

## Item 1- Cover Page



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## Firm Brochure (Part 2A of Form ADV)

July 20, 2011

This Brochure provides information about the qualifications and business practices of StrategicPoint Investment Advisors, LLC (hereinafter "SPIA"). If you have any questions about the contents of this Brochure, please contact us at (401) 273-1500 or [info@strategicpoint.com](mailto:info@strategicpoint.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.

SPIA is a registered investment adviser. Registration of 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.

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

## **Item 2 – Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated July 20, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Richard J Anzelone, JD, Managing Director and Chief Compliance Officer at (401) 273-1500 or [info@strategicpoint.com](mailto:info@strategicpoint.com). Our Brochure is also available on our website at [www.strategicpoint.com](http://www.strategicpoint.com), also free of charge.

Additional information about SPIA is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with SPIA who are registered, or are required to be registered, as investment adviser representatives of the firm. You can search this site by a unique identifying number, known as a CRD number. The CRD number for SPIA is 124636.

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## **Item 4 – Advisory Business**

SPIA provides portfolio management services and financial planning and advisory services to its clients. The services include, but are not limited to, personal financial planning and consulting, asset allocation, investment management and retirement planning.

SPIA, founded in 1989, is part of the Focus Financial Partners, LLC ("Focus") network. As such, SPIA is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus.

As of December 31, 2010, SPIA discretionary assets under management were approximately \$431.17MM and non-discretionary were approximately \$7,265,710. There is approximately an additional \$55,000,000 of fixed annuities that SPIA regularly monitors and advises on with respect to a client's overall financial evaluation.

### **PORTFOLIO MANAGEMENT SERVICES:**

#### **Investment Management Services ("IMS")**

SPIA's Investment Management Services ("IMS") provides proactive investment management including asset allocation, security selection, broker-dealer and custodial recommendations, and ongoing portfolio management for a client's retirement and non-retirement accounts. This includes a personalized portfolio and management structure geared to a client's stated goals, along with proactive account management on an ongoing basis with rebalancing whenever economic, market and geopolitical conditions deem it advisable. IMS also provides the client with unlimited access to a SPIA financial advisor, general financial planning and a customized web page for investment performance and account reporting.

SPIA begins by evaluating the risk-assessment questionnaire completed by the client, which helps the advisor to determine the client's overall investment experience, financial goals, targeted retirement date and tolerance for market risk. Based on this information, SPIA recommends a model investment portfolio for its clients account(s). After reviewing the financial information provided by the client and based on the client's long term goals, risk tolerance and time horizons, SPIA will develop an investment strategy for each account that the client maintains. An account typically consists of, but is not limited to, mutual funds, exchange traded funds, commodities, and/or bond funds, which hold only the client's securities and allows the client to have his/her own cost basis in each of the securities in the account.

SPIA offers six portfolio models, each with a range of investment risk. As a SPIA client, you are placed in a portfolio model based on measurements of your risk tolerance. Before selecting a

portfolio model, we talk to you about your understanding of, and ability to accept, risk. The goal is to select a portfolio model where you can feel comfortable in both good times and bad.

The portfolios are generally built around the following major strategies: Principal Protection, Conservative, Income, Balanced, Growth, and Aggressive Growth. SPIA actively monitors each strategy and shifts assets and sector rotations within a specified range, based on our market and economic analyses. As the investment manager, SPIA will invest/reinvest client assets in accordance with the Investment Policy Statement ("IPS") created by SPIA for each client.

Clients may change portfolio models at anytime by signing a new IPS. However, we encourage those changes only after careful discussion between client and client's advisor to ensure that life events are driving the request and not emotional reactions to temporary market conditions.

SPIA will re-balance the portfolio's investments, as necessary, so as to remain consistent with the client's stated financial goals and objectives. SPIA will provide annual updates to the investment strategy, as needed, and access to daily performance reporting through the Internet.

### **Retirement Management Services ("RMS")**

SPIA also offers Retirement Management Services ("RMS") which provides ongoing investment management at the participant level for employer-sponsored retirement plans (i.e. 401(k), 403(b) or 457 plans). With RMS, management of an employer-sponsored retirement plan ("Plan") is incorporated into a client's overall financial plan and investment planning. If the client is a participant in a 401(k) plan or other employee benefit plan that permits participants to direct investments into one or more investment alternatives, SPIA will assist the client in selecting among these investment options. If the client chooses and the Plan permits, SPIA will exercise direct control in managing the client's Plan. This requires Internet access along with a password and username provided by the client. Should the login process no longer work at some point during the management of the Plan, the client will be notified that in order to continue to manage their Plan, SPIA will need new login information, and it is incumbent on client to get SPIA the new login information, and also keep SPIA up to date on any Plan changes and/or security enhancements to their Plan.

With RMS, SPIA begins by evaluating the risk-assessment questionnaire completed by the client, which helps the advisor to determine the client's overall investment experience, financial goals, targeted retirement date and tolerance for market risk. Based on this information, SPIA recommends a model investment portfolio for a client's Plan. After reviewing the financial information provided by the client and based on the client's long term goals, risk tolerance and time horizons, SPIA will develop an investment strategy for the Plan. The portfolios are generally built around the following major strategies: Principal Protection, Conservative, Income, Balanced, Growth, and Aggressive Growth. SPIA actively monitors each

strategy and shifts assets and sector rotations within a specified range, based on our market and economic analyses. As the investment manager, SPIA will invest/reinvest client assets in accordance with the Investment Policy Statement ("IPS") created by SPIA for each client.

If SPIA is managing an employer-sponsored retirement plan through the Internet with full discretion, it will access the client's Plan using the client provided username and password. Once the Plan is accessed, SPIA will evaluate the current investments and/or allocations to make sure they are aligned correctly with the client's portfolio model (i.e. growth or balanced) based on client's specified risk level. Quarterly rebalancing along with rebalancing when deemed necessary by SPIA will be done on a random account basis by custodian rotation, and then again randomly on a Plan level within a particular custodian. This is done so that no one Plan is rebalanced in the same order all the time. Due to the labor intensive nature of logging into Plans to make investment and/or allocation changes pursuant to the portfolio models, it could take a few days for all Plans to be completed. If circumstances warrant SPIA to make changes in RMS accounts based on unique economic conditions, it will use its discretion in choosing an implementation strategy at the participant level. For example, if rebalancing needs to be done immediately due to some geopolitical or economic crisis, custodian rotation may not be used.

Whenever the Portfolio Management Committee ("PMC") makes changes to the portfolio models, these changes will cycle through to the RMS accounts. Wherever possible, SPIA will work to match the allocation of its portfolio models under IMS with each corresponding RMS account. However, not all Plans offer exact matches of investment choices (i.e. we may be purchasing an energy fund in our portfolio models in IMS accounts held at our custodian, Pershing, but some Plans may not offer an energy sector fund). In this instance, in order to meet the required allocation according to the portfolio model of the client, SPIA will attempt to find a corresponding investment that will keep the overall allocation of equities to fixed income to cash in proper alignment.

In addition to the rebalancing of the Plans as needed, at the instruction of the Chief Investment Officer, a minimum of quarterly reviews will also be conducted if there were no trades proposed over the previous 90 days. SPIA will review the current allocations in the Plans to ensure that they are within SPIA's recommended percentages for the portfolio model chosen by the client. If it is determined that the current allocation percentages are in line with the recommended portfolio model, no rebalancing is necessary to the Plan. If the current allocation percentages are not in line with the portfolio model, SPIA will execute those exchanges between investments (i.e. mutual funds) that will bring the allocations as close as possible to the percentages of the portfolio model. SPIA has the discretion to determine if the Plan is within acceptable portfolio model allocation percentages.

Once the Plan is rebalanced or it is determined that no action is required, SPIA will review and confirm that the client's selections for future allocations of salary deductions are in line with SPIA's current recommended portfolio model selected by the client. If the future allocations of

salary deductions are in line with the recommended portfolio model percentages, no further action is required. If the future allocation selections are not in line with the recommended portfolio model percentages, SPIA will change the future allocation percentages to align them with the model.

SPIA's ability to manage a Plan pursuant to a client's investment objective, as compared to the management of account(s) under IMS as mentioned above, is limited due to Plan rules, restrictions, investment choices and the labor intensive nature of logging into each client's Plan separately. Under IMS, the client opens an account with a custodian (i.e. SPIA uses Pershing as custodian and clearing firm) allowing SPIA greater flexibility in rebalancing an account along with a greater number of investment choices as opposed to what is usually offered by an employer-sponsored retirement plan.

RMS clients do not receive account reporting from SPIA because SPIA does not receive the electronic data required to prepare such reports.

### **Retirement Plan Services ("RPS")**

SPIA offers Retirement Plan Services ("RPS"), which involves establishing a new retirement plan (i.e. 401(k) plan) or replacing the employer's existing retirement plan, at the employer's discretion. For example, if a small business owner wants to establish a 401(k) plan or SIMPLE-IRA for herself and employees, she can open the account at Pershing along with her employees opening up accounts at Pershing. SPIA would manage the accounts in the same manner as described under Investment Management Services. Under RPS, if an employee benefit plan is considered an ERISA (The Employee Retirement Income Security Act) Plan, no securities transactions will be effected by StrategicPoint Securities ("SPS"), which is a broker-dealer affiliated with SPIA, on behalf of that client without the client's explicit authorization. The client's authorization of the use of SPS is terminable at will, without penalty to the client, upon receipt by SPIA of written notice of termination. Within the preceding three months of providing authorization, the client will receive information sufficient to provide authorization for the use of SPS, which includes: (1) a copy of the Department of Labor PTE 86-128; (2) a copy of a brokerage authorization termination form; (3) a description of SPIA's brokerage placement practices; and (4) any other reasonable information regarding the use of an affiliated broker-dealer that the client has requested. If SPS is used for introducing to Pershing the execution of securities transactions, SPIA will provide the client with such reports as may be required by the Department of Labor.

Accounts under IMS, RMS and RPS are managed on a discretionary basis only, which means that SPIA has the authority to make ongoing investment decisions within accounts without prior consent for individual transactions. SPIA does not permit client-directed trading within a managed account; however, clients will have the opportunity to place reasonable restrictions on SPIA management authority. As mentioned previously, clients may change portfolio model

at anytime by signing a new IPS. However, we encourage those changes only after careful discussion between client and client's advisor to ensure that life events are driving the request and not emotional reactions to temporary market conditions.

SPIA's Portfolio Management Services clients pay annually up to 1.50% of assets under management, payable quarterly in arrears, based on the aggregate net value of the assets in the managed account(s), valued as of the last business day of the calendar quarter. SPIA generally requires a minimum of \$250,000 of assets under management for each client relationship. Exceptions to the minimum amount may be separately negotiated on a case by case basis.

#### **RETIREMENT PLAN ADVISOR SERVICES ("REPAS"):**

SPIA offers pension consulting via its Retirement Plan Advisor Services ("REPAS") where SPIA will enter into an agreement with the employer to provide investment allocation recommendations to the participants of the employer-sponsored retirement plan offered by the company. The plan participants will be responsible for making the necessary changes to their individual retirement plan (i.e. 401(k) plan). SPIA will not have the authority to make any changes to the participant's employer sponsored retirement plan and is not responsible for the participant's failure to make the recommended changes.

SPIA will assist the employer in developing an Investment Policy Statement ("IPS"), if needed. The IPS will be in accordance with the fiduciary standards applicable to qualified retirement plans as defined under ERISA. SPIA will develop portfolio models ("models") consisting of funds currently available in the existing Plan (i.e. 401(k) plan or profit sharing plan). The models will consist of, but are not limited to, Principal Protection, Conservative, Income, Balanced, Growth, and Aggressive Growth. SPIA will review current retirement plan funds and recommend model allocations. The results of this analysis, including any changes to the portfolio models, will be highlighted in a monthly report. SPIA will provide this report to the employer and/or participants through email (if provided by the client), regular mail and/or meetings.

Educational meetings for all plan participants may be conducted each year by representatives of SPIA, as agreed to by SPIA and the employer. These meetings will be held on-site at the employer's office(s) and will cover a variety of financial topics.

#### **FINANCIAL PLANNING SERVICES:**

SPIA will provide a Financial Check-Up ("Check-Up") to clients in accordance with the practice standards provided by the Certified Financial Planners Board of Standards, Inc. The Check-Up may include, without limitations, an analysis of the following financial planning topics as applicable to the client's current situation:



- a balance sheet, retirement projections
- a review of life/disability and long term care insurance coverage
- college funding/savings
- a risk tolerance assessment

The Check-Up will cover those areas of financial planning that SPIA determines are applicable to the client based solely on the information provided to SPIA by the client.

SPIA will not be responsible for the implementation or the monitoring of the findings of the Check-Up or for day to day management or supervision of any client funds, securities or other assets unless the client has also selected one or more of SPIA's Portfolio Management Services, as described above. SPIA will not have any control over, or custody of any client funds, securities or other assets pursuant to the Financial Check-Up agreement and is not authorized by the client to take any actions with respect to the disposal or use of client's funds, securities or other assets. Any implementation of recommendations or day to day management of client funds, securities or other assets will require the signing of an Investment Advisory Services Agreement.

Financial Planning and/or other consulting not covered under the Check-Up is available to all clients and prospective clients.

## **Item 5 – Fees and Compensation**

### **PORTFOLIO MANAGEMENT SERVICE FEES:**

SPIA's Portfolio Management Service (IMS, RMS and RPS) clients annually pay up to 1.50% of assets under management, payable quarterly in arrears, based on the aggregate net value of the assets in the managed account(s), valued as of the last business day of the calendar quarter. SPIA negotiates a fee with each client, which is based on factors such as the client's specific needs and portfolio model(s) utilized in management of the client's account. SPIA generally requires a minimum of \$250,000 of assets under management for each client relationship. Exceptions to the minimum amount may be separately negotiated on a case by case basis. Clients who signed an Investment Advisory Services Agreement ("Agreement") prior to January 1, 2008, and pay their investment management fee in advance will begin to pay their investment management fee quarterly in arrears on their anniversary date in 2011.

The aggregate net value of the managed account(s) shall be determined on the basis of such asset statements as are provided by the custodian(s) of the account(s) or by any investment vehicle utilized in the account(s). The investment management fee will be prorated for any period in which services are provided for less than a full calendar quarter. In the event that services cease to be provided other than on the last business day of a calendar quarter, the

investment management fee will be based on the aggregate net value of the assets in the account(s) on the last business day that services are provided.

The investment management fee due SPIA hereunder is deducted from the account(s), if applicable, upon notification to the custodian. SPIA shall provide client with an invoice reflecting the amount of any fees due for a given period in addition to the giving of such notice to the custodian. The amount deducted from the account(s) for any investment management fee will also be shown as a disbursement on any account statement given to client by the custodian. The invoice will show the amount of the investment management fee, how it was calculated and the value of the assets on which the invoice was based. Client agrees to inspect promptly all invoices, and to promptly notify SPIA in writing concerning any complaint or objection.

The investment management fee may be paid by check, credit card or by debiting the client's account. If the client does not maintain an account with Pershing, clients agree to pay fees by credit card or check unless SPIA can debit a client's account established somewhere other than SPS' clearing firm.

The standard fee is subject to negotiation upon the prior written agreement between SPIA and the client. SPIA, in its discretion, may negotiate a different investment management fee and payment method in appropriate circumstances for similarly-situated clients. The fee and method may be based on a number of factors, including, but not limited to, the type and size of account, the services provided to the account, the client's other accounts with SPIA, the accounts of the client's family with SPIA and SPIA's assessment of the potential future business the client may generate.

#### **RETIREMENT PLAN ADVISOR SERVICE ("REPAS") FEES:**

Under SPIA's Retirement Plan Advisor Services, clients annually pay up to 1.50% of plan assets under management.

The fee will be billed quarterly in arrears based on the total value of the plan assets at the end of each calendar quarter. The valuation of the plan assets will be based on quarterly statements provided by the trustee or plan administrator to the plan and approved by SPIA. The standard fee is subject to negotiation upon the prior written agreement between SPIA and the plan sponsor.

The fee (depending on plan documents) due SPIA may be shared on a pro rata or per capita basis by participants and will be deducted from plan assets upon receipt by the trustee and/or plan administrator of an invoice provided by SPIA. The Agreement can be terminated by either party at anytime. If the Agreement is terminated within five days of initiation, client is entitled

to a full refund. After five days, SPIA will refund the balance of any pre-paid unearned fees, if applicable.

### **FINANCIAL PLANNING SERVICE FEES:**

The fee for a Financial Check-Up is \$300.00 per hour with a minimum of two hours billed. If SPIA determines that a Check-Up will take more than two hours to complete, SPIA and the client will agree on the amount of hours needed to complete the Check-Up at the time of entering into a written agreement. Fees are payable at the time of presentation of the Check-Up to the client. The fee can be paid by check or credit card, as selected by the client. If a client enters into an Investment Advisory Services Agreement within one year of signing a written agreement for a Check-Up, fifty percent (50%) of the paid fee will be credited toward the initial quarter's investment management fee. If the client is not satisfied with the Check-Up for any reason, the paid fee will be refunded.

All financial planning and consulting is billed at \$300.00 per hour and total hours billed for the planning and/or consulting is agreed to by SPIA and client prior to entering into a written agreement.

### **GENERAL INFORMATION ON FEES & SERVICES**

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of funds or the termination of any account, any fees, commissions or other expenses associated with rebalancing or liquidating the account holdings may be assessed to the client's account.

From time to time, portions of positions will be sold to bring the cash account balance to the level required for automatic deduction of fees. It is understood that the payment of these fees will reduce the total investment return.

In addition to SPIA's investment management fee, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers. Such fees may include, but are not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports.

**Please refer to Item 12 of this brochure for additional information regarding brokerage transactions.**

Where mutual funds are included within a portfolio, all fees paid to SPIA for Portfolio Management Services are separate and distinct from the fees and expenses charged by mutual

funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. SPIA strives to utilize only no-load mutual funds. However, if SPIA does choose to use a fund that imposes sales charges, this is waived by the fund company. A client could invest in a mutual fund directly, without the services of SPIA. In that case, the client would not receive the services provided by SPIA which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, SPIA encourages the client to review both the fees charged by the funds, the fees charged by SPIA and the fees charged by SPS to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Class Actions, Bankruptcies, and Other Legal Proceedings:** Clients should note that SPIA will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct SPIA to transmit copies of class action notices to the client or a third party. Upon such direction, SPIA will make commercially reasonable efforts to forward such notices in a timely manner.

The specific manner in which fees are charged by SPIA is established in a client's written agreement with SPIA. Clients may elect to be billed directly for fees or to authorize SPIA to directly debit fees from applicable client accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any accounts, any prepaid, unearned fee will be promptly refunded, and any earned, unpaid fees will be due and payable.

Clients who signed an Investment Advisory Services Agreement ("Agreement") prior to January 1, 2008, and pay their management fee in advance will begin to pay their investment management fee quarterly in arrears on their anniversary date in 2011.

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

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

## **Item 7 – Types of Clients**

SPIA provides Portfolio Management Services for a variety of clients including individuals, high net worth individuals, corporate profit-sharing plans and charitable institutions.

SPIA generally requires a minimum of \$250,000 of assets under management for each client relationship. Exceptions to the minimum amount may be separately negotiated on a case by case basis.

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

SPIA's Portfolio Management Committee ("PMC") is led by Betsey Purinton, CFP®, Chief Investment Officer, and also includes Richard Anzelone, JD, Managing Director and Chief Compliance Officer, and Derek Amey, Portfolio Manager and Director of Operations. SPIA's PMC generally meets weekly to discuss existing and prospective investments, with research being conducted between meetings. Investments are evaluated independently, as well as in the context of clients existing holdings and sector exposures.

The PMC works together to conduct fundamental analysis on all securities recommended for client accounts. This analysis varies depending on the security in question.

For mutual funds and Exchange Traded Funds ("ETFs") the analysis generally includes a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

### **Tactical Asset Allocation**

SPIA employs a proactive, tactical asset allocation process that incorporates our analysis of macro global economic data and industry/sector trends. Tactical asset allocation does not mean "market timing," but it is fundamentally different than the "buy and hold" strategy or passive reallocation based on fixed formulas.

Tactical asset allocation requires the manager to establish ranges for the weighting of each asset class in the portfolio. SPIA determines actual percentage allocations within the established ranges based on our economic and market analysis.

Tactical asset allocation is an active investment strategy. It means ongoing review of data, markets and specific assets. That does not mean that we trade every day, but it means that we must be ready to trade every day. Trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

## **Portfolio Construction**

The following steps are used in the formation and management of our portfolios:

*Establishing the Macroeconomic Trends:* Our portfolios are constructed and monitored by our Portfolio Management Committee (“PMC”) which consists of key members of the StrategicPoint executive team. In building and reviewing our portfolios, the PMC first compiles the data necessary to formulate a thesis about where we believe we are in the business cycle. This “top-down” analysis includes, but is not limited to, such domestic and international data points such as: monetary policy, inflation, corporate profits, forward P/E, employment, GDP, business cycle trends, consumer sentiment and spending, productivity, mutual fund inflows, fiscal policy and geopolitical events.

*Practicing Risk Diversification:* Different asset classes work best with different risk scenarios. Unlike traditional diversification, which only requires investing in a variety of assets, SPIA encourages risk diversification, whereby we place assets within different risk parameters and then emphasize or de-emphasize the holdings based on our macroeconomic view of the economy.

*Selecting Timely Asset Allocation:* Through our understanding of macroeconomic trends and risk diversification, SPIA’s PMC revises its overall asset allocation for each portfolio model with regards to equities, commodities, fixed income, cash or any other type of asset class within the models.

The PMC then looks to purchase or sell individual holdings within each of the asset classes based on:

- *Identifying Sectors.* Tactical asset allocators believe that certain sectors of the economy and markets can outperform in different segments of the business cycle.
- *Balancing Income and Growth.* Our performance is based on total return, a combination of yield and appreciation. Our more conservative portfolios tend to hold more income producing assets while our more aggressive portfolios most often focus on appreciation over yield.
- *Determining Attractive Valuations:* It is not enough to identify a strong asset class in a particular market environment. We must also look at the asset’s valuation to avoid the treachery of buying too high. Even the best holdings can tumble if their prices are elevated, and many out-of-favor assets can be attractive at some price point. This means that sometimes we must be patient for the right buying opportunity. At the same time, we should be willing to sell if profits increase our valuations above our desired allocation.

## **RISKS:**

All investing involves a risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds and ETFs), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by SPIA may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in SPIA's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging market funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected returns. This risk is greatest for longer-term bonds.

Certain funds utilized by SPIA may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in mutual fund prospectuses within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SPIA or the integrity of SPIA's management. SPIA has no information applicable to this Item.

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

### **Financial Industry Affiliations**

SPIA is a subsidiary of StrategicPoint Holdings, LLC, which is a holding company owned by Focus Financial Partners, LLC. In addition to SPIA, StrategicPoint Holdings, LLC, is the holding company for StrategicPoint Securities, LLC (“SPS”), and StrategicPoint Insurance Services, LLC (“SPIS”).

As such, StrategicPoint Holdings, LLC is a wholly- owned subsidiary of Focus Operating, LLC, (“Focus”). Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial services firms (the “Focus Partners”). The Focus Partners provide wealth management and benefit and investment consulting services, serving individuals, families, employers, and institutions. SPIA’s management does not feel that this relationship poses a material conflict to clients. The Focus Partners do not share client information amongst each other without prior client consent. Management of the other Focus Partners is not involved in the management of SPIA. Some Focus Partners also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADVs Schedule D.

A list of the affiliated investment advisers and broker-dealers can be found on StrategicPoint Investment Advisors' Form ADV Part 1 Schedule D, Section 7A. Additional Information about Focus and the Focus Partners can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

StrategicPoint Securities, LLC (“SPS”) is an affiliated broker-dealer of SPIA which may provide introducing broker-dealer services on behalf of SPIA. SPS is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). If a client authorizes SPIA to use its affiliated introducing broker-dealer, SPS, to introduce transactions to Pershing, the custodian, for execution on behalf of a client, it will result in compensation to SPS. The additional compensation generated includes, but is not limited to, ticket charges, cash management sweep programs and Fundvest asset-based revenue sharing (12b-1 fees). Such payments to SPS will not be offset against SPIA’s investment management fee. Additionally, clients are responsible for account maintenance and termination fees charged by Pershing, if applicable, along with fees charged by Pershing for sending paper account statements and confirmations through regular mail. In order to avoid the charges for the delivery of account statements and confirmations, Pershing offers paperless delivery for client accounts.



The use of SPS as the introducing broker-dealer presents conflicts of interest and gives SPIA an incentive to recommend investments based on the compensation received, rather than on a client's needs. In order to address conflicts of interest related to receipt of additional compensation under SPS, to the extent mutual funds are utilized in a client portfolio, SPIA's Portfolio Management Committee always recommends no load mutual funds (or if there is a sales charge, SPS ensures it is waived). SPIA manages this conflict by choosing an investment vehicle that is in the best interest of the client without taking into account if SPS is being compensated with 12b-1 fees or ticket charges. SPIA also has an incentive to over trade in order to generate ticket charges for SPS but also manages this conflict by making decisions in the best interest of the client and makes investment decisions based on fundamental analysis as opposed to revenue generated for SPS.

**Item 12 further describes this affiliation and the factors that SPIA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.**

SPS shares office space with SPIA and certain officers and employees of SPIA are also registered representatives of SPS. More specifically, Derek Amey and Richard Anzelone are principals and registered representatives of StrategicPoint Securities. StrategicPoint Insurance Services ("SPIS"), an affiliate of SPIA, provides insurance review and consultation services and products. SPIS is a licensed insurance producer which may act as a general agent and/or broker for various insurance companies. The principal executive officers and other employees of SPIA, in their individual capacities, may be agents and/or brokers for various insurance companies. As such, these individuals, in their separate capacity as registered representatives or insurance agents, have the ability to purchase brokerage or insurance products (i.e. fixed annuities, equity indexed annuities or life insurance) for clients, for which they will receive separate, yet customary compensation. Clients, however, are not under any obligation to engage these individuals when considering implementation of transactions.

The implementation of any or all brokerage or insurance products is solely at the discretion of the client. The investment management fee paid to SPIA does not cover any commissions or other compensation resulting from transactions effected through SPIS or any other insurance agency.

**Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

SPIA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. SPIA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth SPIA's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with SPIA may buy or sell securities for their

personal accounts identical or different than those recommended to clients. It is the expressed policy of SPIA that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, SPIA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. SPIA also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's, private placements (limited offerings) or placing any trades in an account not managed by SPIA.

SPIA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. SPIA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

SPIA will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

## **Item 12 – Brokerage Practices**

### **PORTFOLIO MANAGEMENT SERVICE ACCOUNTS:**

SPIA's affiliate StrategicPoint Securities, LLC ("SPS") is an introducing broker-dealer that clears through Pershing. As an introducing broker-dealer, SPS does not hold or custody client funds or securities. SPS accounts are carried on a fully disclosed basis at Pershing, LLC, a BNY (Bank of New York) Group company. Pershing, LLC provides clearing services for SPS.

SPIA recommends that IMS and RPS clients utilize SPS as their introducing broker-dealer and Pershing as the executing broker-dealer for securities transactions. Clients are not obligated to use SPS as the broker-dealer, and are free to use the broker-dealer of their choice, or give SPIA discretion regarding the broker-dealer, as indicated in the Investment Advisory Services Agreement each client enters into with SPIA.

For those clients that select SPS as introducing broker-dealer, all client account order flow (primarily, ETFs and mutual funds) is routed through Pershing for execution, settlement, and custody.

Based on SPIA's recommendation, clients typically provide SPIA the discretion to select SPS as the introducing broker-dealer; however the client may direct the use of a different broker-

dealer. Clients are required to utilize Pershing as custodian and clearing broker when SPS is the introducing broker-dealer, unless otherwise agreed to by SPIA and client. Because most of SPIA's clients currently select its broker-dealer affiliate, SPS, to introduce trades to Pershing for execution, the client's selection of another broker-dealer may be disadvantageous, as it will prevent the client's orders from being aggregated with orders of others. This use of another broker-dealer can result in the client's transactions being executed after transactions placed with SPS, which can result in less favorable terms.

SPIA will generally seek the best combination of net price (including transaction charges) and execution for an account if SPS is selected as the introducing broker-dealer. If the client directs the use of a broker-dealer other than SPS, it should be understood that SPIA will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In such cases, the client may incur transaction fees and commission charges that are different from those charged to other clients.

If a client authorizes SPIA to use its affiliated broker-dealer, SPS, to introduce transactions to Pershing for execution on behalf of a client, it will result in compensation to SPS. The additional compensation generated includes, but is not limited to, ticket charges, cash management sweep programs and Fundvest asset-based revenue sharing (12b-1 fees). Such payments to SPS will not be offset against SPIA's investment management fee. Additionally, clients are responsible for account maintenance and termination fees charged by Pershing, if applicable, along with fees charged by Pershing for sending paper account statements and confirmations through regular mail. In order to avoid the charges for the delivery of account statements and confirmations, Pershing offers paperless delivery for client accounts.

The use of SPS as the introducing broker-dealer presents conflicts of interest and gives SPIA an incentive to recommend investments based on the compensation received, rather than on a client's needs. SPIA manages this conflict by choosing an investment vehicle that is in the best interest of the client without taking into account if SPS is being compensated with 12b-1 fees or ticket charges. SPIA also has an incentive to over trade in order to generate ticket charges for SPS but also manages this conflict by making decisions in the best interest of the client and makes investment decision based on fundamental analysis as opposed to revenue generated for SPS. These conflicts are disclosed to clients in this brochure and the Investment Advisory Services Agreement. In addition, for ERISA clients, PTE 86-128 reports are mailed to clients within 45 days of the end of a calendar quarter disclosing any commissions.

SPIA, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis. Soft dollars generally refers to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third party provider,

in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

**Trade Aggregation** (for IMS and RPS clients using SPS as introducing broker-dealer)

The principals of SPIA and/or other employees of SPIA, buy or sell for their own personal accounts securities which have also been recommended by SPIA to clients. In fact, in most cases, SPIA manages employees' portfolios identical to that of our clients. Any implementation of securities transactions in employees' portfolios is likely to be statistically insignificant in relation to the market as a whole. However, in all cases, SPIA shall avoid any conflict of interest. SPIA may aggregate trades for its employees with client trades, providing that the general aggregation policy set forth below is satisfied:

- 1) SPIA will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of SPIA's Investment Advisory Services Agreement with each client for which trades are being aggregated
- 2) If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with an Allocation Statement; if the order is partially filled, it will be allocated pro rata based on the Allocation Statement
- 3) SPIA will prepare, before entering an aggregated order, a written statement ('Allocation Statement') specifying the participating client accounts and employees and how it intends to allocate the order among those clients
- 4) No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all SPIA's transactions in a given security on a given business day, with transaction costs shared pro rata based on each client's participation in the transaction
- 5) Where a client is an employee of SPIA or an affiliate of SPIA, ("Employee Client") the orders of certain employee client accounts may not be aggregated with the orders of other SPIA clients where the SPIA client could be disadvantaged including in terms of price or execution. In such instances, the orders of certain employee client accounts must not be entered and allocated before the orders of other SPIA client accounts in the same securities that are entered and allocated
- 6) An order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by SPIA 's compliance officer no later than

one hour after the opening of the markets on the trading day following the day the order was executed

7) SPIA's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account

8) SPIA will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation, and

9) Individual advice and treatment will be accorded to each advisory client

With respect to RMS accounts, SPIA is only able to place transactions through the third-party administrator or custodian selected by the retirement plan's Trustees.

#### **RETIREMENT PLAN ADVISOR SERVICES (REPAS):**

SPIA provides ongoing consulting services to clients participating in the REPAS program. However, SPIA is not responsible for the implementation of any consulting recommendations. Transactions are executed directly through employee plan participation.

#### **FINANCIAL PLANNING SERVICES:**

Financial Planning clients will be required to select their own broker-dealers and insurance companies for the implementation of advisory recommendations. When consistent with its fiduciary duties, SPIA may recommend a representative of its affiliates (SPS for brokerage products and SPIS for insurance products). SPIA does not have the authority to negotiate volume transactions or commission rates, or otherwise seek best execution for clients implementing financial planning recommendations.

Although SPIA will only recommend the services of affiliated persons when consistent with its fiduciary duty, the receipt of additional compensation by SPIA's affiliated persons for the implementation of financial planning recommendations creates a conflict of interest.

### **Item 13 – Review of Accounts**

As part of SPIA's Portfolio Management Services, underlying securities and holdings common to all clients' accounts are monitored on an ongoing basis and reviewed by the Portfolio Management Committee ("PMC"). Accounts are monitored and reviewed as to asset allocation, sector allocation, individual holdings, suitability and performance on a weekly basis, but quarterly for RMS accounts, or more frequently as necessary to respond to changes in economic or market conditions or if a client informs SPIA of changes in the client's financial

circumstances or investment objectives. The monitoring of accounts is both computer and manual based with reviews being completed by certain members of the PMC.

The client's overall financial planning and investment portfolio reports are reviewed with the client by the advisor in charge of the account, associate assigned and/or relationship manager once a year during the annual client review or as is requested by the client. A client's financial plan is not updated unless requested by client through conversations with the advisor in charge of the relationship.

For IMS and RPS clients, SPIA provides through its website various reports such as performance reports, portfolio appraisals and realized gains and loss reports. In addition, if a fixed annuity is purchased through StrategicPoint Insurance Services, these annuities can be viewed through SPIA's website. However, fixed equity indexed annuities, due to their individualized performance strategies, are not included in our website reporting. For RMS and REPAS clients, SPIA does not provide reports for clients.

The PMC is primarily responsible for the day to day management of the portfolios as mentioned above. The PMC determines SPIA's principal investment strategies, including the types and particular securities to buy, sell or hold on behalf of client accounts. The PMC currently includes, but is not limited to: Betsey Purinton, CFP®, Managing Director and CIO, Richard Anzelone, JD, Managing Director and CCO and Derek Amey, Portfolio Manager and Director of Operations.

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

SPIA has an agreement with an unaffiliated insurance agent that if SPIA refers a person to this agent and there is a subsequent purchase of long term care or disability insurance through the unaffiliated insurance agent, SPIA will receive fifty (50%) percent of the commission. However, as mentioned previously, clients are under no obligation to use SPIA or this unaffiliated insurance agent when SPIA recommends long term care, disability insurance or any other insurance product to the client as part of its Financial Planning or other services. The implementation of any and all insurance products (i.e. fixed annuities or equity indexed annuities), and the agent to utilize for the implementation process, is solely at the discretion of the client.

**Please refer to Item 10 and Item 12 for further discussion about other compensation.**

## **Item 15 – Custody**

SPIA does not maintain custody of client funds or securities. IMS and RPS clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian (Pershing, LLC) that holds and maintains client's investment assets. SPIA urges you to carefully review such statements and compare such official custodial records to the reports that SPIA may provide to you through our website. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

For IMS, RMS and RPS clients, SPIA will have the discretionary authority to pick the securities and the amount of securities for the purchase and sale for the client's account, without obtaining specific client consent. These purchases and sales will be guided by the stated investment objectives of each client. A client may impose reasonable restrictions on the services provided for the account. SPIA reserves the right to refuse or to terminate any client account (pursuant to the contract's termination clause) if the client imposes unreasonable restrictions as determined by SPIA. In no event does SPIA exercise discretionary authority within client accounts without a fully completed and signed Agreement authorizing discretionary trading for those accounts.

## **Item 17 – Voting Client Securities**

It is the policy of SPIA as a fiduciary to vote certain proxies on behalf of its Portfolio Management Service clients as required. However, clients selecting SPIA's RMS or REPAS services should be aware that SPIA will not vote any proxies for such accounts.

Consistent with serving its clients with undivided loyalty, SPIA will cast proxy votes for the sole purpose of enhancing the benefits of its advisory services by using the care, skill and diligence that a prudent person acting in a like capacity and familiar with such matters would use under the prevailing circumstances. Generally, votes will be cast to maximize shareholder value. The firm's investment philosophy is to purchase quality companies for the portfolios of its clients. One of the main criteria for quality is excellence in management. SPIA therefore tends to vote issues in alignment with management's recommendations, if there is no conflict with shareholder value. For example, "Poison Pills" and other anti-takeover measures are not supported, even if recommended by management.

In situations where a material conflict may arise between the interests of SPIA and its clients, SPIA will provide the client with full and complete disclosure and invite clients to submit his or her own proxy voting preference on any issue that is subject to a shareholder vote.

As a matter of firm policy and practice, with respect to those accounts over which SPIA does not have investment management authority or discretion, clients expressly retain the authority and responsibility for voting proxies. Subject to SPIA's acceptance, clients may authorize SPIA by means of a separate written authorization to receive all proxy-related materials concerning securities held in clients' accounts and may delegate to SPIA the authority to vote proxies on behalf of clients in accordance with the policy and practices applicable to discretionary accounts set forth above.

Upon entering into agreements for its advisory services, SPIA provides clients with its Proxy Voting Policy and makes it continuously available through its website.

Upon client request, SPIA will furnish information about how their proxies have been voted. Clients may request this information by contacting StrategicPoint Investment Advisors, LLC by phone at (401) 273-1500, in writing to 294 West Exchange Street, Providence, RI 02903, or visiting our website at [www.strategicpoint.com](http://www.strategicpoint.com).

Even though SPIA may be authorized to vote proxies in client accounts as described above, clients should be aware that SPIA will not handle or process any potential "class action" claims or similar settlements that clients may be entitled to for securities held in client accounts. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with the custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the investment adviser's financial condition. SPIA 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.