

# GuideStream Financial, Inc.

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## **Brochure Dated February 10, 2012**

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This Brochure provides information about the qualifications and business practices of GuideStream Financial, Inc. (“GuideStream Financial”). If you have any questions about the contents of this Brochure, please contact us at (517) 750-2727 or [dkurtz@fmfoundation.org](mailto:dkurtz@fmfoundation.org). 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 GuideStream Financial, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to GuideStream Financial, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

There have been no material changes made to GuideStream Financial, Inc.’s disclosure statement since last year’s Annual Amendment filing on March 30, 2011.

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#### Item 4            Advisory Business

- A. GuideStream Financial is a corporation formed on June 22, 2009 in the State of Michigan. GuideStream Financial became registered as an Investment Adviser Firm on August 24, 2009. GuideStream Financial is owned by The Free Methodist Foundation. Mark Steven Olson is GuideStream Financial's President.
- B. As discussed below, GuideStream Financial offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### INVESTMENT ADVISORY SERVICES

The client can determine to engage GuideStream Financial to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. GuideStream Financial's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under GuideStream Financial's management (between 0.59% and 1.09%), to be charged monthly in arrears, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
\$1 to \$250,000	1.09%
\$250,001 to \$1,000,000	0.94%
Over \$1,000,000	0.59%

GuideStream Financial's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of GuideStream Financial), GuideStream Financial may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

#### FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, GuideStream Financial *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. GuideStream Financial's planning and consulting fees are negotiable, but generally range from \$150 to \$2,500 on a fixed fee basis, upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging GuideStream Financial to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with GuideStream Financial setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to GuideStream Financial commencing services. If requested by the client, GuideStream Financial may recommend the services of other professionals for implementation purposes, including a representative of GuideStream Financial in his separate capacity as a licensed insurance agent. (*See* disclosure at Item 10 C.8). The client is under no obligation to engage the services of any such recommended

professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GuideStream Financial. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** Each client is advised that it remains the client's responsibility to promptly notify GuideStream Financial if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising GuideStream Financial's previous recommendations and/or services.

## **MISCELLANEOUS**

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, GuideStream Financial *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither GuideStream Financial, nor any of its representatives, serves as an attorney or accountant, and no portion of GuideStream Financial's services should be construed as same. To the extent requested by a client, GuideStream Financial may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including a representative of GuideStream Financial in his separate capacity as a licensed insurance agent discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GuideStream Financial. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** Each client is advised that it remains the client's responsibility to promptly notify GuideStream Financial if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising GuideStream Financial's previous recommendations and/or services.

**Sub-Advisory Arrangements.** GuideStream Financial may engage sub-advisors for the purpose of assisting GuideStream Financial with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by GuideStream Financial. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by GuideStream Financial. GuideStream Financial shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions concerning GuideStream Financial's sub-advisory arrangements.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage GuideStream Financial on a non-discretionary investment advisory basis **must be willing to accept** that GuideStream Financial cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, GuideStream Financial will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**Please Note: The Free Methodist Foundation (Potential Conflict of Interest).**

GuideStream Financial is wholly owned by The Free Methodist Foundation (“FMF”), which is a subsidiary of the Free Methodist Church of North America, GuideStream Financial and FMF share commonality of officers, directors and employees. FMF serves in a trustee capacity. FMF is an exempt corporate trustee under state law (religious organization). Certain clients for whom FMF may serve as Trustee may also have a separate investment advisory relationship with GuideStream Financial. Neither GuideStream Financial nor FMF maintains physical custody of any client advisory funds or Trust funds.

In addition, GuideStream Financial’s President, Mark S. Olson, is also the Executive Vice President of FMF and oversees the Free Methodist Investment and Loan Fund (the “Fund”). The Fund is a church extension fund into which members, contributors and participants of the Free Methodist Church may invest, including clients of GuideStream Financial. No portion of Fund principal is guaranteed by any governmental authority, including, but not limited to, the Federal Deposit Insurance Corporation (“FDIC”). GuideStream Financial does not exercise any discretionary authority to place any client assets into the Fund, nor does GuideStream Financial provide any investment advisory services to the Fund. GuideStream Financial does not recommend that any client invest in the Fund. In the event that a client requests information from GuideStream Financial regarding the Fund, GuideStream Financial will direct such client directly to an FMF employee who does not provide investment advice on behalf of GuideStream Financial. It remains the client’s decision whether or not to invest in the Fund. Nevertheless, because of the relationship between FMF and GuideStream Financial, a **conflict of interest** does arise. **A complete discussion of the Fund is set forth in the Fund’s subscription documents, which will be provided directly by FMF to each prospective investor for review and consideration. Each prospective investor will generally be required to complete a Subscription Agreement, pursuant to which the investor shall acknowledge and accept the various risk factors that are associated with such an investment. GuideStream Financial’s Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding this arrangement.**

**Please Note: GuideStream Charitable Gift Fund (Potential Conflict of Interest)**

GuideStream Financial is also affiliated with the GuideStream Charitable Gift Fund (the “Gift Fund”), a separate 501(c)(3) charity. Although it shares a common name, GuideStream Financial does not manage the Fund or operate the Fund. The Fund is a donor advised exempt fund into which individuals may choose to contribute to further their charitable endeavors, including clients of GuideStream Financial. The Fund has not been approved by any regulatory authority, nor is any portion of Fund principal guaranteed by any governmental authority, including, but not limited to, the Federal Deposit Insurance Corporation (“FDIC”). GuideStream Financial does not exercise any discretionary authority to place any client assets into the Fund, nor does GuideStream Financial provide any investment advisory services to the Fund. GuideStream Financial does not recommend that any client donate to the Fund. In the event that a client requests information from GuideStream Financial regarding the Fund, GuideStream Financial will direct such client directly to a Gift Fund employee who does not provide investment advice on behalf of GuideStream Financial. It remains the client’s decision whether or not to donate to the Fund. Nevertheless, because of the relationship between the Gift Fund and GuideStream Financial, a **conflict of interest** does arise. **A complete**

discussion of the Fund is set forth in the Fund's subscription documents, which will be provided directly by the Gift Fund to each prospective donor for review and consideration. Each prospective donor will generally be required to complete a Donor Application Form. GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding this arrangement.

**Trade Error Policy.** GuideStream Financial shall reimburse accounts for losses resulting from GuideStream Financial's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within GuideStream Financial's custodian firm account and GuideStream Financial retains the net gains and losses.

**Client Obligations.** In performing its services, GuideStream Financial shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify GuideStream Financial if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising GuideStream Financial's previous recommendations and/or services.

- C. GuideStream Financial shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, GuideStream Financial shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on GuideStream Financial's services.
- D. GuideStream Financial does not participate in a wrap fee program.
- E. As of January 31, 2012, GuideStream Financial had \$64,883,824 in assets under management on a discretionary basis and \$2,227,665 on a non-discretionary basis.

## Item 5 Fees and Compensation

- A. The client can determine to engage GuideStream Financial to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage GuideStream Financial to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, GuideStream Financial's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under GuideStream Financial's management (between 0.59% and 1.09%), to be charged monthly in arrears, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
\$1 to \$250,000	1.09%
\$250,001 to \$1,000,000	0.94%
Over \$1,000,000	0.59%

GuideStream Financial's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of GuideStream Financial), GuideStream Financial may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, GuideStream Financial *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. GuideStream Financial's planning and consulting fees are negotiable, but generally range from \$150 to \$2,500 on a fixed fee basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have GuideStream Financial's advisory fees deducted from their custodial account. Both GuideStream Financial's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of GuideStream Financial's investment advisory fee and to directly remit that management fee to GuideStream Financial in compliance with regulatory procedures. In the limited event that GuideStream Financial bills the client directly, payment is due upon receipt of GuideStream Financial's invoice. GuideStream Financial shall deduct fees and/or bill clients monthly in arrears, based upon the average daily market value of the assets during the previous month.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, GuideStream Financial shall generally recommend that Pershing, LLC ("*Pershing*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Pershing* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are

charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to GuideStream Financial's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom GuideStream Financial and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by *Pershing*).

- D. GuideStream Financial's annual investment advisory fee shall be prorated and paid monthly, in arrears, based upon the average daily market value of the assets during the previous month. GuideStream Financial generally requires an annual minimum fee of \$120 or a minimum asset level of \$10,000 for investment advisory services. GuideStream Financial, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee or asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between GuideStream Financial and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, GuideStream Financial shall debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing month.

- E. Neither GuideStream Financial, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither GuideStream Financial, nor any supervised person of GuideStream Financial, accepts performance-based fees.

## **Item 7            Types of Clients**

GuideStream Financial's clients shall generally include individuals, business entities, trusts, estates, charitable organizations and pension and profit sharing plans. GuideStream Financial generally requires an annual minimum fee of \$120 or a minimum asset level of \$10,000 for investment advisory services. GuideStream Financial, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee or asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).



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

- A. GuideStream Financial may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
  - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

GuideStream Financial may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by GuideStream Financial) will be profitable or equal any specific performance level(s).

- B. GuideStream Financial's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis GuideStream Financial must have access to current/new market information. GuideStream Financial has no control over the dissemination rate of market information; therefore, unbeknownst to GuideStream Financial, certain analyses may be compiled with outdated market information, severely limiting the value of GuideStream Financial's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

GuideStream Financial's primary investment strategy - Long Term Purchases – is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop.

- C. Currently, GuideStream Financial primarily allocates client investment assets among various individual equity (stocks), debt (bonds), and fixed income securities, mutual funds and/or exchange traded funds and separately managed accounts on a discretionary and-non-discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

GuideStream Financial has not been the subject of any disciplinary actions.

## Item 10            Other Financial Industry Activities and Affiliations

- A. Neither GuideStream Financial, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither GuideStream Financial, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.
  - 8. **Licensed Insurance Agent.** One of GuideStream Financial's representatives, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of GuideStream Financial's representatives to purchase insurance products on a commission basis.

**Please Note:** One of the representatives of GuideStream Financial, in his individual capacity, provides insurance on an accommodation basis for GuideStream Financial's clients. Neither GuideStream Financial nor the representative holds itself/himself out as providing insurance services to the general public. All commissions received by the individual and/or GuideStream Financial shall be donated to a benevolent charitable fund. GuideStream Financial/representative's insurance operations are not material to GuideStream Financial's advisory operations. No client is under any obligation to purchase any commission products from GuideStream Financial's representative.

**Potential Conflict of Interest:** The recommendation by GuideStream Financial's representative that a client purchase an insurance commission product presents a potential *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from GuideStream Financial's representative. Clients are reminded that they may purchase insurance products recommended by GuideStream Financial through other, non-affiliated insurance agents. **GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. GuideStream Financial does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. GuideStream Financial maintains an investment policy relative to personal securities transactions. This investment policy is part of GuideStream Financial's overall Code of Ethics, which serves to establish a standard of business conduct for all of GuideStream Financial's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, GuideStream Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GuideStream Financial or any person associated with GuideStream Financial.

- B. Neither GuideStream Financial nor any related person of GuideStream Financial recommends, buys, or sells for client accounts, securities in which GuideStream Financial or any related person of GuideStream Financial has a material financial interest.
- C. GuideStream Financial and/or representatives of GuideStream Financial *may* buy or sell securities that are also recommended to clients. This practice may create a situation where GuideStream Financial and/or representatives of GuideStream Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if GuideStream Financial did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of GuideStream Financial’s clients) and other potentially abusive practices.

GuideStream Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of GuideStream Financial’s “Access Persons.” GuideStream Financial’s securities transaction policy requires that an Access Person of GuideStream Financial must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date GuideStream Financial selects; provided, however that at any time that GuideStream Financial has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. GuideStream Financial and/or representatives of GuideStream Financial *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where GuideStream Financial and/or representatives of GuideStream Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, GuideStream Financial has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of GuideStream Financial’s Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that GuideStream Financial recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct GuideStream Financial to use a specific broker-dealer/custodian), GuideStream Financial generally recommends that investment management accounts be maintained at *Pershing*. Prior to engaging GuideStream Financial to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with GuideStream Financial setting forth the terms and conditions

under which GuideStream Financial shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that GuideStream Financial considers in recommending *Pershing* (or any other broker-dealer/custodian to clients) include historical relationship with GuideStream Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by GuideStream Financial's clients shall comply with GuideStream Financial's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where GuideStream Financial determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GuideStream Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, GuideStream Financial's investment management fee. GuideStream Financial's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits. Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, GuideStream Financial may receive from *Pershing* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist GuideStream Financial to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by GuideStream Financial may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by GuideStream Financial in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist GuideStream Financial in managing and administering client accounts. Others do not directly provide such assistance, but rather assist GuideStream Financial to manage and further develop its business enterprise.

GuideStream Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Pershing* as a result of this arrangement. There is no corresponding commitment made by GuideStream Financial to *Pershing* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. GuideStream Financial does not receive referrals from broker-dealers.
3. GuideStream Financial does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements the client will negotiate terms and arrangements for their account with that broker-dealer, and GuideStream Financial will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by GuideStream Financial. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs GuideStream Financial to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through GuideStream Financial.

**GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that GuideStream Financial provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless GuideStream Financial decides to purchase or sell the same securities for several clients at approximately the same time. GuideStream Financial may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GuideStream Financial's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. GuideStream Financial shall not receive any additional compensation or remuneration as a result of such aggregation.

## **Item 13      Review of Accounts**

- A. For those clients to whom GuideStream Financial provides investment supervisory services, account reviews are conducted on an ongoing basis by GuideStream Financial's President and representatives. All investment supervisory clients are advised that it remains their responsibility to advise GuideStream Financial of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone)

are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with GuideStream Financial on an annual basis.

- B. GuideStream Financial *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GuideStream Financial may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, GuideStream Financial may receive an indirect economic benefit from *Pershing*. GuideStream Financial, without cost (and/or at a discount), may receive support services and/or products from *Pershing*.

GuideStream Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Pershing* as a result of this arrangement. There is no corresponding commitment made by GuideStream Financial to *Pershing* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither GuideStream Financial, nor any related person, compensates any non-supervised person for client referrals.

#### **Item 15      Custody**

GuideStream Financial shall have the ability to have its advisory fee for each client debited by the custodian on a monthly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GuideStream Financial may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that GuideStream Financial provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by GuideStream Financial with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of GuideStream Financial's advisory fee calculation.

## Item 16      Investment Discretion

The client can determine to engage GuideStream Financial to provide investment advisory services on a discretionary basis. Prior to GuideStream Financial assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming GuideStream Financial as the client's attorney and agent in fact, granting GuideStream Financial full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage GuideStream Financial on a discretionary basis may, at anytime, impose restrictions, **in writing**, on GuideStream Financial's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe GuideStream Financial's use of margin, etc.).

## Item 17      Voting Client Securities

- A. GuideStream Financial votes client proxies. Absent mitigating circumstances and/or conflicts of interest (to the extent any such circumstance or conflict is presented, if ever, information pertaining to how GuideStream Financial addressed any such circumstance or conflict shall be maintained by GuideStream Financial), it is GuideStream Financial's general policy to vote proxies in conjunction with the services provided by, and consistent with the recommendations of Broadridge Investor Communications Solutions ("Broadridge"). With regard to Taft-Hartley clients, GuideStream Financial has retained Broadridge, at no cost to the client, to vote all proxies in accordance with AFL-CIO Guidelines for Voting Proxies which by definition is in the best interests of the client.

GuideStream Financial (in conjunction with the services provided by Broadridge) shall monitor corporate actions of individual issuers and investment companies consistent with GuideStream Financial's fiduciary duty to vote proxies in the best interests of its clients. With respect to individual issuers, GuideStream Financial may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), GuideStream Financial may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. GuideStream Financial (in conjunction with the services provided by Broadridge) shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how GuideStream Financial voted on any specific proxy issue is also available upon written request. Requests should be made by contacting GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz.

- B. As set forth in Item 17.A above, GuideStream Financial votes client proxies.

**Item 18      Financial Information**

- A. GuideStream Financial does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. GuideStream Financial is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. GuideStream Financial has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**