

## Item 1: Cover Page



### **Part2A of Form ADV Firm Brochure**

February 11, 2021

#### **CenterPoint Wealth Management, LLC**

SEC File No. 801-61048

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This brochure provides information about the qualifications and business practices of CenterPoint Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact the firm at 317-973-7700 or [info@centerpointwm.com](mailto:info@centerpointwm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Registration with the SEC or State Regulatory Authority does not imply a certain level of skill or expertise.

Additional information about CenterPoint Wealth Management, LLC, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. CenterPoint's CRD number is 119656.

## Item 2: Material Changes

This Firm Brochure is CenterPoint's disclosure document prepared according to regulatory requirements and rules. Consistent with the rules, CenterPoint will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of CenterPoint's fiscal year. Furthermore, CenterPoint will provide you with other interim disclosures about material changes as necessary.

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## Item 4: Advisory Business

### A. Description of Your Advisory Firm

CenterPoint Wealth Management, LLC ("CenterPoint" and/or "the firm") is an SEC-registered investment adviser located in Zionsville, Indiana. CenterPoint began conducting business in 2001. Listed below are CenterPoint's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Brian J. Brunner, Managing Member

### B. Description of Advisory Services Offered

CenterPoint provides a variety of financial planning and investment consulting services primarily to individuals including high-net worth individuals and their related trusts and estates, and corporate entities. Services provided by CenterPoint include investment consulting, estate planning, comprehensive financial planning, selection of other advisers, and income tax planning and/or preparation. For larger clients, CenterPoint provides these services within a family office structure. Family office is a platform that centralizes all of the family's financial matters into one location and advisory team.

#### B.1. Investment Consulting – Individual Portfolio Management

CenterPoint provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, CenterPoint develops a client's personal investment strategy and create and manage a portfolio based on that strategy. During the data-gathering process, CenterPoint determines the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, CenterPoint also reviews and discusses a client's prior investment history, as well as family composition and background.

CenterPoint manages these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives, as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

CenterPoint's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

In addition to providing information regarding their personal financial circumstances, investment objectives and tolerance for risk, clients are obligated to provide CenterPoint with any reasonable investment restrictions that should be imposed on the management of their portfolio, and to promptly notify CenterPoint in writing of any changes in such restrictions or in the client's personal financial circumstances, investment objectives, goals and tolerance for risk. On at least an annual basis, CenterPoint's reports to clients will remind them of their obligation to inform CenterPoint of any such changes or any restrictions that should be imposed on the management of the client's account. CenterPoint will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

## **B.2. Financial Planning Services**

CenterPoint provides independent, fee-only financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered, as they impact and are impacted by the entire financial and life situation of the client. This service is often ongoing as a part of the overall relationship with a client and not limited to a single report or deliverable.

In general, the financial planning services can address any or all of the following areas:

- *Personal*: Review of family records, budgeting, personal liability, estate information, and financial goals.
- *Tax & Cash Flow*: Analysis of the client's income tax and spending and planning for past, current, and future years to illustrate the impact of various investments on the client's current income tax and future tax liability.
- *Investments*: Analysis of investment alternatives and their effect on the client's portfolio.
- *Insurance*: Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- *Retirement*: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

- *Death & Disability:* Review of the client's cash needs at death, income needs of surviving dependents, estate planning, and disability income.
- *Estate:* Assisting the client in assessing and developing long-term strategies, including as appropriate wills, trusts, powers of attorney, charitable vehicles, and estate tax review.

CenterPoint gathers required information through in-depth personal interviews and financial records. Information gathered includes the client's current financial status, tax status, future goals, returns objectives, and attitudes towards risk. CenterPoint reviews documents supplied by the client, and may prepare written reports and analysis on specific issues as directed by the client. Should the client choose to implement the recommendations contained in the plan, CenterPoint will work closely with his/her attorney, accountant, insurance agent, and/or other advisors. Implementation of financial planning recommendations is entirely at the client's discretion.

CenterPoint also provides general non-securities advice on topics that may include tax and budgetary planning, estate planning, and business planning.

Financial planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

### **C. Client-Tailored Services and Client-Imposed Restrictions**

Each client's account will be managed on the basis of the client's financial situation and investment objectives, and in accordance with any reasonable restrictions imposed by the client on the management of the account.

### **D. Wrap Fee Programs**

CenterPoint does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

### **E. Client Assets Under Management**

As of December 31, 2020, CenterPoint had \$212,890,184 of discretionary assets under management.

## Item 5: Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### A.1. Investment Consulting Services – Individual Portfolio Management Fees

The annualized fee for investment consulting services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual % or Asset Fee</u>
\$0 to \$2,500,000	0.80%
\$2,500,001 to \$5,000,000	0.70%
\$5,000,001 to \$10,000,000	0.60%
\$10,000,001 to \$15,000,000	0.50%
\$15,000,001 to \$25,000,000	0.35%
Above \$25,000,001	0.20%

A minimum fee of \$3,000 will apply to investment advisory services. For portfolios valued at less than \$375,000, the client may be able to find comparable services elsewhere for a lower fee.

Asset-based fees are subject to the investment advisory agreement between CenterPoint and the client, and are charged quarterly in advance. CenterPoint's fees will either be paid directly by the client or disbursed to CenterPoint by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

*Limited Negotiability of Advisory Fees:* Although CenterPoint has established the aforementioned fee schedule(s), the firm retains 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, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. CenterPoint may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

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.

#### A.2. Financial Planning Fees

Services provided for income tax planning, estate planning, and financial planning engagements are typically billed quarterly in advance based on an annual fixed fee, but may also be billed on an hourly basis. Hourly charges will vary based on the type and complexity of work, but will generally range from \$200 to \$400 per hour. CenterPoint's fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.



## **B. Client Payment of Fees**

CenterPoint will deduct advisory fees directly from the client's account provided that (i) the client provides written authorization to the qualified custodian, and (ii) the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

## **C. Additional Client Fees Charged**

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using CenterPoint may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

## **D. Prepayment of Client Fees**

CenterPoint requires the prepayment of its advisory fees on a quarterly basis. CenterPoint's fees will either be paid directly by the client or disbursed to CenterPoint by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

Services provided for income tax planning, estate planning, and financial planning engagements are typically billed quarterly in advance based on an annual fixed fee, but may also be billed on an hourly basis.

The initial term of the investment advisory agreement is for one year, after which the agreement can be terminated by either party upon 90 days' prior written notice. Upon termination of any account, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

## **E. External Compensation for the Sale of Securities to Clients**

CenterPoint's financial advisors are compensated solely through a salary and bonus structure. CenterPoint is not paid any sales, service, or administrative fees for the sale of mutual funds or any other investment products.

## **F. Important Disclosure – Custodian Investment Programs**

Please be advised that the firm utilizes certain custodians/broker-dealers. Under these arrangements we can access certain investment programs offered through such custodian(s) that offer certain compensation and fee structures that create conflicts of interest of which clients need to be aware. Please note the following:

***Limitation on Mutual Fund Universe for Custodian Investment Programs:*** There are certain programs in which we participate where a client's investment options may be limited in certain of these programs to those mutual funds and/or mutual fund share classes that pay 12b-1 fees and other revenue sharing fee payments, and the client should be aware that the firm is not selecting from among all mutual funds available in the marketplace when recommending mutual funds to the client.

***Conflict Between Revenue Share Class (12b-1) and Non-Revenue Share Class Mutual Funds:*** Revenue share class/12b-1 fees are deducted from the net asset value of the mutual fund and generally, all things being equal, cause the fund to earn lower rates of return than those mutual funds that do not pay revenue sharing fees. The client is under no obligation to utilize such programs or mutual funds. Although many factors will influence the type of fund to be used, the client should discuss with their investment adviser representative whether a share class from a comparable mutual fund with a more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees given the client's individual needs and priorities and anticipated transaction costs. In addition, the receipt of such fees can create conflicts of interest in instances where the custodian receives the entirety of the 12b-1 and/or revenue sharing fees and takes the receipt of such fees into consideration in terms of benefits it may elect to provide to the firm, even though such benefits may or may not benefit some or all of the firm clients.

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

CenterPoint does not charge performance-based fees.

## Item 7: Types of Clients

CenterPoint provides advisory services to the following types of clients:

- Individuals (other than high-net-worth individuals)
- High-net-worth individuals
- Corporations or other businesses not listed above

A minimum fee of \$3,000 will apply to investment advisory services. For portfolios valued at less than \$375,000, the client may be able to find comparable services elsewhere for a lower fee.

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

### **A. Methods of Analysis and Investment Strategies**

CenterPoint's investment consulting is largely accomplished through the development and monitoring of customized investment portfolios utilizing separate account managers and/or mutual funds. As such, CenterPoint primarily uses the following methods of analysis in formulating investment advice and/or managing client assets:

- Asset Allocation
- Mutual Fund and/or ETF Analysis
- Third-Party Money Manager Analysis

In rare situations, and only when appropriate, CenterPoint may employ individual security analysis using the following methods:

- Fundamental Analysis
- Technical Analysis
- Quantitative Analysis
- Qualitative Analysis

CenterPoint's securities analysis methods rely on the assumption that the companies whose securities CenterPoint purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While CenterPoint is alert to indications that data may be incorrect, there is always a risk that the analysis may be compromised by inaccurate or misleading information.

#### **A.1. Mutual Fund and/or ETF Analysis**

CenterPoint looks at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. CenterPoint also looks at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. CenterPoint also monitors the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund 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 CenterPoint does not control the underlying investments in a fund 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 or ETF, which could make the holding(s) less suitable for the client's portfolio.

### **A.2. Third-Party Money Manager Analysis**

CenterPoint examines 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. CenterPoint monitors the manager's underlying holdings, strategies, concentrations, and leverage as part of the firm's overall periodic risk assessment. Additionally, as part of the due-diligence process, CenterPoint surveys the manager's compliance and business enterprise risks.

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 CenterPoint does 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 clients. Moreover, as CenterPoint does not control the manager's daily business and compliance operations, CenterPoint may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

### **A.3. Fundamental Analysis**

CenterPoint attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

### **A.4. Technical Analysis**

CenterPoint analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models through mathematical algorithms attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

### **A.5. Quantitative Analysis**

CenterPoint uses 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, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

#### **A.6. Qualitative Analysis**

CenterPoint subjectively evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk to using qualitative analysis is that subjective judgment may prove incorrect.

### **B. Investment Strategy and Method of Analysis Material Risks**

CenterPoint uses the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

#### **B.1. Long-Term Purchases**

As CenterPoint's investment process focuses on the long-term, this is the primary strategy employed. CenterPoint purchases securities with the idea of holding them in the client's account for a year or longer. Typically this strategy is employed when

- CenterPoint believes the securities to be currently undervalued, and/or
- CenterPoint wants exposure to a particular asset class over time, regardless of the current projection for this class.

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

#### **B.2. Short-Term Purchases**

In certain situations, this strategy may be used (but to a much lesser extent than long-term purchases). When utilizing this strategy, CenterPoint purchases securities with the idea of selling them within a relatively short time (typically a year or less). CenterPoint does this in an attempt to take advantage of conditions that CenterPoint believes will soon result in a price swing in the securities purchased.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; CenterPoint is then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs as well as less favorable tax treatment of short-term capital gains.

### **B.3. Option Writing**

In rare situations (and only when appropriate), CenterPoint may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. CenterPoint will buy a call if the firm believes that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. CenterPoint will buy a put if the firm has determined that the price of the stock is likely to fall before the option expires.

CenterPoint will use options to “hedge” a purchase of the underlying security; in other words, CenterPoint will use an option purchase to limit the potential upside and downside of a security purchased for your portfolio.

Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option increases. In this way long puts are often used to hedge a long stock position. Options exist for finite periods of time and expire (usually within nine months of issuance), and as a result can expose the investor to significant loss.

CenterPoint uses “covered calls,” in which an option is sold on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

Covered call writing is the sale of in-, at-, or out-of-the money call option against a long security position held in the client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs, and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility.

### **C. Concentration Risk**

Securities investments are not guaranteed and you may lose money on your investments. CenterPoint asks that you help the firm understand your tolerance for risk.

Although CenterPoint employs a broad diversification strategy, there may be times when one industry, sector, or company is more heavily weighted than others. In such an instance there is the possibility that negative performance of the heavily weighted security will have a greater impact on the overall performance of the portfolio. Clients who have diversified portfolios, as a



general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

CenterPoint is required to disclose any legal or disciplinary events that are material to a client or prospective client's evaluation of CenterPoint's advisory business or the integrity of the firm's management.

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

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

### **A. Broker-Dealer or Representative Registration**

Neither CenterPoint nor its affiliates are registered broker-dealers and do not have an application to register pending.

### **B. Futures or Commodity Registration**

Neither CenterPoint nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and do not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

There is nothing to report for this item.

### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

CenterPoint does not recommend separate account managers or other investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

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

### **A. Code of Ethics Description**

CenterPoint has adopted a Code of Ethics which sets forth high ethical standards of business conduct that the firm requires of its employees, including compliance with applicable federal securities laws.

CenterPoint and its personnel owe a duty of loyalty, fairness, and good faith toward its 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.

CenterPoint's 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. Among other things, the 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. CenterPoint's code also provides for oversight, enforcement, and recordkeeping provisions.

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

A copy of CenterPoint's Code of Ethics is available to advisory clients and prospective clients. You may request a copy by email sent to [info@centerpointwm.com](mailto:info@centerpointwm.com), or by calling CenterPoint at 317-973-7700.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of 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.

CenterPoint and/or individuals associated with the firm may buy or sell for their personal accounts securities identical to or different from those recommended to 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.

CenterPoint's normal practice is not to commingle employee transactions with client transactions. Clients are given priority in reference to order entry. Should an employee trade the same day as the client, the client would receive preference in terms of price and allocation.

As these situations represent actual or potential conflicts of interest to clients, CenterPoint attempts to limit such transactions. However, for instances where they occur, CenterPoint has established the following policies and procedures for implementing the firm's Code of Ethics, to ensure the firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of the firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of the firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. CenterPoint requires prior approval for any IPO or private placement investments by related persons of the firm.
4. CenterPoint maintains a list of all reportable securities holdings for the firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by CenterPoint's Chief Compliance Officer or his/her designee.
5. CenterPoint has established procedures for the maintenance of all required books and records.
6. Clients can decline to implement any advice rendered, except in situations where CenterPoint is granted discretionary authority.
7. All of CenterPoint's principals and employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
8. CenterPoint requires delivery and acknowledgement of the Code of Ethics by each supervised person of the firm.
9. CenterPoint has established policies requiring the reporting of Code of Ethics violations to senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

CenterPoint does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, CenterPoint does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

## **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

CenterPoint, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which CenterPoint specifically prohibits. CenterPoint has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow CenterPoint's procedures when purchasing or selling the same securities purchased or sold for the client.

#### **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

CenterPoint, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other CenterPoint clients. CenterPoint will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee, or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of CenterPoint to place the client's interests above those of CenterPoint and its employees.

## Item 12: Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

#### A.1. Custodian Recommendations

CenterPoint may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. or TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (collectively herein “custodian”), FINRA-registered broker-dealers, members SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. Although CenterPoint may recommend that clients establish brokerage accounts with the custodian, CenterPoint is independently owned and operated and not affiliated with any custodian. The custodian does not charge separately for custody services, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through or that settle into custodian accounts.

##### A.1.a. How CenterPoint Selects Brokers/Custodians to Recommend

CenterPoint seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. CenterPoint considers a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist CenterPoint in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to CenterPoint and the firm’s other clients
- availability of other products and services that benefit CenterPoint, as discussed below

##### A.1.b. Client’s Custody and Brokerage Costs

For client accounts that the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian’s accounts. The custodian’s commission rates applicable to the firm’s client accounts were negotiated based on the firm’s commitment

to maintain a certain minimum amount of client assets at the custodian. This commitment benefits the client because the overall commission rates paid are lower than they would be if the firm had not made the commitment. In addition to commissions, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the custodian execute most trades for the account.

#### **A.1.c. Soft Dollar Arrangements**

CenterPoint does not utilize soft dollar arrangements. CenterPoint does not direct brokerage transactions to executing brokers for research and brokerage services.

#### **A.1.d. Institutional Trading and Custody Services**

The custodian provides CenterPoint with access to its institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a certain minimum amount of the adviser's clients' assets are maintained in accounts at the custodian. The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

#### **A.1.e. Other Products and Services**

The custodian also makes available to CenterPoint other products and services that benefit CenterPoint but may not directly benefit clients' accounts. Many of these products and services may be used to service all or some substantial number of client accounts, including accounts not maintained at the custodian.

The custodian's products and services that assist CenterPoint in managing and administering clients' accounts include software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing, and other market data
- facilitate payment of CenterPoint's fees from clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

The custodian also offers other services intended to help CenterPoint manage and further develop its business enterprise. These services may include

- compliance, legal, and business consulting



- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

#### **A.1.f. Independent Third Parties**

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to CenterPoint. The custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CenterPoint.

#### **A.1.g. Additional Compensation Received from Custodians**

CenterPoint may participate in institutional customer programs sponsored by broker-dealers or custodians. CenterPoint may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between CenterPoint's participation in such programs and the investment advice it gives to its clients, although CenterPoint receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may include the following products and services (provided without cost or at a discount):

- Receipt of duplicate client statements and confirmations
- Research-related products and tools
- Consulting services
- Access to a trading desk serving CenterPoint participants
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts)
- The ability to have advisory fees deducted directly from client accounts
- Access to an electronic communications network for client order entry and account information
- Access to mutual funds with no transaction fees and to certain institutional money managers
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to CenterPoint by third-party vendors

The custodian may also pay for business consulting and professional services received by CenterPoint's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for CenterPoint's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit CenterPoint but may not benefit its client accounts. These products or services may assist CenterPoint in managing and administering client accounts, including accounts not maintained at the custodian as applicable. Other services made available through the programs are intended to help CenterPoint manage and further develop its business enterprise. The benefits received by

CenterPoint or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

CenterPoint also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require CenterPoint to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, CenterPoint will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by CenterPoint's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for CenterPoint's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, CenterPoint endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by CenterPoint or its related persons in and of itself creates a potential conflict of interest and may indirectly influence CenterPoint's recommendation of broker-dealers for custody and brokerage services.

#### **A.1.h. The Firm's Interest in Custodian's Services**

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's services so long as a certain minimum of client assets is kept in accounts at the custodian. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

### **A.2. Brokerage for Client Referrals**

CenterPoint does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

### **A.3. Directed Brokerage**

#### **A.3.a. CenterPoint Recommendations**

CenterPoint typically recommends Schwab or TD Ameritrade as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

#### **A.3.b. Client-Directed Brokerage**

Occasionally, clients may direct CenterPoint to use a particular broker-dealer to execute portfolio transactions for their accounts or request that certain types of securities not be purchased for their accounts. Clients who designate the use of a particular broker-dealer

should be aware that they will lose any possible advantage CenterPoint derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. CenterPoint loses the ability to aggregate trades with other CenterPoint advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

## **B. Aggregating Securities Transactions for Client Accounts**

### **B.1. Best Execution**

CenterPoint, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold and the price of such securities. CenterPoint recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. CenterPoint will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, CenterPoint seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of CenterPoint's knowledge, these custodians provide high-quality execution, and CenterPoint's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, CenterPoint believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

## **B.2. Security Allocation**

Since CenterPoint may be managing accounts with similar investment objectives, CenterPoint may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by CenterPoint in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

CenterPoint's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. CenterPoint will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

CenterPoint's advice to certain clients and entities and the action of CenterPoint for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines, and circumstances. Thus, any action of CenterPoint with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of CenterPoint to or on behalf of other clients.

## **B.3. Order Aggregation**

CenterPoint will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a prorated basis between all accounts included in any such block or paid at the commission rate available to each respective account at the custodian.

Block trading may allow CenterPoint to execute equity trades in a more timely and equitable manner, at an average share price. CenterPoint will typically aggregate trades among clients whose accounts can be traded at a given broker. CenterPoint's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with CenterPoint, or the firm's order allocation policy.
2. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable CenterPoint to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution as well as the best net price.

4. Prior to entry of an aggregated order, an order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and will pay the commission rate available to them at the custodian. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client or a flat fee per trade.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. CenterPoint's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on CenterPoint's records, and to the broker-dealers or other intermediaries handling the transactions by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

#### **B.4. Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

## Item 13: Review of Accounts

### A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

#### A.1. Investment Consulting – Individual Portfolio Management

*Reviews:* While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, overall reviews of each portfolio will occur on a periodic basis. The portfolio review interval will vary, but often occurs quarterly and no less than annually. 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.

These accounts are reviewed by Brian J. Brunner, Managing Member, and Patrick Hoehne.

*Reports:* In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, CenterPoint may provide periodic reports summarizing account performance, balances, and holdings. These reports will often be provided quarterly, but that interval varies based upon the needs and wishes of the client.

#### A.2. Financial Planning Services

*Reviews:* Financial planning reviews may occur at different stages depending on the nature and terms of the specific engagement. For ongoing financial planning services clients, reviews normally correspond with the client's periodic meeting schedule. This is often quarterly, but reviews occur no less than annually. Unless otherwise contracted for, reviews will not be conducted for project-based (non-recurring) financial planning clients.

*Reports:* CenterPoint's financial planning services are customized to each specific client. As such, the deliverables are specific to each situation and may or may not include written reports. In addition, as analysis is often performed over the course of the relationship, the timing of any reports (if appropriate) varies based upon the nature of the relationship and the planning topics covered.

### B. Review of Client Accounts on Non-Periodic Basis

CenterPoint may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how CenterPoint formulates investment advice.

### C. Content of Client-Provided Reports and Frequency

CenterPoint reviews documents supplied by the client, and may prepare written reports and analysis on specific issues as directed by the client. The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's

statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by CenterPoint.

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

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Other than what is disclosed in Item 12 regarding benefits the firm receives from its custodian(s), CenterPoint does not receive economic benefits for referring clients to third-party service providers.

### **B. Advisory Firm Payments for Client Referrals**

CenterPoint does not make payment for client referrals.



## Item 15: Custody

CenterPoint is considered to have custody of client assets for purposes of the Advisers Act for the following reasons:

- The client authorizes us to instruct their custodian to deduct our advisory fees directly from the client's account. The custodian maintains actual custody of clients' assets.
- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires). The firm has elected to engage an independent public accountant to annually conduct a surprise custody exam audit.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account. Private fund investors will receive fund level statements of all activity, cash balances, and portfolio holdings on a quarterly basis from their qualified custodian.

CenterPoint, as a result of its bill paying services for certain clients, is subject to the SEC's annual surprise audit requirements.

## Item 16: Investment Discretion

Clients may hire CenterPoint to provide discretionary asset management services, in which case CenterPoint places trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

CenterPoint's discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell, and/or
- determine the amount of the security to buy or sell

Clients give CenterPoint discretionary authority when they sign a discretionary agreement with the firm, and may limit this authority by giving the firm written instructions. Clients may also change/amend such limitations by once again providing CenterPoint with written instructions.

## Item 17: Voting Client Securities

CenterPoint does not take discretion with respect to voting proxies on behalf of its clients. Upon request, CenterPoint will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of CenterPoint supervised and/or managed assets. In no event will CenterPoint take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, CenterPoint will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. CenterPoint has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. CenterPoint also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, CenterPoint has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where CenterPoint receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Under no circumstances do the firm require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, CenterPoint is not required to include a financial statement.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

As an advisory firm that maintains discretionary authority for client accounts, CenterPoint is also required to disclose any financial condition that is reasonable likely to impair its ability to meet its contractual obligations. CenterPoint has no additional financial circumstances to report.

### **C. Bankruptcy Petitions During the Past Ten Years**

CenterPoint has never been the subject of a bankruptcy petition at any time during the past ten years.