



## Client Brochure

### FORM ADV Part 2A

*This brochure provides information about the qualifications and business practices of Guidance Point Retirement Services, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number listed on this cover page or by email at: [ajwalker@guidancepointrs.com](mailto:ajwalker@guidancepointrs.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Guidance Point Retirement Services, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Guidance Point Retirement Services, LLC's CRD number is: 161000.*

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Guidance Point Retirement Services, LLC

Date: September 6, 2019

## **Item 2 Material Changes**

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

No material changes have been made to this Brochure since the last annual update dated March 13, 2018.

### Item 3 Table Of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table Of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 6
Item 6 Performance-Based Fees and Side-By-Side Management	Page 7
Item 7 Types of Clients	Page 7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 7
Item 9 Disciplinary Information	Page 9
Item 10 Other Financial Industry Activities and Affiliations	Page 10
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 10
Item 12 Brokerage Practices	Page 11
Item 13 Review of Accounts	Page 11
Item 14 Client Referrals and Other Compensations	Page 11
Item 15 Custody	Page 12
Item 16 Investment Discretion	Page 12
Item 17 Voting Client Securities	Page 12
Item 18 Financial Information	Page 12

## Item 4 Advisory Business

Guidance Point Retirement Services, LLC ("GPRS"), having Andrew J. Walker as its principal owner, Investment Adviser Representative and Chief Compliance Officer, is organized in the State of Delaware, and is registered as an investment adviser with the U.S. Securities and Exchange Commission.

GPRS provides comprehensive investment advisory and fiduciary services to retirement plan sponsors pursuant to an agreement. The investment advisory services provided to participant-directed retirement plans is non-discretionary and the investment advice provided to plan-sponsor directed plans and other corporate accounts is discretionary in nature.

GPRS also provides recommendations on the investment of plan assets to plan participants on a non-discretionary basis. The typical services we offer to defined contribution and defined benefit plan sponsors are related to investment consulting, participant education, fiduciary education, vendor selection, plan design, and benchmarking. Our services are described below:

### **Investment Consulting - Plan Level:**

Our Investment Consulting services include the development of an Investment Policy Statement, a target investment allocation, the selection of appropriate investment vehicles for the plan, and the on-going monitoring of the portfolio. These services are tailored to the specific needs to the firm's individual clients. GPRS will honor any reasonable restrictions on investing in certain securities or types of securities imposed by the client in writing.

GPRS investment recommendations generally include mutual funds, exchange-traded funds, collective investment funds, and insurance company separate accounts. We also may recommend certificates of deposit, U.S. government securities, insurance company fixed accounts, and money market funds.

### **Vendor Selection:**

Our Vendor Selection process begins with a thorough understanding of the plan sponsor's goals and objectives. We develop either a Request for Proposal (RFP) or a Request for Bid (RFB). We pre-qualify vendors and request they complete either a RFP or an RFB. We coordinate and manage any questions from the vendors and prepare a comprehensive analysis of all vendor responses.

As the search process continues we help the client narrow the field of possible vendors and coordinate finalist interviews and reference checks. We work with the client through the decision making process and recommend a vendor to service the plan. As a final step we provide communication and implementation support.

### **Plan Design:**

We describe our comprehensive fiduciary review process as "The Starting Point". The Starting Point is a 6-week Fiduciary Governance redesign program, through which we identify the direction your governance should take, dive deeply into your plan design and documentation, and work through formalizing your governance structure and board delegations. Our consultants have a national perspective and decades of experience working with all types of qualified retirement plans. We are able to use our experience to help our clients meet their objectives. We have direct experience working with the following types of plans:

- 401(k) and 403(b)

- Profit Sharing
- Money Purchase
- Target Benefit
- 457
- Defined Benefit
- Cash Balance

We help our clients meet their fiduciary duty by conducting unbiased, objective, comprehensive fee reviews, fiduciary reviews, investment reviews, and vendor reviews. We benchmark the review results using appropriate industry standards and surveys.

### **Ongoing Consultant Services:**

Our ongoing consulting services focus on continually improving fiduciary governance, reducing costs and improving investment outcomes. We represent our clients in the vendor management process and assist in coordinating their duties. Additionally, we evaluate a client's vendors through annual qualitative analysis, quality review of all administrative and recordkeeping work, and annual fee benchmarking.

We serve as co-fiduciaries for all clients, and create a fiduciary governance system with a goal of helping fiduciaries conform to industry best practices. This process often begins with specific education relative to the fiduciary's duties and responsibilities.

Our ongoing services include:

- Review of board delegations
- Establishment and review of investment committee charter
- Development of an Investment Policy Statement
- Development of an Education Policy Statement (ERSA)
- Benchmarking of plan fees and expenses
- Quarterly due diligence meetings with the investment committee
- Recording of committee meeting minutes
- Electronic backup of investment committee documentation

### **Participant and Fiduciary Education:**

GPRS provides ongoing education support to participants in 401(k) and 403(b) plans. We strive to equip plan participants with the information and tools necessary to make informed investment decisions with a focus on retirement readiness.

When engaged by a plan participant, GPRS may provide mutual fund allocation recommendations based upon the mutual fund investment options made available to the plan participant. Such advice is provided to the plan participant pursuant to a non-discretionary agreement entered into by the participant (Client) and GPRS. GPRS will not make recommendations to plan participants regarding: 1) investment in public or privately held employer stock options; or 2) investment in self-directed brokerage accounts.

At the plan fiduciary level, we provide specific education to all plan fiduciaries relative to their duties and responsibilities. We conduct the education with a goal of helping the fiduciaries conform to industry best practices.

As of December 31, 2018, GPRS provided pension consulting services and investment management services to \$875,695,619 in client assets, of which \$57,998,404 was managed on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Fees - Plan Level**

Our fee for a comprehensive fiduciary review is \$7,500. This fee covers fiduciary governance redesign services.

Fees for Ongoing Consultant Services are generally quoted as fixed for the level of services provided, with a minimum annual retainer of \$10,000, and are highly dependent on a variety of factors, including, but not limited to: the amount of time we spend, the complexity of your situation, the amount of liability we accept, the size of the portfolio, the specific work required in accordance with the agreement, the location of the client and whether travel is required, and the number of meetings the client requires, etc.

Some clients may be charged based on a percentage of assets under management, or a client may be charged both a fixed fee as well as an asset-based fee. Fees based on a percentage of assets under management are charged based upon the market value of all assets in the account at the end of the previous quarter.

Retirement plan consulting services clients may, in addition to the fee types disclosed, elect to pay an hourly fee. Hourly fees range between \$100 - \$350 per hour depending on the personnel utilized, and the scope and complexity of the work to be performed.

The agreed-upon fee will be charged pursuant to a written agreement between Guidance Point and the plan sponsor. Our fees are charged quarterly in advance or arrears, as agreed to in writing with the client. A price for a fixed fee project is quoted at the start of a project. Fixed fee projects are invoiced quarterly and hourly rate projects are invoiced monthly with payment due upon receipt of the invoice. Clients who elect to pay an hourly rate are billed monthly until the quote is reached.

### **Fees - Participant Level**

Our fees are charged quarterly in advance and may be fixed or based on a percentage of assets under management. Fees based on a percentage of assets under management are charged based upon the market value of all assets in the account at the end of the previous quarter. The agreed-upon fee will be charged pursuant to a written agreement between Guidance Point and the plan participant.

Plan level and participant level Clients may make an election in the agreement: (1) to have assets under management fees deducted directly from their account(s) or (2) to be invoiced. The custodian or recordkeeper, as applicable, will provide at least quarterly statements to the client detailing the amount of the fee and the value of the client's assets on which the fees are based. Payment of fees may result in the liquidation of client's securities if there is insufficient cash in the account.

Assets under management fees for a partial quarter at the commencement of an agreement will be pro-rated based on the number of days the account was open during the quarter.

The fees paid to GPRS for investment advisory services and fiduciary consulting services are separate and distinct from fees charged by mutual funds or exchange traded funds.

Clients also pay custodial and other fees charged by the custodian for services.

Upon termination of any account(s) or project, any prepaid but unearned fees will be promptly refunded to the client. Any fees that have been earned by us but not yet paid by the client will be immediately due and payable.

We may modify the terms of the fee in the Agreement by giving clients 60 days written notice in advance. Clients do not have to accept the terms of the modified agreement. Both parties may terminate the Agreement at any time on not less than 60 days written notice.

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

GPRS does not currently manage any private funds. Accordingly, side-by-side management is not a concern and performance-based fees are not charged for our asset management services.

## **Item 7 Types of Clients**

We currently provide investment advisory services and retirement plan consulting services to individuals, trusts, charitable organizations, pension and profit sharing plans, corporations and other business entities.

We require a minimum fee of \$10,000 to engage our services. This minimum fee is not applicable to agreements entered into between GPRS and individual plan participants.

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

The types of investments we recommend, our investment strategies and advice may vary depending upon each Client's specific financial situation. As such, we determine investments and allocations based upon predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Client restrictions and guidelines may affect the composition of the portfolio.

### **INVESTMENT STRATEGY**

Guidance Point Retirement Services builds broadly diversified portfolios in the global fixed-income and equity markets, combined with periodic rebalancing. Clients may engage us to assist them in developing an Investment Policy Statement (or similar document used to establish suitability) which outlines their investment philosophy, management procedures, and long-term goals. Portfolio design is tailored to each Client's risk tolerance and preferences. For example, socially responsible and environmentally sustainable funds are available. Our investing is guided by the following beliefs:

- We believe in the long-term growth potential of equities and use these to form the core of an investment portfolio.
- We believe solid research is fundamental and critical to sound investment decisions.
- We believe in a long-term approach. Numerous studies and statistics have shown that a stable investment approach with a long-term perspective yields better long-term result than rapid

trading, and we will employ this method to maximize benefit for our Clients.

## TYPES OF INVESTMENTS

Our recommendations may differ from Client to Client since each Client has different needs and different tolerance for risk. We primarily recommend mutual funds and exchange traded funds ("ETF"), to maximize diversification and minimize risk. Each type of security has its own unique set of risks associated with it, and it would not be possible to disclose all of the specific risks of every type of investment in this brochure. We strive to keep Clients educated and informed of material risks associated with particular investments. If Clients have any questions regarding the risks associated with a particular investment, they are encouraged to contact us.

Mutual funds are professionally managed collective investment companies that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual or exchange traded funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Other fund risks include foreign securities and currency risk, emerging markets risk, small-cap, mid-cap and large-cap risk, trading risk, and turnover risk that can increase fund expenses and may decrease fund performance. Brokerage and transactions costs incurred by the fund will reduce returns.

ETFs are investment funds traded on stock exchanges, much like stocks or equities. An ETF holds assets such as stocks, commodities, or bonds and trades at approximately the same price as the net asset value of its underlying assets over the course of the trading day. Most ETFs track an index, such as the S&P 500. However, some ETFs are fully transparent actively managed funds. Market risk is, perhaps, the most significant risk associated with ETFs. This risk is defined by the day to day fluctuations associated with any exchange traded security, where fluctuations occur in part based on the perception of investors.

Primarily we invest focusing on a long term purchase strategy, where securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Sometimes we will employ a short term purchase strategy where securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations. Trading (in general, selling securities within 30 days of purchasing the same securities) is not a fundamental part of our overall investment strategy.

## METHODS OF ANALYSIS

We may use one or more of the following methods of analysis when formulating investment advice:

Top-down global macro-economic analysis involves a big-picture analysis of the prevailing economic, demographic and social trends followed by a more focused analysis at the country level, then the industry level and ultimately the specific security level.

Mutual fund/exchange traded fund analysis involves qualitative analysis looking at factors such as the background and experience of the fund manager and/or the fund company (style, consistency, risk-adjusted performance, management expenses, average daily trading volume, etc.)



Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. This type of analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below perceived value. The risk is that the market will fail to reach expectations of perceived value.

## INVESTMENT RISK OF LOSS

As indicated in the descriptions above, investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met.

Past performance is in no way an indication of future performance. Risk factors include:

- Interest rate risk involves the risk that a change in interest rate will have an impact on a bond's value. Generally, rising interest rates have a negative impact on bond prices so in a period of rising interest rates a bond or bond fund may experience losses in value.
  - Credit risk is the risk that a bond issuer may not be able to make good on their obligations and could potentially be unable to pay back the owner of a bond.
  - Inflation risk is the risk that inflation may erode an investor's purchasing power. For a bond investor that owns bonds with a fixed interest rate, higher than expected inflation reduces the real yield of their investment and may cause interest rates to increase, causing a decline in bond prices.
  - Market risk involves the risk that a securities price may fluctuate up or down based on new market information and the collective market's perceived value of a security. Markets are inherently volatile and an investor must acknowledge that market risk is present and be willing to accept the volatile nature of their investments.
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- Business risk is the risk associated with a single company. Business risk is impacted by a company's industry, management team, product portfolio, financial position, the broad economic outlook.
  - Currency risk involves the risk that investments made in international securities may fluctuate in value based on exchange rates between the local currency and the investor's home currency. Currency risk may add volatility and may cause a security's performance to differ from its underlying fundamentals.

Except as may otherwise be provided by applicable law, we are not liable to Clients for any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to a Client's instructions, or the disregard of our recommendations to a Client; or any act or failure to act by a custodian or other third party in relation to a Client's account. It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

## Item 9 Disciplinary Information

We are required to disclose all legal and disciplinary events that are material to clients and prospective clients for evaluation of GPRS or the integrity of GPRS' management. Neither GPRS nor its management persons have any legal or disciplinary events to report for this Item 9.

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

Andrew J. Walker, Benjamin Smith, and Abigail Doody are also investment adviser representatives with Guidance Point Advisors, LLC ("GPA"), a non-related investment adviser registered with the SEC. Pursuant to a written Letter of Agreement between GPA and GPRS, GPA provides to GPRS a portion of the advisory fee revenue these individuals earn as a result of providing advisory services to clients of GPA. GPRS is responsible for compensating these individuals for services provided on behalf of GPA. Therefore, these individuals receive no direct compensation from GPA.

GPA offers wealth management services primarily to individuals and families. GPA does not provide investment management services to retirement plans. In the event an individual associated with one of GPRS' retirement plan clients has the need for individualized wealth management services, including advice regarding a plan participant's self-directed brokerage account, GPRS may refer the individual to GPA. GPRS does not receive any compensation for this referral and GPRS clients are under no obligation to engage GPA for wealth management services. Further, an individual who is a participant in a plan managed by GPRS may engage GPA for wealth management services. In providing such services, GPA may, if deemed to be in the individual's best interest, recommend that the individual transfer assets from the plan to an account under GPA's management, and in managing such assets, GPA will receive an advisory fee. GPA manages these assets according to the individual's specific needs and circumstances, including his/her investment objective, risk tolerance, and any investment restrictions.

All employees must adhere to the ethical standards set forth in our Code of Ethics. See Item 11.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

GPRS has adopted a Code of Ethics (the "Code") that sets forth the high ethical standard of business conduct expected of GPRS's personnel. The Code of Ethics describes the firm's fiduciary duties and obligations to clients as well as the firm's practice of supervising the personal securities transactions of employees who maintain access to client information. GPRS personnel must adhere to the policies and procedures set forth in the Code.

Our Code requires, among other things, that each employee:

- Comply with all applicable federal securities laws;
- Act with integrity and competence with the public, clients, prospective clients, and other participants in the capital markets;
- Adhere to the highest standards with respect to any potential conflicts of interest with clients;
- Conduct all personal securities transactions in a manner consistent with GPRS' policy; and
- Report violations of the Code.

GPRS, and related persons of GPRS, including but not limited to its investment adviser representatives, may invest in the same securities (or related securities, e.g., warrants, options or futures) that GPRS or any of its related persons recommend to clients. Some of these investments may be placed at, or about the same time as, the placement of client securities transactions. This presents a conflict of interest, as the firm and its related persons may be incented to benefit from client transactions by placing their own interests ahead of those of the firm's clients.

It is our express policy that no person employed by or affiliated with GPRS shall prefer his or her own interest to that of a client or make personal investment decisions based on the investment decisions of our clients. GPRS requires that client transactions in Reportable Securities (as this term is defined in the Code of Ethics) be placed ahead of those of the firm or its related persons.

All GPRS' related persons' securities transactions are reported to the Chief Compliance Officer, who reviews all such transactions against transactions that have been recommended to GPRS clients, to ensure adherence to the terms of the firm's Code of Ethics.

GPRS will provide a copy of its Code to clients and prospective clients upon request.

## **Item 12 Brokerage Practices**

Clients may designate a broker-dealer for purposes of effecting transactions. In the absence of such designation by the client, GPRS may recommend broker-dealers such as Charles Schwab & Co., National Financial Services, Inc., or MSC Financial Services, LLC. In making such recommendation, GPRS considers several factors: (a) Execution capability, (b) reliability, (c) responsiveness, (d) commission rates, (e) financial responsibility, (f) reporting capability, (g) facility, and (h) investment availability. GPRS Does not direct brokerage in exchange for client referrals.

In the event the client designates a specific broker-dealer, GPRS will not negotiate the terms and arrangements of the designated broker-dealer for brokerage directed accounts. Furthermore, clients should understand that GPRS may not be able to aggregate their trades with other client account(s). Clients should consider whether the commission costs, execution clearance and settlement capabilities they will obtain through their broker are adequately favorable in comparison to what we would otherwise obtain for them.

GPRS does not obtain research through providing "soft-dollar" brokerage transactions.

## **Item 13 Review of Accounts**

Each investment adviser representative on a client account will review the account as needed, but not less frequently than annually for plan level accounts and not less frequently than quarterly for participant level accounts. Additional reviews will be conducted where there is a material change impacting the financial outlook of the client.

Clients will receive regular reports from the qualified custodian holding client assets. Clients are encouraged to review these reports promptly and contact either GPRS or the custodian, as appropriate, with any questions.

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

From time to time, GPRS may compensate other parties for client referrals in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. All such compensation will be disclosed to the client at the time of the referral as required by Rule 206(4)-3.

GPRS has entered into solicitor's relationships with Camden National Corporation and Acadia Trust, N.A., both "solicitors", through which the solicitors may be compensated for referring clients to GPRS. In accordance with the terms of a written agreement, the solicitors deliver to referral clients, at the time

of referral, a copy of this brochure as well as a Solicitors Disclosure Statement, which describes, among other things, the relationship between GPRS and the solicitor and the terms of compensation between them.

## **Item 15 Custody**

Guidance Point is not deemed to have custody of Client funds or Securities. Guidance Point's clients may instruct the custodian to debit the client's account for advisory fees each quarter. The custodian makes all fee calculations and does not take instruction with regard to the payment of fees from Guidance Point.

All clients who have elected to have our fees deducted directly from their account(s) should receive information as to fee deduction in the account statement from their qualified custodian. Clients should review these account statements, and compare them to our investment analysis reports.

## **Item 16 Investment Discretion**

### **Plan Level Advice**

GPRS manages clients' assets on a discretionary and non-discretionary basis; each such authority is memorialized in the agreement. In exercising our authority to manage clients' assets on a discretionary basis, we limit our authority to each client's investment policy statement, objectives, limitations and restrictions. The discretionary authority extended to GPRS by clients includes the ability to determine the securities and the amount of securities to be bought or sold for a client's account. The management of assets on a non-discretionary basis requires us to first obtain client authorization before we act on any recommendations made to the client's account.

### **Participant Recommendations**

All recommendations provided to plan participants are provided on a non-discretionary basis.

## **Item 17 Voting Client Securities**

GPRS does not accept authority to vote client securities. Clients will receive their proxies or other solicitations directly from the transfer agent, qualified custodian, or broker-dealer where applicable. Clients may contact GPRS if they have questions about a particular solicitation.

## **Item 18 Financial Information**

GPRS does not require or solicit pre-payment of more than \$1,200 in fees, six months or more in advance.

GPRS has no financial condition that is reasonably likely to impair its ability to meet its contractual obligations to clients.

Neither GPRS, nor any of its management persons, has been the subject of a bankruptcy petition.