying the accuracy of the advisory fee calculation, as client's custodian will not determine that the fee was properly calculated. SignalPoint will not accept physical custody of clients' securities or cash. Clients will retain ownership of all securities and cash in their accounts.

Generally, a client may terminate its investment advisory agreement with SignalPoint upon 30 days written notice to SignalPoint. Clients will receive a pro-rata refund of any advisory fees paid, but not yet earned, as of the date of termination.

Upon written receipt of notice to liquidate and terminate the client agreement, SignalPoint and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each fund's prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate securities may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary markets be unavailable, and trading suspended, efforts to trade will be made as soon as possible following the markets' reopening. Due to the administrative processing time needed to terminate a client's investment advisory service and to liquidate the client's account, it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. SignalPoint and its agents are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

**Hourly Fees:** SignalPoint's hourly fee for investment consulting services generally ranges from \$100 to \$500 per hour, depending upon the nature and scope of the advice requested by the client, the amount and nature of the research required to complete the project, and the nature and number of reports required by the client. The hourly fee may be calculated based upon each professional staff member's time spent on a project. These hourly fees may be negotiated or waived.

**SignalPoint Strategist Fees:** For providing the SignalPoint Model Portfolios to Firms, SignalPoint receives a fee ranging from 0.15% to 0.50% of the Program assets under management.

## Item 6 Performance-Based Fees and Side-By-Side Management

SignalPoint does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 Types of Clients

SignalPoint provides portfolio management services to individuals, high net worth individuals, banking or thrift institutions, corporate pension and profit-sharing plans, and charitable institutions. SignalPoint has established a

minimum initial account value for new accounts of \$500,000. SignalPoint may, in its sole discretion, accept such lesser amounts as it deems appropriate. SignalPoint also provides the SignalPoint Model Portfolios to various Firms.

Clients eligible to enroll in the IIP Program include individuals, IRAs and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the IIP Program. The IIP Program Disclosure Brochure describes related minimum required account balances for maintenance of the account, automatic rebalancing, and tax-loss harvesting.

## Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

SignalPoint uses a variety of investment strategies in managing client accounts. Although SignalPoint seeks to reduce risk in its portfolios, investing in securities involves risk of loss of principal and clients should be prepared to bear such loss.

### A. Methods of Analysis and Investment Strategies

#### 1) ETF Investment Strategies

SignalPoint's ETF Investment Strategies seek to produce above-market performance while reducing normal market risk, providing clients with an "emotion free" investment model. SignalPoint's ETF Strategies seek to achieve this goal by investing primarily in ETFs, rather than individual stocks. SignalPoint also may hold cash, money market instruments or high-quality, short-term debt instruments for liquidity purposes. SignalPoint applies its strategy to various portfolios to meet a variety of investment objectives.

SignalPoint believes its ETF strategy provides a widely diversified, emotionless portfolio and a procedure for assessing and managing risk in each style. SignalPoint's strategy is founded on the principles of discipline, structure, and transparency. SignalPoint's goal is to steadily and methodically capture profits when positions appreciate and to systematically add to positions during periods of weakness. SignalPoint generally does not emphasize investment in any particular investment sector or industry. However, due to their inherent characteristics, from time to time certain investments in specific sectors (i.e. technology or health care) may represent a significant portion of its clients' portfolios.

SignalPoint's ETF Investment Strategies are designed to harvest the volatility intrinsic to each ETF sector index, position and the market at large. SignalPoint attempts to limit exposure in rising sectors and to increase exposure in declining sectors without disturbing other portfolio positions. SignalPoint will typically add or subtract dollars from each position in increments of 5 percent in any given month, which results in dollar cost averaging in the affected position. SignalPoint maintains cash reserves for liquidity, portfolio cushioning and as a resource to invest back into the market.

SignalPoint's ETF Investment Strategies primarily use a proprietary model or formula to determine the percentage of each portfolio holding. All portfolio holdings are coordinated with SignalPoint's proprietary model, allowing SignalPoint to manage diversified equity portfolios. SignalPoint's proprietary model maintains a Risk Value around a Control Level and allocates the account between equity and cash.

**Risk Value** – the total value of the equity at current market price.

**Control Level** – initially the starting cost of the equity holding plus a portion of subsequent additional purchases.



---

Form ADV Part 2A

**Trade Resistance** – used to establish a hold zone beyond which adjustments are made to Risk Value. Trade Resistance is approximately +/- 10% of the Risk Value but may be larger or narrower in certain sectors.

Should the Risk Value exceed the Control Level by more than the Trade Resistance, the amount at risk typically is reduced back to approximately the Control Level. SignalPoint generally invests cash generated by this adjustment in a highly liquid cash equivalent account (e.g., a money market account) within the portfolio. If the Risk Value should drop below the Control Level by more than the Trade Resistance, the model signals SignalPoint to add (buy) more investment value to restore it to approximately the Control Level. SignalPoint takes cash required for this additional purchase from the cash equivalent account. This presents a potential risk, as the price of a security can move up or down along with (or inversely to) the overall market.

The range between when the model prompts SignalPoint to utilize cash (i.e., buy) and when it prompts SignalPoint to reduce the invested value (i.e., sell) to the cash equivalent account is approximately +20%. A new Control Level is derived from the original Control Level plus a factor related to the amount of buying done during a decline. This is designed to achieve controlled risk with controlled growth within the portfolio.

In addition to the model, SignalPoint uses four individual measures of the equities market combined to provide a picture of the overall market risk (market risk assessment). SignalPoint uses its assessment of market risk to gauge ongoing cash reserve requirements and as a filter on any buy or sell decisions. If the accumulated money market reserve level for an individual measure is higher than the current recommended level, SignalPoint postpones further selling, until such time as either its measure of risk shows a sale is appropriate or a purchasing cycle has reduced the available reserve of money funds.

SignalPoint also uses its market risk assessment to guide re-balancing of the client account's Equity/Cash ratio after high market risk events. If the market risk moderates, SignalPoint will then shift the Equity/Cash ratio back to a level consistent with the new, lower risk level.

The Signalpoint Wrap Fee Brochure includes a discussion of the various risks associated with this program, including the risks of investing in ETFs and the risks related to the underlying securities in which ETFs invest.

## **2) Custom Portfolio**

The firm's advisors may also develop investment portfolios designed to meet the client's individual needs. These may be discretionary or non-discretionary. The advisor will work with the client to create the portfolio and the client can place restrictions on what investments may be included in the portfolio. These portfolios can contain equities, ETF's or debt securities.

### **SignalPoint's Equity Investment Strategy**

In constructing an equity portfolio, SignalPoint seeks to identify the most attractive investment opportunities based on valuation and quality while considering a client's goals, objectives, and overall portfolio. SignalPoint will typically consider equity securities that span all market capitalizations (small, medium, and large), various investment styles (such as growth and value) and will incorporate both domestic and international securities (including securities of issuers located in, or primarily doing business in, developed and emerging markets). When SignalPoint identifies a company that looks attractive, it typically develops a more detailed understanding of the company through a review of corporate financials and analytical research, and may consider the company's growth potential, competitive position in its industry, cash flow, dividends and projected future earnings. SignalPoint will also typically consider the company's sector and SignalPoint's own analysis of the growth potential of that sector. SignalPoint may also invest a client's assets in mutual funds or other investment companies, in new issues, or in preferred stock. SignalPoint may sell an equity security from a client's portfolio when it reaches what SignalPoint believes is its true

value, when SignalPoint identifies another more attractive security, or upon a change in the client's investment objectives, goals or risk tolerance.

SignalPoint may write covered call options on optionable securities held in a client's portfolio to reduce volatility. When a portfolio writes (or sells) a covered call option, the purchaser of the option has the right to buy that stock at a predetermined price (exercise price) during the life of the option. If the purchaser exercises the option, the client portfolio must sell the stock to the purchaser at the exercise price. The option is "covered" because the client owns the stock at the time it sells the option. As the seller of the option, the client receives a premium from the purchaser of the call option, which may provide additional income to the client. The selling of covered call options may tend to reduce volatility of the client's portfolio because the premiums received from selling the options will reduce any losses on the underlying securities, but only by the amount of the premiums. However, selling the options will also limit the potential for gain on the underlying securities.

#### **SignalPoint's Fixed Income Investment Strategy**

SignalPoint's fixed-income strategy is based on its economic and interest rate outlook. In selecting fixed-income securities for a client's portfolio, SignalPoint seeks securities that it believes are consistent with the client's goals, objectives and overall portfolio, and may consider, among other factors, interest rate, credit and prepayment risk, as well as general market conditions. SignalPoint will generally allocate the fixed-income portion of a client's portfolio among municipal bonds, taxable bonds, government bonds, and/or corporate bonds of issuers in various industry sectors and, where appropriate, various states. When consistent with a client's Profile, Investment Plan and risk tolerance, SignalPoint may invest a client's assets in bonds rated below-investment grade (also known as "junk bonds"). Depending on a client's Profile and Investment Plan, and the client's tax situation as communicated to SignalPoint, SignalPoint may focus a client's fixed-income investments in bonds that pay interest that is exempt from federal income tax (but that may be subject to federal alternative minimum tax) and, in some cases, state income tax.

#### **3) Signal 26 Strategy**

The "Signal 26" strategy is a long stock portfolio of 26 stocks selected with a growth at a reasonable price ("GARP") approach. Sabrient, an outside research firm, provides SignalPoint with the portfolio that is based on a forward-looking quantitative screening and a fundamental stock review. The 26-stock portfolio is reviewed every two weeks by Sabrient and the oldest positions are reevaluated for either renewal or replacement. Each stock is intended to be held for 52 weeks, but changes or substitutions may occur to any position.

#### **4) Institutional Intelligent Portfolios™ Program**

The IIP Program Disclosure Brochure includes a discussion of various risks associated with the IIP Program, including the risks of investing in ETF's, as well as risks related to the underlying securities in which ETFs invest. In addition, the IIP Program Disclosure Brochure also discusses market/systemic risks, asset allocation/strategy/diversification risks, investment strategy risks, trading/liquidity risks, and large investment risks.

## **Item 9 Disciplinary Information**

SignalPoint, along with Messrs. Handy, Orzel, Walker and Timson entered into an Offer of Settlement with the SEC on July 2, 2014, pursuant to which the SEC issued an Order finding that SignalPoint and Handy, Orzel, Walker and

---

Form ADV Part 2A

Timson violated the Advisers Act by failing to disclose Handy, Walker and Timson's control and participation in the management of SignalPoint and related conflicts of interest to clients. Pursuant to the Offer of Settlement and without the SignalPoint parties admitting or denying the allegations, the SEC issued censures, a cease and desist order, and monetary fines.

Arising from the same facts as the SEC Order is based on, Messrs. Handy, Timson and Walker entered into an Acceptance Waiver and Consent with the Financial Industry Regulatory Authority (FINRA) on March 2, 2015, for allegedly violating its rules relating to disclosing outside business activity and private securities transactions to their previous broker-dealer in their formation and control in SignalPoint. Without admitting or denying the allegations, Messrs. Handy, Timson and Walker agreed to a suspension from membership in FINRA for a period of eighteen (18) months and a monetary fine that has been deferred.

## **Item 10 Other Financial Industry Activities and Affiliations**

SignalPoint has solicitor arrangements with individuals that refer clients to SignalPoint where certain individuals or entities acting as solicitors may receive compensation on an ongoing basis. For further information on Solicitor fees, see the subsection titled "Client Referrals and Other Compensation," below.

Mr. Robin Walker, an owner of SignalPoint, is also owner of another registered investment advisor that has a solicitor relationship with SignalPoint. See Item 14 for more information.

## **Item 11 Code of Ethics**

SignalPoint has adopted a Code of Ethics applicable to all SignalPoint's supervised persons describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, prohibition on insider trading, prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at SignalPoint must acknowledge the terms of the Code of Ethics annually, or as amended.

SignalPoint effects transactions both on national securities exchanges and in over the counter, or OTC, transactions on an agency basis consistent with OTC requirements and SignalPoint's duty of best execution. OTC transactions may be placed directly with market makers who act as principals for their own account and include mark-ups in price charged for the securities or with broker-dealers who act as agents and charge brokerage commissions for effecting the transactions.

From time to time, SignalPoint's employees may purchase securities for their own personal accounts, which are also purchased on behalf of clients. In such cases, SignalPoint's employees will not affect transactions for their personal accounts that are contrary to recommendations being made to clients. SignalPoint and its employees will not compete with clients in connection with such transactions. Generally, SignalPoint employee accounts may be invested in similar SignalPoint investment strategies as a client. In these instances, block trading is used, and orders are allocated on a *pro rata* basis so as to treat all clients fairly. SignalPoint has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act, which is based on the principle that SignalPoint and its employee advisors have a fiduciary duty to its clients. In complying with this duty, SignalPoint advisory personnel must avoid activities or interests that might interfere with making decisions in the best interests of clients. Under the Code of Ethics, SignalPoint's advisory personnel are required to submit regular reports of their personal securities transactions to the Chief Compliance Officer for review. In addition, each person subject to the Code of Ethics is required to report all violations of which such person becomes aware to the Chief Compliance Officer. SignalPoint will provide a copy of its Code of Ethics, free of charge, upon the request of any client.

## Item 12 Brokerage Practices

**Investment or Brokerage Discretion & Recommendation of Brokers.** SignalPoint is not a qualified custodian. As such it is our clients' responsibility to appoint their own custodian to hold their assets. However, SignalPoint can assist the client in this decision. For discretionary accounts, SignalPoint prefers to select the broker-dealer that it believes will provide best execution of portfolio transactions for the client's accounts and, generally, the client leaves that selection to SignalPoint. Occasionally a client may, in writing, direct SignalPoint to use a certain broker-dealer to execute portfolio transactions for its account or request that certain types of securities not be purchased for its account. However, Signalpoint cannot guarantee that it can work effectively with custodians other than Charles Schwab & Co. ("CS&Co")

Because SignalPoint is a fiduciary it will execute securities transactions only with or through broker-dealers whom SignalPoint believes provide the most favorable total cost or net proceeds reasonably obtainable under the circumstances. We consider a wide range of factors in selecting and/or recommending brokers to execute client transactions; including price, the broker's reliability to effect securities transactions on SignalPoint's behalf, access to the broker, ease of trade supervision, and the broker's responsiveness to and communication with SignalPoint. SignalPoint typically affects securities transactions that are executed on a national securities exchange and OTC transactions conducted on an agency basis through various broker-dealers at negotiated commission rates. Accordingly, transactions will not always be executed at the lowest available commission rate. Negotiated commission rates will be based upon SignalPoint's judgment of execution requirements of the transaction as well as the quality of research services provided by the broker-dealer.

SignalPoint assesses the reasonableness of commissions paid considering the total brokerage and research services provided by each broker-dealer. The full range of brokerage services applicable to a transaction will be considered when making this judgment. Such brokerage services may include: capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers, administrative ability, underwriting and provision of information on the security or market in which the transaction is to occur.

The applicability of specific criteria will vary depending upon the nature of the transaction, the market in which it is affected, and the extent to which it is possible to select from among multiple broker-dealers capable of effecting the transaction. When securities are purchased or sold in the over-the-counter market, SignalPoint may use a broker if, in its opinion, based upon market price data and other relevant information, SignalPoint is able to obtain the best available price and most favorable execution.

When SignalPoint reasonably determines that more than one broker can offer the brokerage services needed to obtain the best available priced and most favorable execution, SignalPoint:

- (1) may consider selecting those brokers that also supply research services or assistance to SignalPoint in fulfilling its investment management responsibilities; and
- (2) except with respect to ERISA accounts, may select a broker-dealer in recognition of the broker-dealers past referral of the client for whom the transaction is being executed, or of other clients, or in anticipation of future referrals from the broker-dealer. In doing so, unless otherwise specifically disclosed to the client, SignalPoint does not pay higher commissions, concessions, or mark-ups than would otherwise be obtainable from broker-dealers that do not provide client referrals to SignalPoint. Certain broker-dealers selected by SignalPoint provide SignalPoint with certain research and statistical services of the kind contemplated by Section 28(e) of the Securities Exchange Act of 1934 (the "1934 Act"), services which would

---

Form ADV Part 2A

otherwise be available to SignalPoint for a cash payment. To the extent that research services of value are provided by broker-dealers, SignalPoint may be relieved of expenses that it might otherwise bear.

If a client directs the use of a particular broker-dealer, then SignalPoint will place all orders pursuant to its investment determinations on behalf of the client's portfolio through the broker-dealer selected by the client, even though SignalPoint may be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. A client who designates the use of a particular broker-dealer should understand that it will lose (i) the possible advantage that SignalPoint's other clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security, (ii) the ability of SignalPoint to effectively negotiate the commission rate, (iii) any research services provided by broker-dealers. In addition, under these circumstances a disparity in commission rates may exist between commissions charged to other clients. Such a client's trades may also be affected with or after the trades of clients which have not designated a particular broker-dealer.

SignalPoint does not enter agreements with, or make commitments to, any broker-dealer that would bind SignalPoint to compensate that broker-dealer with client commissions in return for client referrals.

**Research and Other Soft Dollar Benefits:** Signalpoint may receive research or other products or services other than execution from a broker-dealer in connection with client securities transactions ("soft dollar benefits"). Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co's products and services is not based on us giving specific investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co's support services:

CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co's services described in this paragraph generally benefit the client and the client's account.

CS&Co also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events

---

Form ADV Part 2A

- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. In light of our arrangements with Schwab, we may have an incentive to require that our clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's services that benefit only us.

**OneSource® ETF products:** At times, SignalPoint will use ETF's available on Schwab's OneSource within its SignalPoint model portfolios and custom portfolios. Schwab does not charge SignalPoint a transaction fee on buying or selling the ETF's available on their OneSource platform. Since SignalPoint pays all fees on behalf of its clients, there is a potential conflict of interest since SignalPoint could be incented to utilize a lower quality ETF within a client's portfolio to avoid a transaction fee. SignalPoint recognizes this conflict and is committed to using its objective criteria when selecting an ETF.

**Aggregation.** As a matter of general policy and practice, SignalPoint will aggregate transactions for clients when possible and advantageous for advisory clients. Aggregating transactions allows the trading of aggregate blocks of securities of assets from multiple client accounts. Generally, aggregating client transactions allows advisers to execute transactions in a more timely, efficient and equitable manner and to seek best execution and/or to reduce commission charges for clients.

When and where possible, SignalPoint will aggregate transactions for all clients including directed and non-directed brokerage transactions for individual and institutional client portfolios. Client transactions may not be aggregated with other non-directed client transactions where a client has directed SignalPoint to use a particular broker-dealer for its portfolio transactions. However, SignalPoint will generally aggregate client transactions in directed brokerage arrangements when clients have directed SignalPoint to use the same broker-dealer. There may be instances when, due to client direction and timing, we may not be able to aggregate a client's orders with those of other clients even though it is the same security on the same day with the same broker-dealer. In these instances, the client may get a price that is higher or lower than other clients who purchased the same security.

## Item 13 Review of Accounts

All client accounts are typically reconciled with their respective custodian valuations daily. If there are discrepancies noted, they will be discussed with the custodian. Portfolios are also reviewed at least annually by the assigned advisor to ensure all portfolios are being managed in compliance with (a) the client's stated goals and objectives and (b) SignalPoint's investment philosophy and strategy.

---

Form ADV Part 2A

SignalPoint will contact each client at least annually to determine whether there have been any changes in the client's financial situation or investment objectives, or whether the client wishes to impose reasonable restrictions on the management of the account or modify an existing restriction.

SignalPoint's portfolio management personnel, who are knowledgeable about the management of the client's portfolio, will be available on a reasonable basis to meet with the client at the client's request.

## **Item 14 Client Referrals and Other Compensation**

SignalPoint receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices.). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying a particular security for our clients.

SignalPoint, from time to time, enters into written agreements with certain individuals and entities who will act as solicitors of client accounts for SignalPoint in accordance with the requirements of Rule 206(4)-3 of the Advisers Act. The individual or entity who solicits the client account will receive a portion of the total fee paid to SignalPoint for managing the account. Unless the solicitor is an officer, director or employee of SignalPoint, he or she will provide each client with certain disclosure documents including a "Solicitor's Disclosure Statement" which, among other things, sets forth the amount of the fee paid by SignalPoint in connection with the client referral.

Mr. Robin Walker, an owner of SignalPoint, also is owner of another registered investment advisor, Walker Asset Management. Walker Asset Management has a solicitor arrangement with SignalPoint. SignalPoint will compensate Walker Asset Management for its solicitation activities in accordance with the solicitation agreement.

The referral agreements between SignalPoint and its solicitors are designed to comply with Rule 206(4)-3 of the Advisers Act. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser and any person who solicits any client for, or refers any client to, such adviser prior to the payment of a cash fee directly or indirectly for client solicitation or referral.

## **Item 15 Custody**

Generally, clients receive quarterly account statements and/or reports, including information related to all transactions for that period and current portfolio holdings, directly from their qualified custodian. SignalPoint urges all clients to carefully review the official custodian reports and compare such reports to any reports generated by SignalPoint, where applicable. If questions arise, the client is encouraged to contact the client's custodian and SignalPoint. SignalPoint reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Because SignalPoint has authority to deduct advisory fees directly from client accounts, SignalPoint is deemed to have custody of the assets and securities in client accounts. Physical custody of client funds and securities is maintained by an independent qualified custodian. Clients will retain ownership of all securities and cash in their accounts.



## **Item 16 Investment Discretion**

SignalPoint usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold for the client's account. In all cases, however, such discretion is exercised in a manner consistent with the stated investment objectives for the client account.

When selecting securities and determining their amounts, SignalPoint observes the client's investment policies, limitations. Investment guidelines and restrictions must be provided to SignalPoint in writing.

## **Item 17 Voting Client Securities & Class Action Lawsuits**

As a matter of firm policy and practice, SignalPoint does not have any authority to and does not vote proxies on behalf of advisory clients. The custodian of the account will normally provide proxy materials directly to the client. Clients retain the responsibility for receiving and voting proxies for securities maintained in client portfolios. SignalPoint may provide advice to clients regarding the clients' voting of proxies; however, it is in the client's sole discretion and at the client's sole expense to decide whether and how to vote such proxies.

Some of the holdings purchased in client accounts may become involved in class action lawsuits. Because SignalPoint does not offer clients legal advice, SignalPoint does not advise clients on whether or not to participate in the lawsuit. Upon request, SignalPoint will assist a client in completing the forms necessary to participate in a class action lawsuit involving a security held in an account advised by SignalPoint.

## **Item 18 Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the adviser's financial condition. SignalPoint has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.