



## *Form ADV Part 2A – Firm Brochure*

March 27, 2020

### **Centerpoint Advisors, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Centerpoint Advisors, LLC (hereinafter “Centerpoint”). If you have any questions about the contents of this brochure, please contact Jennifer M. Wolfsberg at (781) 400-1748. 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 Centerpoint Advisors, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Centerpoint Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

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 SEC Rules, we will ensure that you receive a summary of any materials 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.

The following material changes since the last update of our brochure (March 26, 2019) are as follows:

*Centerpoint Advisors does not have any material changes since the last update of our brochure.*

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 Jennifer Wolfsberg, Chief Compliance Officer at 781-400-1748 or [jwolfsberg@centerpointadvisors.net](mailto:jwolfsberg@centerpointadvisors.net).

Additional information about Centerpoint is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Centerpoint who are registered, or are required to be registered, as investment adviser representatives of Centerpoint.

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## Item 4. Advisory Business

Centerpoint provides a range of investment and wealth management services, focusing on wealth accumulation, asset allocation, retirement planning, and financial planning while maintaining a strong commitment to individual service.

Centerpoint has been in business as a registered investment adviser since July 2011 and is currently operated by principals Jennifer M. Wolfsberg and John E. Wolfsberg. Prior to becoming an independent investment adviser, Centerpoint operated as a d/b/a of National Securities Corporation and National Asset Management. As of December 31, 2019, Centerpoint manages approximately \$378,288,362 in client assets, of which approximately \$359,660,272 is managed on a discretionary basis.

Prior to engaging Centerpoint to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Centerpoint setting forth the terms and conditions under which Centerpoint renders its services (collectively the “*Agreement*”).

This disclosure brochure describes the business of Centerpoint. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Centerpoint’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Centerpoint’s behalf and is subject to Centerpoint’s supervision or control.

### Investment Management Services

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Clients can engage Centerpoint to manage all or a portion of their assets on a discretionary basis. In select and limited cases, Centerpoint may also manage assets on a non-discretionary basis. In conjunction with portfolio management, investment management clients may also receive certain family office and consulting services, as part of the firm’s comprehensive wealth management program.

Centerpoint primarily allocates clients’ investment management assets among exchange-traded funds (“ETFs”), mutual funds, and/or individual debt and equity securities in accordance with the investment objectives of the client. Centerpoint may also provide advice about any legacy positions or investments otherwise held in clients’ portfolios.

Additionally, Centerpoint may render investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client’s primary custodian. In so doing, Centerpoint either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Centerpoint tailors its advisory services to the individual needs of clients. Centerpoint consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients’ investment needs. Centerpoint strives to ensure that clients’ investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Centerpoint if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Centerpoint’s management services. Clients may impose reasonable restrictions or mandates on the management of their account if,

in Centerpoint's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

### **Third Party Money Managers**

Centerpoint may also utilize third party money managers ("money managers") in a separately managed account in which the money manager, not affiliated with Centerpoint, is selected. Under the program, Centerpoint will assist the client to identify and match a money manager based on information the client has provided to Centerpoint regarding their financial resources, risk tolerance profiles and investment objectives. The money manager will invest the client's account on a discretionary basis.

Centerpoint has established relationships with third party money managers and may establish relationships with new money managers from time to time through the execution of a service agreement. Centerpoint is responsible for conducting due diligence of money managers and provides oversight to the money managers retained by Centerpoint to manage client portfolios or accounts. The due diligence of the money manager will include a review of the money manager's Form ADV Part 1 and 2A and all applicable Appendices for adequate disclosure and controls surrounding potential conflicts of interest and an analysis of the qualifications of the money manager and material personnel. An analysis of the performance results will be included within the due diligence, including any supporting documentation and references. The evaluations performed by Centerpoint are intended to provide sufficient data and/or reports on each money manager evaluated to allow Centerpoint to evaluate the competence and experience of each money manager in accordance with then-current industry standards.

Money manager performance, like that of investment performance, is reviewed periodically by Centerpoint and discussed with the client. In most cases, recommendations to replace a money manager are not made based upon short-term performance. When a money manager is replaced, Centerpoint will obtain the client's consent when applicable for the change. When a money manager is selected, clients will receive that firm's Form ADV Part 2A brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt. The performance of money managers may be reviewed by an outside source.

Centerpoint does not assume responsibility for the conduct of money managers, including their performance or compliance with laws or regulations. Clients are advised and should understand that (a) such manager's past performance is no guarantee of future results; (b) there is a certain market and/or interest rate risk which may adversely affect any manager's objectives and strategies and could cause a loss in a client's account, and (c) any risk parameter or comparative index selections provided for accounts are guidelines only; there is no guarantee that they will be met or exceeded.

### **Additions and Withdrawals to Accounts**

Clients may make additions to and withdrawals from their account at any time, subject to Centerpoint's right to terminate an account. Clients may withdraw account assets on notice to Centerpoint, subject to the usual and customary securities settlement procedures. However, Centerpoint designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

### **Family Office and Consulting Services**

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Centerpoint's family office and consulting services are typically reserved for the firm's investment management clients and rendered as part of Centerpoint's comprehensive wealth management program.

Centerpoint provides these services to existing clients either pursuant to a formal engagement or on an ad hoc basis. Under limited circumstances, the firm may also render certain family office and/or consulting services to non-investment management clients under a separate written agreement. These services may include a range of investment and non-investment related functions, including, without limitation:

- Select Bill Pay Assistance
- Wealth transfer
- Charitable Fund Assistance
- Estate Planning Coordination
- Asset Retitling
- Tax Planning and Advisor Coordination
- Insurance Review
- Portfolio Risk Assessment
- Succession Planning
- Education funding
- Retirement Planning
- Family Governance
- Business valuation coordination
- Next Gen Educational Services
- Certified Divorce Financial Analysis
- Account Aggregation Reporting and File Vault

In certain cases, our role shall be that of a facilitator between you and your designated professional provider, or if you do not already have a provider designated, to help match you with one when appropriate.

### **Financial Planning Services**

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To the extent requested by a client, Centerpoint provides comprehensive strategic planning services, including the development of a comprehensive Financial Plan. The goal of the Financial Plan is to help clients determine their critical financial needs over time and assist them in creating a detailed, integrated life plan for meeting those needs. In addition to developing planning scenarios to help clients meet their short and long-term financial goals, our financial planning services include:

- General Financial Planning
- Net Worth Analysis
- Investment Strategy and Asset Allocation Analysis
- Cash Flow and Savings Analysis
- Education Planning
- Insurance Analysis
- Retirement Planning and Scenario Analysis
- Tax Planning
- Estate Documents Consultation

With respect to estate planning and tax planning, our role shall be that of a facilitator between you and your designated professional adviser(s).

### **Miscellaneous**

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When performing the consulting and/or planning services as described above, we are neither your attorneys nor your accountants and no portion of any consulting/planning services rendered by us should be interpreted by you as legal or accounting advice. We recommend that you seek the advice of a qualified attorney and accountant.

Centerpoint may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Centerpoint recommends the services of itself or its *Supervised Persons*, such as for purchasing a securities or insurance commission product, 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. The client is under no obligation to act upon any of the recommendations made by Centerpoint under a consulting/planning engagement or to engage the services of any such recommended professional, including Centerpoint itself. Clients retain absolute discretion over all such consulting/planning services and are free to accept or reject any of Centerpoint's recommendations and are reminded that they may purchase securities and insurance products recommended by Centerpoint through other, non-affiliated broker-dealers and/or insurance agencies. Please note that if the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. See additional disclosure at Item 5 and Item 10 below. Centerpoint's Chief Compliance Officer, Jennifer M. Wolfsberg, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

### **Client Obligations**

In performing its services, Centerpoint 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 Centerpoint if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Centerpoint's previous recommendations and/or services.

### **Retirement Rollovers**

A client leaving an employer typically has four options (and may engage in a combination of these options): i) leave the money in his former employer's plan, if permitted, ii) roll over the assets to his new employer's plan, if one is available and rollovers are permitted, iii) rollover to an IRA, or iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Centerpoint may recommend an investor roll over plan assets to an Individual Retirement Account (IRA) managed by Centerpoint. As a result, Centerpoint and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave his or her plan assets with his or her old employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Centerpoint (unless you engage Centerpoint to monitor and/or manage the account while maintained at your employer). Centerpoint has an economic incentive to encourage an investor to roll plan assets into an IRA that Centerpoint will manage or to engage Centerpoint to monitor and/or manage the account while maintained at your employer. There are various factors that Centerpoint may consider before recommending a rollover, including but not limited to: i) the investment options available in the plan versus the investment options available in an IRA, ii) fees and expenses in the plan versus the fees and expenses in an IRA, iii) the services and responsiveness of the plan's investment professionals versus Centerpoint, iv) protection of assets from creditors and legal judgments, v) required minimum distributions and age considerations, and vi) employer stock tax consequences, if any. *No client is under any obligation to rollover plan assets to an IRA managed by Centerpoint or to engage Centerpoint to monitor and/or manage the account while maintained at your employer.* Please Note: If Centerpoint's engagement will include the management of the client's retirement account per the same fee schedule set forth in Item 5 below, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is moot. Centerpoint's Chief Compliance Officer, Jennifer M. Wolfsberg, remains available to address any questions that a client or prospective client may have regarding the above and the corresponding conflict of interest presented by such engagement.

## Item 5. Fees and Compensation

Centerpoint offers its services on a fee basis, which may include hourly fees, as well as fees based upon assets under management. Centerpoint may also pass along certain administrative or overhead costs to clients that the firm incurs in the course of providing its services (e.g., expenses for an audit of the accounts over which Centerpoint maintains custody, or for our use of portfolio management software). Additionally, certain of Centerpoint's *Supervised Persons* may offer securities brokerage services and insurance products under a commission arrangement through an outside broker-dealer.

### Financial Planning Fees

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Centerpoint may charge either an hourly fee or a flat fee for financial planning services. These fees are negotiable, but generally range from \$225 to \$300 on an hourly rate basis or \$1,000 to \$5,000 on a flat fee basis, depending upon the level and scope of the services and the professional rendering the financial planning services. If the client engages Centerpoint for additional investment advisory services, Centerpoint may offset all or a portion of its fees for those services based upon the amount paid for the financial planning services.

Prior to engaging Centerpoint to provide financial planning services, the client is required to enter into a written agreement with Centerpoint setting forth the terms and conditions of the engagement. Generally, Centerpoint requires one-half of the financial planning fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally billed as services are performed, or may become due upon delivery of the financial plan or completion of the agreed upon services.

### Family Office and Consulting Fees

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Centerpoint's family office and consulting services are generally included under an investment management engagement, and provided as part of the annual asset-based fee set forth below. Under limited circumstances, Centerpoint may also charge an hourly fee for its family office and/or consulting functions. Centerpoint charges this hourly fee in the event 1) a non-investment management client engages the firm to provide these services, or 2) an existing client engages Centerpoint to provide services requiring an excessive amount of time and/or substantial resources.

The hourly rate is negotiable, but generally ranges from \$250.00 to \$400.00 per hour. This fee is largely determined by the level and scope of the services and the professional engaged to render them. If the client engages Centerpoint for additional investment advisory services, Centerpoint may offset all or a portion of its fees for those services based upon the amount paid for the family office and/or consulting services. Additionally, Centerpoint may also pass along to clients certain out-of-pocket expenses that the firm incurs in the course of providing its services (e.g., travel expenses).

Prior to engaging Centerpoint to provide family office and/or consulting services, the client is required to enter into a written agreement with Centerpoint setting forth the terms and conditions of the engagement. Generally, Centerpoint requires one-half of the estimated hourly fee payable upon entering the written agreement. The balance is generally billed as services are performed, or may become due upon completion of the agreed upon services.



## **Investment Management and Advisory Fees**

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Centerpoint provides a broad range of investment management services for an annual fee based upon a percentage of the market value of the assets being managed by Centerpoint. Centerpoint's annual fee is prorated and charged monthly (or quarterly in certain cases), in arrears, based upon the market value of the assets being managed by Centerpoint on the last day of the previous month (or quarter). Centerpoint's annual fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses which are incurred by or assessed to the client. Centerpoint does not, however, receive any portion of these commissions, fees, and costs. For select private placement securities that are available only to qualified or accredited investors (such as Panther Properties), Centerpoint's advisory fee may be paid directly from the private placement offering rather than from the individual investor in situations when it is best for the client.

Subject to a minimum fee as explained below, the annual fee varies between 0.40% to 1.50% (or up to 2.0% for select accounts managed by third party money managers as described on page 4 and 5). The actual fee is based on the amount of assets under management, the asset allocation of the assets, as well as the scope of services requested and decided upon by mutual agreement between both parties. Such services may include, but are not limited to, multigenerational investment and financial education, investment related tax information preparation and coordination with client's accountant/CPA, coordination with client's estate attorney to assist with estate plan execution and investment asset retitling, education expense planning, review of employer based retirement plans, and budget planning.

Centerpoint, in its sole discretion, may negotiate to charge a lesser management fee 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, pre-existing client, account retention, *pro bono* activities, etc.).

## **Minimum Investment Management Fee**

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As a condition for starting and maintaining a relationship, Centerpoint generally imposes a minimum annual fee of \$20,000. This means that for clients with managed assets below a certain amount, the annual fee assessed may be higher than the rates quoted above in order to meet the minimum fee. This minimum fee may have the effect of making Centerpoint's service impractical for certain clients. Centerpoint, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

## **Fees Charged by Financial Institutions**

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As further discussed in response to Item 12, Centerpoint generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Centerpoint may only implement its investment management recommendations after the client has arranged for and furnished Centerpoint with sufficient information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, any other broker-dealer recommended by Centerpoint, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*"). Clients may incur certain charges imposed by the Financial Institutions and other third parties. Such charges may include, but are not limited

to, charges imposed by reporting companies for portfolio review and performance calculations, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Centerpoint's fee.

### **Fee Debit**

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Centerpoint's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Centerpoint to debit the client's account for the amount of Centerpoint's fee and to directly remit that fee to Centerpoint. Any *Financial Institutions* recommended by Centerpoint have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Centerpoint. Alternatively, clients may elect to have Centerpoint send an invoice for payment.

### **Fees for Management During Partial Months of Service**

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For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis.

The *Agreement* between Centerpoint and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Centerpoint's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that Centerpoint reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Centerpoint may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a month, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the month.

### **Commissions or Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Centerpoint to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Centerpoint. Under this arrangement, clients may implement securities transactions through certain of Centerpoint's *Supervised Persons* in their respective individual capacities as registered representatives of an outside broker-dealer, who may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by the broker-dealer to such *Supervised Persons*. Prior to effecting any transactions clients would be required to enter into a new account agreement with the broker-dealer. The brokerage commissions charged by such broker-dealer may be higher or lower than those charged by other broker-dealers. In addition, certain of Centerpoint's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. Centerpoint recommends no-load funds to clients when appropriate for a client's portfolio.

A conflict of interest exists to the extent that Centerpoint recommends the purchase of securities where Centerpoint's *Supervised Persons* receive commissions or other additional compensation as a result of Centerpoint's recommendations. Centerpoint has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

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

Centerpoint does not provide any services for performance-based fees with the exception of Cross Shore Capital Management accounts. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client. Certain of Centerpoint's *Supervised Persons*, in their respective individual capacities as registered representatives of an outside broker-dealer, have been engaged as third party marketers with Cross Shore Capital Management ("Cross Shore"). Under this agreement, Centerpoint's *Supervised Persons* receive 20% of Cross Shore's management fee of 1.0% on a quarterly basis. On an annual basis, these *Supervised Persons* receive 20% of any "incentive fees or net appreciation" earned by Cross Shore on those assets they introduced. Fees received by Centerpoint's *Supervised Persons* are paid through their broker-dealer from Cross Shore.

## **Item 7. Types of Clients**

Centerpoint provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

### **Methods of Analysis**

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Centerpoint relies on a combination of fundamental and technical analysis for the management of its portfolios.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. Centerpoint will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

*Technical analysis* involves the examination of past market data rather than specific issuer or company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that identifying historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Centerpoint will be able to accurately predict such a reoccurrence.

## **Investment Strategies**

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For investment management clients, Centerpoint offers portfolios that are all fixed income, all equity, or a blend of both.

### ***Fixed Income***

Centerpoint's fixed income division provides a wide range of services to a broad clientele including retirement plans, trusts, endowments and high net worth individuals. Centerpoint's fixed income portfolios may incorporate a wide range of fixed income securities including (but not limited to) US Treasuries, federal agency, corporate and/or municipal bonds. Centerpoint typically focuses on investment grade securities but may utilize non-investment grade securities in portfolios whose risk parameters allow for such securities. Centerpoint often invests in individual bonds for its clients, but will also utilize mutual funds and/or exchange traded funds in situations where the account size and/or sector (high yield, bank loan, emerging markets, global bond etc.) precludes the use of individual bonds. Centerpoint may also utilize external managers for the management of certain parts of a client's portfolio that compliment what is managed by Centerpoint in-house. In all cases, the maturity (or duration) and credit quality of bonds, funds and ETFs utilized by Centerpoint take into consideration each clients' individual circumstances, their need for liquidity as well as the general outlook for interest rates.

### ***Equities***

#### ***Intelligent Index***

Developed in 2001 by Richard Greene and Jennifer Wolfsberg (prior to managing assets through Centerpoint), the Intelligent Index Portfolio ("Intelligent Index") is a dynamic asset allocation program that utilizes highly liquid ETF shares of the S&P 1500. The Intelligent Index provides broad representation among all major capitalizations while applying rules-based discipline for portfolio weighting between growth and value styles. In an effort to capture excess returns derived from the outperformance of the growth and value style, Centerpoint began examining returns of six Wilshire style and capitalization classified indices dating back to 1978. In conjunction, Centerpoint tracked the returns for its model portfolio of six S&P/Barra style and capitalization classified indices, starting with data from 1994. Centerpoint evaluated quarterly returns from each style and capitalization in comparison with the broad market, while searching for predictable market trends that might be exploited to increase returns. Centerpoint constructed and developed the Intelligent Index, which is designed to have broad multi cap equity exposure (small, mid and large cap) across investment styles and asset classes through a process of disciplined dynamic asset allocation. When appropriate, the Intelligent Index may incorporate fixed income and international ETFs dependent upon the client's risk tolerance, investment objectives, and time horizon.

#### ***Mutual Funds***

In addition to the strategies and investment vehicles provided above, Centerpoint Advisors, LLC may utilize mutual funds in their portfolios where appropriate for purposes of diversification and introduction of new strategies. In the opinion of the firm, due to the size restriction of a portfolio such as the case with small retirement accounts, mutual funds may best serve as a structure to diversify portfolios that ETFs or individual securities may be unable to provide. Centerpoint may also utilize mutual funds in its portfolio management where the investment objective of the fund complements the firm's internal investment style and assists with further diversification and management of portfolio correlation. Research and due diligence is performed at inception and on an ongoing basis to ensure the funds chosen are in accordance with the client's risk tolerance and investment objectives.

### *Special Situations*

On a limited basis, Centerpoint offers its Special Situations equity strategy, which consists of a limited number of companies that in the opinion of Centerpoint offer above-average risk / return potential. Companies selected for the special situation portfolio typically have one of the following criteria:

- Significant insider buying by key personnel
- Ongoing accumulation by one or more highly regarded institutional investors in the opinion of Centerpoint
- Balance sheet restructuring or significant share repurchase
- Pending litigation when if successful can dramatically enhance the enterprise value of the business
- Early stage technology or medical device products that have significant barriers to entry and are beginning to experience sales and revenue traction
- “Restart” companies that are transitioning their business model into a more profitable path
- High quality companies experiencing intermediate term business challenges that allow them to trade at discounts to historical valuations

Many of these businesses may be speculative in nature, lack institutional research coverage or ownership, and be considered “illiquid” when trading in the shares. Not all companies achieve the profitability and higher valuations that are expected, and often these companies trade on the NASDAQ or OTC bulletin board market. In return for undertaking such investment risk, Centerpoint believes that if successful, such companies can produce above-average returns over a three year period.

All clients who choose to invest in the Special Situation equity positions are carefully screened for suitability and are made aware of the higher risks and volatility associated with this strategy and its investment style.

### ***Alternative Investments***

Centerpoint may also utilize select alternative style investments to help diversify portfolios by introducing investment opportunities with returns that are uncorrelated with or only slightly correlated with traditional asset classes (i.e. stocks, bonds, and cash). Alternative Investments is a broad category and can include real estate, hedge funds, private equity, long-short funds, managed futures and structured products. Such strategies often seek to minimize losses during market downturns but can carry additional risks and therefore may not be suitable for all investors.

### ***Private Investment Funds***

Centerpoint may also provide investment advice regarding unaffiliated private investment funds and may recommend that certain qualified clients consider an investment in such funds (generally Panther Properties and Cross Shore). Centerpoint’s role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. *Centerpoint’s clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).*

Valuation: In the event that Centerpoint references private investment funds owned by the client on any supplemental account reports prepared by Centerpoint, the value(s) for all private investment funds owned

by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the fund sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price.

Conflicts of Interest: The offer and sale of private investment funds present various *conflicts of interest*: (1) some private investment funds (currently Cross Shore) may be recommended by Centerpoint representatives in their separate individual capacities as registered representatives of an SEC and FINRA registered broker-dealer. When so doing, the Centerpoint representative may receive commission compensation. (2) Centerpoint may earn incentive or performance-based compensation from Cross Shore that may exceed the fee that Centerpoint would earn under its standard asset based fee schedule referenced in Item 5 below. (3) Centerpoint may earn advisory based compensation from Panther Properties (an unaffiliated private investment fund) that could exceed the fee that Centerpoint could earn under its standard asset based fee schedule referenced in Item 5 below. Centerpoint's Chief Compliance Officer, Jennifer M. Wolfsberg, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

## **Risk of Loss**

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### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a fund investor may incur substantial tax liabilities even when the fund underperforms.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker or advisor acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Market Risks*

The profitability of a significant portion of Centerpoint's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Centerpoint will be able to predict those price movements accurately.

### *Use of Private Collective Investment Vehicles – Hedge Funds*

Though not initiated through the RIA, Centerpoint's Supervised Persons, who through their registered representative capacity, may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle.

In addition, because some of these vehicles may not be registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities and they generally have limited liquidity. The client will receive a private placement memorandum and/or other documents explaining such risks.

### *Private Investment Funds*

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

### *General Real Estate Investment Risks*

The real estate industry is highly cyclical in nature and is driven by many factors beyond the control of an investment company, including, but not limited to: changes in local and economic conditions, the financial condition of tenants and buyers and sellers of property, availability of debt financing and refinancing, the relative popularity of properties and real estate as an investment class, changes in interest rates, real estate taxes, operating expenses, fiscal policies, utility rates, market rental rates, development and improvement of competitive properties, competition for tenants and buyers, ongoing capital improvement and repair requirements, environmental claims, damage from uninsurable losses, and construction and labor costs or delays. Additionally, real estate investments are generally illiquid.

### *Management Through Similarly Managed Accounts*

For certain clients, Centerpoint may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, Centerpoint buys, sells, exchanges and/or transfers securities based upon the investment strategy.

Centerpoint's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Centerpoint's clients may be limited. As further discussed in response to Item 12, Centerpoint allocates investment opportunities among its clients on a fair and equitable basis.

#### *General Risk of Loss*

There are inherent risks in investing, including possible loss of principal. The investment return and principal value of an investment will fluctuate so that an investor's principal amount of invested shares, when redeemed, may be worth more or less than the original cost. Diversification does not protect against loss. Past performance does not guarantee future results. By investing in high yield bonds you may be subject to greater price volatility based on fluctuations in issuer and credit quality. When investing in bonds, you are subject, but not limited to, the interest rate, inflation and credit risks associated with the underlying bonds. Bonds may be worth less than original cost upon redemption or maturity.

## **Item 9. Disciplinary Information**

Centerpoint is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Centerpoint does not have any required disclosures to this Item.

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

Centerpoint is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Centerpoint has described such relationships and arrangements below.

### **Registered Representatives of Broker Dealer**

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As discussed above in Item 5, certain of Centerpoint's *Supervised Persons* are registered representatives of an SEC and FINRA registered broker-dealer. Jennifer M. Wolfsberg, John E. Wolfsberg, Lori Patterson, Mark Barry, Olga Okaty, and Matthew Okaty are registered representatives of Arthur W. Wood Company, Inc.

### **Relationship with Private Investment Vehicles**

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#### *Cross Shore Capital Management*

Certain of Centerpoint's *Supervised Persons*, in their respective individual capacities as registered representatives of an outside broker-dealer, have been engaged as third party marketers with Cross Shore Capital Management ("Cross Shore"). For interested investors who meet certain qualifications, these *Supervised Persons* may present Cross Shore's fund of hedge funds as an alternative investment to traditional stocks, mutual funds, or ETFs for those qualified clients whose accounts are held through the broker-dealer. Introduction or recommendation of Cross Shore is based upon clients' risk tolerance, asset allocation and investment time horizon. Under this agreement, Centerpoint's *Supervised Persons*



receive 20% of Cross Shore's management fee of 1.0% on a quarterly basis. On an annual basis, these *Supervised Persons* receive 20% of any "incentive fees or net appreciation" earned by Cross Shore on those assets they introduced. Fees received by Centerpoint's *Supervised Persons* are paid through their broker-dealer from Cross Shore.

### **Receipt of Insurance Commission**

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Certain of Centerpoint's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Centerpoint does not sell such insurance products to its investment advisory clients, Centerpoint does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Centerpoint recommends the purchase of insurance products where Centerpoint's *Supervised Persons* receive insurance commissions or other additional compensation.

### **Conflict of Interests**

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As disclosed in Item 4 above, various conflicts of interest are presented by the client's engagement of Centerpoint: (1) The recommendation by Centerpoint representatives that a client purchase a securities or insurance commission product (as a representative of a broker-dealer) presents a *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 securities or insurance commission products from Centerpoint representatives. Clients are reminded that they may purchase securities and insurance products recommended by Centerpoint through other non-affiliated broker-dealers and/or insurance agents. (2) The offer and sale of private investment funds also presents *conflicts of interest*, in that Centerpoint and/or its representatives can earn incentive compensation from Cross Shore that could substantially exceed the fee that Centerpoint would earn under its standard asset based fee schedule referenced in Item 5 above. Centerpoint's Chief Compliance Officer, Jennifer M. Wolfsberg, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.

## **Item 11. Code of Ethics**

Centerpoint and persons associated with Centerpoint ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Centerpoint's policies and procedures.

Centerpoint has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Centerpoint or any of its associated persons. The *Code of Ethics* also requires that certain of Centerpoint's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Centerpoint recognizes that on occasion conflicts may arise between the personal trading of Access Persons and the trading for Centerpoint's clients. To the greatest extent possible, all conflicts will be resolved in the client's favor.

Clients and prospective clients may contact Centerpoint to request a copy of its *Code of Ethics*.

## **Item 12. Brokerage Practices**

In the event that the client requests that Centerpoint recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Centerpoint to use a specific broker-dealer/custodian), Centerpoint generally recommends that investment management accounts be maintained at Fidelity. Prior to engaging Centerpoint to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Centerpoint setting forth the terms and conditions under which Centerpoint shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Centerpoint considers in recommending *Fidelity* (or any other broker-dealer/custodian to clients) include historical relationship with Centerpoint, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Centerpoint's clients shall comply with Centerpoint'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 Centerpoint determines, in good faith, that the commission/transaction fee is reasonable. 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 Centerpoint 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, Centerpoint's investment management fee. Centerpoint'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.

### **Non-Soft Dollar 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, Centerpoint may receive from *Fidelity* (or another broker-dealer/custodian, investment manager, platform or fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Centerpoint to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Centerpoint 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-including client events, computer hardware and/or software and/or other products used by Centerpoint 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 Centerpoint in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Centerpoint to manage and further develop its business enterprise. There is no

corresponding commitment made by Centerpoint to the custodians 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 result of the above arrangement.

Centerpoint's Chief Compliance Officer, Jennifer M. Wolfsberg remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.

**Directed Brokerage:** Centerpoint 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 Centerpoint 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 Centerpoint. As a result, a 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 Centerpoint 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 Centerpoint. Higher transaction costs adversely impact account performance. Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

To the extent that Centerpoint provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Centerpoint decides to purchase or sell the same securities for several clients at approximately the same time. Centerpoint 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 Centerpoint'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. Centerpoint shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain *Supervised Persons* in their respective individual capacities are registered representatives of an outside broker-dealer. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless the broker-dealer provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted from conducting securities transactions away from their associated broker-dealer unless they first secure written consent to execute securities transactions through a different broker-dealer. Absent such written consent, these *Supervised Persons* are prohibited from executing securities transactions through any other broker-dealer. Centerpoint is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

## Item 13. Review of Accounts

For those clients to whom Centerpoint provides investment management services, Centerpoint monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Centerpoint provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Centerpoint’s investment adviser representatives.

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Centerpoint and to keep Centerpoint informed of any changes thereto. Centerpoint contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Centerpoint provides investment advisory services will also receive a report from Centerpoint that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance not less than annually. Clients should compare the account statements they receive from their custodian with those they receive from Centerpoint.

Those clients to whom Centerpoint provides financial planning and/or consulting services will receive reports from Centerpoint summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Centerpoint.

## Item 14. Client Referrals and Other Compensation

Centerpoint is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Centerpoint is required to disclose any direct or indirect compensation that it provides for client referrals.

Centerpoint does not pay other entities for client referrals nor does it receive compensation for any referrals it may recommend to clients. See Items 10 and 12 for other business activities or brokerage practices for which it may receive compensation.

## Item 15. Custody

Centerpoint’s *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Centerpoint through such *Financial Institution* to debit the client’s account for the amount of Centerpoint’s fee and to directly remit that fee to Centerpoint in accordance with applicable custody rules.

The *Financial Institutions* recommended by Centerpoint have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Centerpoint. In addition, as discussed in Item 13, Centerpoint also sends periodic

supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Centerpoint.

### **Surprise Independent Examination**

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As Centerpoint is deemed to have custody under Rule 206(4)-2 of the Advisers Act over clients' funds or securities (for reasons other than those discussed above), it is required to engage an independent accounting firm to perform a surprise annual examination of those assets and accounts over which it maintains custody. Any related opinions issued by an independent accounting firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website. Centerpoint does not have direct access to client funds as they are maintained with an independent qualified custodian.

## **Item 16. Investment Discretion for Investment Management Services**

Centerpoint is given the authority to exercise discretion on behalf of clients. Centerpoint is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Centerpoint is given this authority through a power-of-attorney included in the agreement between Centerpoint and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Centerpoint takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Financial Institutions* to be utilized.

Only on a limited basis does Centerpoint manage accounts on a non-discretionary fee basis as an accommodation to existing relationships that have discretionary portfolios currently under management. Those clients may direct purchases or hold positions that Centerpoint does not follow or hold an opinion on.

## **Item 17. Voting Client Securities**

All client securities are held at the respective custodian. The custodians are responsible for ensuring all proxy material is forwarded to the client. Centerpoint does not serve as custodian for any client securities, and as such does not receive proxies for securities held in client accounts. Centerpoint does not vote, nor give advice on how to vote, proxies for securities held on behalf of clients. Under the investment advisory agreement between Centerpoint and the client, the client retains exclusive voting authority over the securities in the client's portfolio and the firm does not have any role in proxy voting. Client shall be responsible for voting all proxies.

## **Item 18. Financial Information**

Centerpoint does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Centerpoint is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Centerpoint has no disclosures pursuant to this Item.



**Centerpoint Advisors, LLC**

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ANY QUESTIONS: Centerpoint's Chief Compliance Officer, Jennifer M. Wolfsberg, remains available to address any questions regarding this Form ADV Part 2A – Firm Brochure.