

**Item 1: Cover Page**

**AlphaPoint, Inc.**

SEC Form ADV Part 2A

“Firm Brochure”

2101 East Coast Highway

Suite 120

Corona del Mar, CA 92625

Office: 949-718-4575

Cell: 714.390.4762

March 2, 2020

This Firm Brochure (“brochure”) provides information about the qualifications and business practices of AlphaPoint, Inc. (“AlphaPoint”). If you have any questions about the contents of this brochure, please contact us by telephone at 714-390- 4762 or by email at [guy@alphapoint.net](mailto:guy@alphapoint.net). 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.

AlphaPoint, Inc. is an SEC registered investment adviser (“Adviser”). Please note that the use of the term “registered investment adviser” and description of AlphaPoint, Inc. as “registered” does not imply a certain level of skill or training. The oral and written communications of an Adviser provides you with information about which you determine to hire or retain an Adviser.

Additional information about AlphaPoint, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with AlphaPoint who are registered, or are required to be registered, as investment adviser representatives of the firm.

## **Item 2: Material Changes**

The following material change has been made to this Brochure since the last update on June 20, 2019. In addition, certain non-material changes may have been made to this Brochure that are not discussed in this summary and consequently, we encourage you to read this version of AlphaPoint's disclosure Brochure in its entirety.

AlphaPoint, Inc. has been selected as an ERISA 3(38) Investment Manager for some Plan Sponsor clients and although we do not accept investment discretion over the trading of client accounts, we do have discretion over the investment lineup used by those Plans. (see **Item 16: Investment Discretion**)

You may request a full copy of the latest version of this document at any time by emailing us at [guy@alphapoint.net](mailto:guy@alphapoint.net) or by phone at 714-390- 4762.

**Item 3: Table of Contents Page**

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

#### **Item 4: Advisory Business**

AlphaPoint, Inc. (hereinafter, "AlphaPoint" or the "firm") is an SEC-registered investment adviser with its principal place of business located in California. AlphaPoint, Inc. began conducting business in May 2003. The firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is Guy L Muranaka, President.

AlphaPoint, Inc. offers the following advisory services to our clients:

##### **PENSION & RETIREMENT PLAN CONSULTING SERVICES**

We provide several advisory services separately or in combination, as we tailor our advisory services to the client. By its general nature, pension and retirement plan consulting is a broad term that may or may not include advice on plan investments; we provide investment advice only on limited types of investments. While the primary clients for these services are pension, profit sharing, 401(k), and 403(b) plans, we offer these services, where appropriate, to individuals, trusts, estates, and charitable organizations. Pension & Retirement Plan Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services. Additional pension and retirement plan consulting activities may be offered to clients or prospective clients based on the client's needs.

1. Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will contact the client (in person, over the telephone or email) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including a policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures for the monitoring of investment performance.

2. Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate investment lineups for retirement plans. We will then review the investments to determine what is appropriate to implement according to the client's IPS. The number of investments to be recommended will be determined by the client based on the IPS and unique goals and objectives of the client.

3. Monitoring of Investment Performance:

We monitor client investments continually based on the procedures delineated in a client's IPS. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

4. Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), from time to time, we may provide informational, educational support and/or investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The topics to be covered will be determined by AlphaPoint, Inc. and the client under the guidelines established in ERISA Section 404(c). The informational, educational support and investment workshops will not provide plan participants with individualized, tailored investment advice or individualized asset allocation recommendations.

As of February 23, 2020, we advised on assets of approximately \$3,616,235,394 of which \$29,506,940 was advised on a discretionary basis and \$3,586,728,454 was advised on a non-discretionary basis.

### **FINANCIAL PLANNING SERVICES**

If financial planning services are applicable, a thorough review of all applicable topics including but not limited to, Wills, Estate Plans and Trusts, Investments, Taxes, Qualified Plans, Insurance, Retirement Income, Social Security, and College Planning will be reviewed. If a conflict of interest exists between the interests of AlphaPoint and the interests of the client, the client is under no obligation to act upon AlphaPoint's recommendation. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through AlphaPoint. Services are completed and delivered inside of one year from commencement, contingent upon timely delivery of all required documentation.

#### **Item 5: Fees and Compensation**

##### **PENSION AND RETIREMENT PLAN CONSULTING FEES**

The annual fee for Investment Supervisory Services is charged generally as a flat dollar amount, according to the following schedule:

<u>Portfolio Value</u>	<u>Annual Fee</u>
Less than \$10 million	\$6,000.00
\$10 - \$14.99 million	\$8,000.00
\$15+ million	\$12,000.00
\$50+ million	\$25,000.00
\$100+ million	\$35,000.00

Limited Negotiability of Advisory Fees: Although AlphaPoint, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, anticipated future additional assets; related accounts; portfolio style, account composition, reports, travel costs, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

AlphaPoint's fees may be debited from client plan expense accounts, or forfeitures, plan assets or billed on a separate invoice as determined by the client. Clients are billed on a semi-annual or quarterly billing. AlphaPoint does not charge a different amount based on the frequency of billing.

## **FINANCIAL PLANNING SERVICES**

AlphaPoint charges a fixed fee of \$1,000 for financial planning. Services are completed and delivered inside of one year from commencement, contingent upon timely delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the client cancels after five (5) business days, any unearned fees will be refunded to the client, or any unpaid earned fees will be due to AlphaPoint. AlphaPoint reserves the right to waive the fee should the client implement the plan through AlphaPoint.

## **GENERAL INFORMATION**

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to AlphaPoint, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, separate accounts and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or accounts that are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, retirement plan recordkeepers, administrators, and broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. The client is responsible for how retirement plan service provider fees are paid.

**ERISA Accounts:** AlphaPoint, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

To avoid engaging in prohibited transactions, AlphaPoint, Inc. does not receive or accept commission, 12b-1 fees or soft-dollar payments from investments, funds and accounts or mutual fund companies.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees more than six months in advance of services rendered.

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

Not applicable.

#### **Item 7: Types of Clients**

AlphaPoint, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- Trusts, Estates & Foundations
- Charitable Organizations
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)

AlphaPoint does not have a minimum account size requirement for opening or maintaining an account.

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

##### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Technical Analysis: We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring market patterns and investor behavior. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis: In this type of technical analysis, we measure the movements of a particular investment against the overall market.

Quantitative Analysis: We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect. We consider Modern Portfolio Theory ("MPT") statistics in our evaluation, including alpha, beta, information ratio, r-squared, Sharpe ratio, standard deviation, batting average, style-based analysis, among others.

Qualitative Analysis: We subjectively evaluate non-quantifiable factors such as quality of management, tenure of management, management investment, and strength of research and development factors not readily subject to measurement. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Mutual Fund, Separate Account and/or ETF Analysis: We look at the experience and track record of the manager in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic and market conditions. We also look at the underlying assets in a mutual fund, account or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds, accounts or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund, separate account and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund, account or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund, account or ETF, which could make the holding(s) less suitable for the client's portfolio.

Third-Party Money Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for All Forms of Analysis: Our securities analysis methods rely on the assumption that the companies whose services and data we purchase, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategies in managing client accounts, provided that such strategy is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term Purchases:** We recommend investments with the idea of holding them in the client's account for a year or longer.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.



Investment performance is not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

### **RISK OF LOSS**

All investing and trading activities risk the loss of capital. Although we will attempt to moderate these risks, no assurance can be given that the investment activities of an account we advise will achieve the investment objectives of such account or avoid losses. Direct and indirect investing in securities involves risk of loss that clients should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance. It is important that you understand the risks associated with investing in the types of investments listed above.

Except as may otherwise be provided by law, we are not liable to clients for:

- Any loss that you may suffer by reason of any investment decision made or other action taken or omitted by us in good faith;
- Any loss arising from our adherence to your instructions or the disregard of our recommendations made to you; or
- Any act or failure to act by a custodian or other third party to your account.

The information included in this Brochure does not include every potential risk associated with an investment strategy, technique or type of security applicable to a particular client account. You are encouraged to ask questions regarding risks applicable to a particular strategy or investment product and read all product- specific risk disclosures. It is your responsibility to give us complete information and to notify us of any changes in financial circumstances or goals.

There are certain additional risks associated when investing in securities; including, but not limited to:

- **Market Risk:** Either the stock markets or the value of investments go down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Legal and Regulatory Risks:** The regulation of the U.S. and non-U.S. securities and futures markets investment funds has undergone substantial change in recent years and such change may continue. In particular, in light of the recent market turmoil there have been numerous proposals, including bills that have been introduced in the U.S. Congress, for substantial revisions to the regulation of financial institutions generally. Some of the additional regulation includes requirements that private fund managers register as investment advisers under the Advisers Act and disclose various information to regulators about the positions, counterparties and other exposures of the private funds managed by such managers. Further, the practice of short selling has been the subject of numerous temporary restrictions, and similar restrictions may be promulgated at any time. Such restrictions may adversely affect the returns of

Underlying Investment Funds that utilize short selling. The effect of such regulatory change on the accounts and/or the underlying investment funds, while impossible to predict, could be substantial and adverse.

- **Inflation Risk:** The firm's portfolios face inflation risk, which results from the variation in the value of cash flows from a financial instrument due to inflation, as measured in terms of purchasing power.
- **Market or Interest Rate Risk:** The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities fall. If an investor holds a fixed income security to maturity, the change in its price before maturity may have little impact on the firm portfolios' performance. However, if the investor determines to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss.
- **Market Volatility:** The profitability of the portfolios substantially depends upon the firm correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The firm cannot guarantee that it will be successful in accurately predicting price and interest rate movements.
- **Material Non-Public Information:** By reason of their responsibilities in connection with other activities of the firm and/or its principals or employees, certain principals or employees of the firm and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The firm will not be free to act upon any such information. Due to these restrictions, the firm may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- **Accuracy of Public Information:** The firm selects investments, in part, on information and data from various sources other than the issuers. Although the firm evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the firm is not in a position to confirm the completeness, genuineness, or accuracy of such information and data. In some cases, complete and accurate information is not available.
- **Trading Limitations:** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the account to loss. Also, such a suspension could render it impossible for the firm to liquidate positions and thereby expose the client account to potential losses. AlphaPoint does not trade individuals securities for clients.
- **Recommendation of Particular Types of Securities:** In some cases, the firm recommends mutual funds. There are several risks involved with these funds. These funds have portfolio managers that trade the fund's investments in agreement with the fund's objective and in line with the fund prospectus. While these investments generally provide diversification there are some risks involved especially if the fund is concentrated in a particular sector of the market, uses leverage,

or concentrates in a certain type of security (i.e. foreign equities). The returns on mutual funds can be reduced by the costs to manage the funds. And the shares rise and fall in value according to the supply and demand. Open end funds may have a diluted effect on other investors' interest due to the structure of the fund while closed end funds have limited shares which rise and fall in value according to supply and demand in the market. In addition, closed end funds are priced daily and as a result they may trade differently than the daily net asset value (NAV).

- **Firm's Investment Activities:** The firm's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the firm. Such factors include a wide range of economic, political, competitive and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The markets may be volatile, which may adversely affect the ability of the firm to realize profits on behalf of its Clients. As a result of the nature of the firm's investing activities, it is possible that the firm's results may fluctuate substantially from period to period.
- **Equity (stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Risks Associated with Fixed Income:** When investing in fixed income instruments such as bonds or notes, the issuer may default on the bond and be unable to make payments. Further, interest rates may rise and the principal value of your investment may decrease. Individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power.
- **ETF and Mutual Fund Risk:** When investing in an ETF or mutual fund, a client will bear additional expenses based on the client's pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **Options Risk:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks. AlphaPoint does not recommend or trade options.

- **Liquidity Risk:** Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.
- **Management Risk:** Your investments will vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If you implement our financial planning recommendations and our investment strategies do not produce the expected results, you may not achieve your objectives.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily applies to bonds.
- **Call Risk:** Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- **Credit Risk:** The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- **Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Speculation Risk:** The commodities markets are populated by traders whose primary interest is in making short-term profits by speculating whether the price of a security will go up or go down. The speculative actions of these traders may increase market volatility that could drive down the prices of commodities.
- **Geopolitical Risk:** The risk an investment's returns could suffer as a result of political changes or instability in a country. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Counterparty and Broker Credit Risk:** Certain assets will be exposed to the credit risk of the counterparties when engaging in exchange-traded or off-exchange transactions. There may be a risk of loss of assets on deposit with or in the custody of a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions, or the bankruptcy of an exchange clearinghouse.

#### **Item 9: Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

As part of the SEC's 2017 Examination Priorities, the SEC will identify individuals with a track record of misconduct and examine the investment advisers that employ them. Given the additional risk of employing a person with a history of misconduct, AlphaPoint will require all new hires with a history of previous misconduct to undergo an enhanced supervision period of not less than six months. In addition, any current employee who has previously violated our Code of Ethics and has received customer complaints will also be subject to enhanced supervision.

We will develop an enhanced supervisory plan detailing an assessment of the type of supervision needed, the heightened supervision that will be afforded to the individual, the frequency of the supervisory review period during which the heightened supervision will be in place and outline any other special supervisory arrangements. AlphaPoint will consider the type of activity that resulted in an individual being the subject of heightened supervision when determining the supervisory controls that should be implemented.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations that may create conflicts of interest.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees.

AlphaPoint, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. In addition, our Code of Ethics requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Under our Code of Ethics, we are required to review reports and transaction for any evidence of improper trading activities or conflicts of interest.

Our Code of Ethics also provides for oversight, enforcement and recordkeeping provisions; and, our Code requires the prior approval of the Chief Compliance Officer for any outside business activity, whether paid or volunteer, by an employee or director of AlphaPoint. AlphaPoint also reserves the right to disapprove any proposed transaction that may have the appearance of improper conduct.

AlphaPoint, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material nonpublic information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Also, our Code of Ethics also addresses conflicts of interests. AlphaPoint's personnel have a duty to disclose all potential and actual conflicts of interest. We will review the conflicts and create an appropriate plan of action to ensure the client's interests are protected. We will disclose material, potential and actual conflicts of interest to our clients.

AlphaPoint's employees are required to promptly report all actual or potential conflicts of interest, violations of any government or regulatory law, rule or regulation or violations of the Firm's policies and procedures. Any retaliatory action taken against a person who reports a violation or potential violation constitutes a violation of the Code of Ethics. AlphaPoint may impose on a person who violates our Code whatever sanctions we consider appropriate under the circumstances, including censure, suspension, limitations on permitted activities, or termination of employment.

Employee training includes review of the Code of Ethics, and a discussion of any material changes in the laws, rules and regulations applicable to AlphaPoint's business and operations.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [guy@alphapoint.net](mailto:guy@alphapoint.net), or by calling us at telephone number 949-718-4575.

AlphaPoint, Inc. and individuals associated with our firm are prohibited from engaging in principal and in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal account securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

#### **Item 12: Brokerage Practices**

AlphaPoint, Inc. does not trade securities, clients select their own custodian(s). Therefore, directed brokerage, best execution, and soft dollar practices are not applicable.

#### **Item 13: Review of Accounts**

AlphaPoint, Inc. will review the client's Investment Policy Statement ("IPS") whenever the client advises us of a change in circumstances regarding the needs of the plan. AlphaPoint, Inc. will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur on a semi-annual or quarterly basis and will be conducted by Guy Muranaka, Director and Chief Compliance Officer of AlphaPoint, Inc.

AlphaPoint, Inc. will provide reports to Pension Consulting Services clients based on the terms set forth in the client's Investment Policy Statement.

Accounts are reviewed periodically reviewed with each client. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. The accounts are reviewed by Guy Muranaka.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer or custodian, we provide reports summarizing account performance, balances and holdings. To ensure that performance results are consistent with applicable regulations, our reports, among other things:

- Disclose the effect of material market or economic conditions on the results portrayed (i.e. the inclusion of an appropriate index usually satisfies this provision);
- Disclose that there is the possibility of loss of your investments;
- Disclose all material facts relevant to the results;

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

It is AlphaPoint, Inc.'s general policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

#### **Item 15: Custody**

AlphaPoint does not act as custodian for, accept investments on behalf of a custodian, or maintain physical custody of your funds and/or securities. The custodian is required to send to the client a statement showing all transactions within client accounts during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

#### **Item 16: Investment Discretion**

AlphaPoint, Inc. does not accept investment discretion over the trading of client accounts, however, we have been selected as an ERISA 3(38) Investment Manager for some Plan Sponsor clients, in which we will have discretion over the investment lineup used by those Plans.

#### **Item 17: Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Clients maintain exclusive responsibility for: (1) Directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) Making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

**Item 18: Financial Information**

As an advisory firm, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. AlphaPoint, Inc. has no such financial circumstances to report.