

**Cover Page**

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**CHOICE Program**

**Wrap Fee Program Brochure Pursuant to  
Part 2A, Appendix 1 of Form ADV**

**March 2022**

This Wrap Fee Program Brochure provides clients with information about Grove Point Advisors, LLC and the Choice Program that should be considered before becoming a client. If you have any questions about the contents of this Brochure, please contact us at (301) 944-5900. For additional information about Grove Point Advisors, LLC, visit our website at [www.grovepointfinancial.com](http://www.grovepointfinancial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Grove Point Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) "Registration" or being "registered" with the SEC does not imply a certain level of skill or training.

### **Material Changes**

No material changes were made to the Grove Point Advisors, LLC Form ADV 2A Choice Brochure dated March 2021.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and our subsequent Choice Program Brochures within 120 days of the close of our business fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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

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## **Services, Fees and Compensation**

### **About Grove Point Advisors, LLC**

Grove Point Advisors, LLC ("Grove Point Advisors") is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Grove Point Advisors is a member of Securities Investor Protection Corporation ("SIPC").

Grove Point Financial, LLC, is the holding company for Grove Point Advisors and Grove Point Investments, LLC, which is a securities broker dealer affiliated with Grove Point Advisors. Grove Point Investments, LLC is a member of the Financial Industry Regulatory Authority ("FINRA") and SIPC. All Grove Point companies are wholly owned subsidiaries of Kestra Financial, Inc., ("Kestra"). Grove Point Advisors has been registered with the SEC as an investment adviser since October 1999, formerly as H. Beck, Inc.

Grove Point Advisors provides investment advisory services to a variety of clients, including individuals, businesses, and retirement plans. Clients may simultaneously receive both investment advisory from Grove Point Advisors and brokerage services from Grove Point Investments, LLC. Our primary methods of providing investment advisory services are: 1) advisor managed accounts; 2) selection of other investment advisers; 3) financial planning; 4) wrap-fee programs; and 5) qualified and non-qualified retirement plan services. Our investment advisory services are provided through our investment adviser representatives ("IARs") located throughout the country. Our IARs may also be registered representatives of our affiliate, Grove Point Investments, LLC (i.e., registered with FINRA to sell securities), and licensed as insurance agents. To the extent your IAR provides fixed insurance products or services to you (other than fixed indexed annuities), he or she does so outside of Grove Point Advisors and our supervision.

Some of our IARs are also involved in other business activities, such as accounting, legal, tax, and other non-investment services for which we are not responsible. Unless otherwise provided by applicable law and the particular circumstances, services provided by our IARs outside of Grove Point Advisors will not be subject to a fiduciary standard. Grove Point Advisors does not provide legal or tax advice and you should consult your own attorney or tax advisor for guidance relative to your specific circumstances.

This Wrap Fee Program Brochure describes the Choice wrap fee program ("Choice" or the "Choice Program") sponsored by Grove Point Advisors. Other advisory services offered by Grove Point Advisors are described in another brochure, Grove Point Advisors, LLC Form ADV 2A, which contains the information required by Part 2A of Form ADV.

### **The CHOICE Program**

The Choice Program is an IAR directed model-based wrap fee program sponsored by Grove Point Advisors through which clients are provided investment advisory, custody, administrative, execution and clearing services for a bundled fee, all as more particularly described herein. Grove Point Advisors acts as both a broker-dealer and an investment adviser with respect to the Choice Program. In accordance with the Choice Program, each client opens a brokerage account ("Account") with Grove Point Advisors that will hold the client's assets in Choice Program.

### **Grove Point Advisors' Services**

As a part of opening an account, the IAR will obtain information regarding client investment objectives, risk tolerance, time horizon, and other financial characteristics ("Characteristics"). Based upon the information provided by the client, the IAR will recommend either a model-based asset allocation

strategy or other custom allocation method ("Strategy") and a portfolio of securities that is appropriate for the client's Characteristics. Each Strategy allocates a client's funds pursuant to the client's risk tolerance. A number of strategies that span the risk-tolerance spectrum from conservative to aggressive are available in Choice.

Grove Point Advisors is responsible for monitoring client investments under Choice on an ongoing basis to ensure adherence to the appropriate Strategy, and for the day-to-day and ongoing management of client accounts as well as the suitability of (i) client participation in Choice, (ii) client Strategy and (iii) the investments in client accounts. In addition, Grove Point Advisors is responsible for keeping abreast of changes in client circumstances and how such changes may impact the appropriateness of Choice, client Strategy or the investments in client Accounts.

Grove Point Advisors' Strategy and securities recommendations will be consistent with client Characteristics and any reasonable guidelines or restrictions provided by clients in writing and agreed to by Grove Point Advisors. The IAR will consult with the client at least annually regarding the account and whether client's Characteristics have changed. This review is designed to ensure that the performance, composition, and risk profile of client accounts are still appropriate and consistent with client Characteristics. The IARs also will be available to clients on an ongoing basis to discuss client Characteristics, accounts, or the securities therein or to process instructions from clients.

The Strategies and securities recommended by Grove Point Advisors may vary from client to client. The advice provided by the IAR under Choice generally is non-discretionary in nature. However, clients in Choice may be able to grant discretionary authority to Grove Point Advisors, via amendment to the investment management agreement, to enable the IAR to take the following actions without the client's consent: (i) replace any of the client's mutual fund holdings with mutual funds or other securities that have a similar objective and investment style (e.g., large cap growth, small cap value etc.) from a predetermined list of funds, and (ii) rebalance the client's account holdings when they materially drift from the established target allocations established for the Strategy. Except as noted above, clients in Choice are required to review and approve of the IAR's Strategy and security recommendations and Grove Point Advisors will not place securities orders without obtaining the prior approval of clients. Clients must decide whether to accept or reject Grove Point Advisors' recommendations.

Client transactions are generally executed through our affiliate Grove Point Investments in its capacity as a broker-dealer and introduced to Grove Point Investments' clearing broker-dealer, Pershing, LLC ("Pershing"), for settlement and clearance, at the direction of Grove Point Advisors. Additional information on this directed brokerage arrangement appears under Additional Information below.

Grove Point Advisors' affiliate Grove Point Investments arranges, through its clearing broker-dealer Pershing, to deliver to clients confirmations of each purchase and sale of securities in client accounts, to deliver brokerage statements to clients for each month in which activity occurs in client accounts, to deliver quarterly statements to clients regardless of whether there has been activity in client accounts, and to provide other custodial functions customarily performed with respect to securities brokerage accounts. Grove Point Advisors also arranges for Pershing to maintain custody of all assets in client accounts and to perform custodial services that include, among other things, crediting of interest and dividends on assets and crediting of principal on called or matured securities in accounts.

Grove Point Advisors is authorized to follow the instructions of clients in every respect concerning the client's participation in the Choice Program. However, Grove Point Advisors may reject such instructions if, in Grove Point Advisors' reasonable judgment, such instructions (i) are not consistent with the terms of the Choice Program, or (ii) if implemented, would violate any applicable law, rule or regulation.

Clients are responsible for voting all proxies, consents, waivers and other documents regarding corporate actions, with respect to any securities held in their account. Grove Point Advisors will not vote proxies. Nor will Grove Point Advisors be responsible for taking action or rendering any advice with respect to securities held in Choice Program accounts that become subject to legal notices or proceedings, including bankruptcy proceedings.

### **Grove Point Advisors' IARs**

The services provided by Grove Point Advisors under the Choice are provided by Grove Point Advisors IARs who may also be registered securities representatives of Grove Point Investments (i.e., registered with FINRA to sell securities) and may also be licensed as insurance agents for various insurance companies. For more information about a Grove Point Advisors IAR, please refer to the IAR's Form ADV Part 2B Brochure Supplement.

Each IAR who has clients in the Program is compensated by Grove Point Advisors for providing investment advisory and related services. The amount of this compensation may be more than what the IAR would receive if the client participated in other programs offered by Grove Point Advisors, or paid separately for investment advice, brokerage and other services. An IAR, therefore, may have a financial incentive to recommend the Program over other programs or services.

### **Administrative, Execution and Clearance Services**

Grove Point Advisors does not receive research or other products or services (also known as "soft dollar benefits") from a broker-dealer or third party in connection with client securities transactions.

Grove Point Advisors may utilize the services of several broker-dealers. Grove Point Advisors will primarily rely on Grove Point Investments for its brokerage services. In its capacity as a broker-dealer, Grove Point Investments acts as a selling agent on a best efforts basis for fixed income securities, which a Grove Point Advisors IAR may recommend for your advisory account. In such transactions, Grove Point Advisors will receive advisory fees on the fixed income securities in your advisory account but will not receive commissions or other transaction-based compensation on such trades.

Grove Point Advisors affiliate, Grove Point Investments, is a broker-dealer. In its capacity as a broker-dealer, we act as a selling agent on a best efforts basis for fixed income securities, which a Grove Point Advisors IAR may recommend for your advisory account. In such transactions, Grove Point Advisors will receive advisory fees on the fixed income securities in your advisory account but will not receive commissions or other transaction-based compensation on such trades.

In its capacity as a broker-dealer, Grove Point Investments has a clearing agreement with Pershing to settle and clear all securities trades introduced to it by Grove Point Advisors. Clients in the Choice Program should be aware that Grove Point Advisors introduces all securities trades for these programs to Pershing through Grove Point Investments, which settles and clears such trades. Trades for the Choice Program are directed to Pershing. As a result, Grove Point Advisors will not be able to: (i) select broker-dealers on the basis of price or other attributes; (ii) negotiate commissions (or mark-ups or mark-downs on fixed income and other securities) or impact or improve the price or quality of the services provided by Pershing; or (iii) aggregate or "batch" orders for purposes of execution with orders for the same securities for other accounts managed by Grove Point Advisors other than for other accounts also custodied or cleared through Pershing.

Due to the foregoing, certain transactions may result in less favorable prices on the purchase and sale of securities than would otherwise be the case, and that we may be unable to achieve most favorable execution

of client transactions. In particular, clients may not achieve executions of the nature, quality, speed or price that they might otherwise, which means client accounts in the Choice Program might not generate the returns they would if orders were not directed as described above. Not all investment advisers require their clients to direct brokerage.

The securities trades directed to Pershing in the Choice Program are included in the calculation of assets we introduce to Pershing and therefore may result in reduced fees charged to us by Pershing or in our receipt of additional services from Pershing.

As the introducing broker-dealer of record for Choice accounts, Grove Point Investments has an interest in having Pershing settle and clear securities transactions under the Choice Program. Under Grove Point Investments' agreement with Pershing, the fees charged to Grove Point Investments and the level of services provided by Pershing are dependent upon the amount of assets introduced by Grove Point Investments to Pershing. The securities trades directed to Pershing under the Choice Program are included in the calculation of assets introduced by Grove Point Investments to Pershing and therefore may result in reduced fees being charged to Grove Point Investments by Pershing or in Grove Point Investments' receipt of additional services from Pershing. Any such reduction in fees being charged to Grove Point Investments does not result in a reduction of the Choice Fee charged to clients in the Choice Program.

Grove Point Advisors IARs may aggregate trades for client accounts in the Choice Program. Trades may be aggregated for various securities, including stocks and exchange traded funds. All clients participating in an aggregated or "block" trade receive the same average price for the relevant security and clients' costs are allocated on a pro-rata basis. Aggregating trades does not guarantee that a client will pay a lower cost than if Grove Point Advisors had not aggregated a trade and at times could cause a given client to pay more in transaction costs than he or she would otherwise pay.

## **Account Reviews**

Cash balances in client accounts are subject to periodic sweeps into short term investment vehicles offered by Grove Point Advisors such as a money market mutual funds or an FDIC insured sweep program. Clients select, through the brokerage account application with Grove Point Advisors, from an array of money market mutual funds and FDIC insured sweep programs. All sales proceeds, dividends, and interest will be swept into this investment vehicle. If a client selects a money market mutual fund, the client will receive a separate prospectus relating to the mutual fund(s) in which the cash in the client's account is invested which will contain a complete description of the relevant fees and/or expenses of the mutual fund(s); clients should refer to the prospectus for more information about the applicable fund. If the client selects an FDIC insured sweep program, the client will receive a terms and conditions document for each program; clients should refer to the terms and conditions of the applicable FDIC insured sweep program terms and conditions for more information about the program. As part of the program, the client must agree that, after providing the client prior notice, Grove Point Advisors may change the sweep vehicle and transfer funds from one sweep vehicle to another sweep vehicle, including changes between money market funds and bank deposit products. Clients can change investment vehicles at any time by calling the client's Grove Point Advisors IAR.

The costs of the custody, clearance and administrative services provided by Pershing are included in the Program Fee, and therefore also the total Choice Fee, each of which is described below.

### **Opening an Account**

Clients may enter the Choice Program by executing an investment management agreement ("Agreement") with Grove Point Advisors and opening a brokerage account with Grove Point Investments.

In connection with opening an account, Grove Point Advisors obtains information regarding a client's investment objective, risk tolerance, time horizon, and other financial characteristics. Based upon the information provided by the client, Grove Point Advisors will develop and recommend an investment strategy and securities for the client's portfolio. Except as discussed herein, it is up to the client to decide whether to accept or reject Grove Point Advisors' recommendations.

Further, Grove Point Advisors may, in its sole discretion, reject any type of security that a client wishes to transfer into the account. The proceeds from the liquidation of any ineligible securities may be transferred into an account, but Grove Point Advisors will not liquidate any such ineligible securities without client authorization.

### **Account Reviews**

Grove Point Advisors, through its IARs, will periodically review and monitor the performance, composition and risk profile of the client's account and, if appropriate, will make recommendations based on the results of the reviews. In addition, Grove Point Advisors will consult with each client in the Choice Program at least annually regarding the account and whether anything has changed in the client's financial circumstances or investment objectives that might affect the way the client's assets should be managed. The review covers such things as changes in the value of the account, the success of the investment strategy in meeting the client's investment needs and objectives, whether any material changes have taken place in the client's financial circumstances or investment objectives, and any recommendations we make with respect to the account(s). The IAR will also be available on an ongoing basis to discuss the client's account, any questions relating to the securities therein and any changes that may have occurred in the client's financial circumstances or investment objectives.

Clients also receive monthly or quarterly account statements, quarterly performance reports, brokerage statements for each month in which trading activity occurs in the client's account, and confirmations of each purchase and sale in an Account (unless the client elects to suppress confirmations or elects to receive only quarterly statements). Grove Point Advisors IARs are available to assist a client in reviewing all these reports and statements.

Grove Point Advisors urges clients to carefully review such statements and compare such official custodial records to any statements that Grove Point Advisors may provide. Grove Point Advisors statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Terminating an Account**

Grove Point Advisors or a client may terminate the Choice Program Agreement at any time with written notice and thereby terminate an account under the Choice Program. If an account is terminated during a quarter, or the client makes a full withdrawal of Program assets, Grove Point Advisors will refund to the client a pro-rata portion of any pre-paid, but unearned fees paid for that quarter. The amount refunded to the client will be based on the number of days remaining in the quarter as of the date of termination. However, termination will not affect any liabilities or obligations incurred or arising from transactions in a client's account that are initiated before such termination.

Upon termination of the Agreement, Grove Point Advisors shall not have any obligation of any kind to recommend any action regarding the assets in a client's Choice account. Client shall have sole responsibility to decide what happens to the assets in the account and to issue instructions in writing to Grove Point Advisors regarding the assets held in the account. Client may either liquidate the assets in the account or transfer the assets in the account to a third party. If the client instructs Grove Point Advisors to liquidate the assets in the



account, Grove Point Advisors will perform such a liquidation solely in its capacity as a broker-dealer, and Grove Point Advisors' then-current standard commission and fee schedule shall apply. If client does not provide instructions regarding the account assets upon termination of this Agreement, then Grove Point Advisors retains the right to automatically liquidate the assets and send the proceeds to client.

Termination of the Agreement shall not affect the validity of any action previously taken under the Agreement or any liabilities or obligations incurred prior to termination. Accordingly, Grove Point Advisors may retain assets in client's account sufficient to effect any open and unsettled transactions or to pay any outstanding fees or charges.

## **Fees**

### **Choice Fee**

Each client in the Choice Program pays an annualized asset-based fee (the "Choice Fee"), which includes the costs of investment advisory, execution, clearance, administrative and other services provided by Grove Point Advisors and Pershing (exclusive of certain charges associated with securities transactions described below and charges for optional services). The Choice Fee is comprised of two components: (i) the "Program Fee" charged by Grove Point Advisors for the services Grove Point Advisors and Pershing provide under the Program and (ii) the "IAR Fee", which is the fee charged for the services provided by Grove Point Advisors through its IARs.

Pershing deducts the Choice Fee from the account and pays both the Program Fee and the IAR Fee to Grove Point Advisors. The Program is set forth in the table below. Grove Point Advisors retains a portion of the IAR Fee and pays a portion of the IAR Fee to the Grove Point Advisors IARs. The IAR Fee is negotiable, subject to maximum limits shown in the table below, by the client and the IAR. In negotiating the IAR Fee, the IAR may take into consideration, among other things, the amount of assets in the Choice account, whether the client maintains other securities brokerage or investment advisory relationships with Grove Point Advisors, the amount of assets in such other accounts, and the duration and scope of the client's relationship with Grove Point Advisors.

Choice fees are charged quarterly in advance and calculated quarterly based on the value of the assets in the client's Choice Program account on the last business day of the prior quarter.

<b>Asset Level</b>	<b>Maximum IAR Fee</b>	<b>Program Fee</b>	<b>Maximum Total Choice Fee</b>
First \$250,000	2.00%	0.25%	2.25%
Next \$250,001 - \$500,000	1.90%	0.25%	2.15%
Next \$500,000 - \$1,000,000	1.80%	0.22%	2.02%
Next \$1,000,001-\$2,000,000	1.40%	0.19%	1.59%
Next \$2,000,001-\$3,000,000	1.40%	0.15%	1.55%
Next \$3,000,001-\$4,000,000	1.40%	0.12%	1.52%
Next \$4,000,001-\$5,000,000	1.40%	0.10%	1.50%
Over \$5,000,000	1.00%	0.06%	1.06%

Pershing charges a fee to Grove Point Advisors to cover the expenses associated with the administrative, clearing and custodial services provided by Pershing in connection with the Choice Program.

The Choice Fee does not include certain fees and charges associated with securities transactions, including the following: (i) charges imposed by law; (ii) operating expenses charged by collective investment vehicles, such as mutual funds, closed-end funds, unit investment trusts, exchange-traded funds or real estate investment trusts; (iii) costs relating to trading in certain foreign securities; and (iv) fees for optional services elected by clients. Pershing also charges interest on any outstanding loan balances to clients who borrow money from it. Clients also may be charged for other specific account services as described in Grove Point Advisors' commission and fee schedule, such as ACAT account transfers, annual and termination fees for retirement accounts, wire transfer charges, and charges for other optional services selected by the client. See the brokerage agreement or ask your IAR for more information regarding these fees.

Information about minimum account size and minimum Program Fee, which are relevant to Grove Point Advisors' Choice Program, are included in another brochure, Grove Point Advisors, LLC's Form ADV 2A, which contains the information about Grove Point Advisors' advisory business, and which is offered to all Grove Point Advisors advisory clients on an annual basis.

Grove Point Advisors is compensated for its services through the Choice Fees paid by clients.

Grove Point Advisors IARs who recommend the Choice Program to clients are compensated as a result of such clients' participation in the Choice Program. Each IAR that has clients in the Choice Program is compensated by Grove Point Advisors for providing investment advisory and related services. The amount of this compensation may be more than what the Grove Point Advisors IAR would receive if the client participated in other programs offered by Grove Point Advisors, or paid separately for investment advice, brokerage and other services. An IAR may, therefore, have a financial incentive to recommend the Program over other programs or services.

The total fees charged under the Choice Program may be higher than what another investment adviser would charge for a similar set of services, what Grove Point Advisors may charge for similar services in other wrap fee programs offered by Grove Point Advisors, or what would be charged by Grove Point Advisors or another investment adviser if the investment advisory and securities brokerage services were provided separately. The relative cost of the Choice Program is affected by such factors as the administrative costs associated with wrap fee arrangements, the fees charged when investment adviser and brokerage services are purchased separately, the size of a client's account, and the level of trading activity in a client's Account.

Clients that have accounts that do not trade or rarely trade and/or with high cash balances should be aware that a wrap fee program might be a relatively expensive account option. This is because the cost of trading is included in the wrap fee and such a client would be paying for services he or she does not receive. In addition, there generally is a disincentive for the investment adviser to trade in wrap program accounts since trading costs are built into the asset-based wrap fee charged to the client and the adviser must pay for the execution of such trades. Accordingly, increased trading usually increases the costs that must be borne by the investment adviser. However, specifically in the Choice program the fee charged to Grove Point Advisors for execution is based on aggregated assets in the entire program, which significantly mitigates the conflict of interest.

As noted above, Grove Point Advisors offers another wrap fee program called the ACAMP+ Program. The IARs are charged a transaction fee for each transaction in ACAMP+ accounts, which creates an incentive for them to recommend fewer trades in such accounts. The IARs are not charged transaction fees on transactions in other investment advisory programs sponsored by Grove Point Advisors, including Choice. This aspect of the ACAMP+ Program creates an incentive for an IAR to recommend that clients choose another investment advisory program (such as Choice) over ACAMP+. However, there is another aspect of the ACAMP+ Program Fee structure, as compared to the Choice Fee structure, that creates an incentive for an IAR to recommend that a client select the ACAMP+ Program over Choice. In particular, the Choice Fee includes a 25 bps platform fee that is paid by the client and is not shared with the IAR. The ACAMP+ Program Fee has a 10 bps platform

fee paid by the client that is not shared with the IAR. This means that for a given program fee paid by clients IARs receive a higher share of the total ACAMP+ Program Fee as compared to the Choice Fee. As a result, depending on the number of transactions executed, an IAR's total amount of compensation could be higher if he/she recommends the ACAMP+ Program over the Choice Program. The difference in an IAR's share of the ACAMP+ Program Fee compared to the IAR's share of the Choice Fee is likely to exceed the amount of transaction fees the IAR would pay in connection with transactions in ACAMP+ accounts. Clients should be aware of the conflict of interest that their IARs have in connection with the recommendation of ACAMP+ and Choice accounts.

### **Payment of Fees**

The Choice Fee is payable at inception and quarterly in advance, thereafter, based on the value of the assets in the account on the date of inception, and thereafter, on the last business day of the prior quarter (except as discussed below in connection with additions to the account). The first payment will be assessed on a pro rata basis in the event the Agreement is executed at any time other than the first day of the billing cycle. For the purposes of fees and valuation, securities will be valued at the closing price on the principal exchange on which they are traded. All cash and securities in the account will be included in determining the value of the account for the purpose of calculating the Choice Fee. Securities not listed on a national securities exchange will be valued in a manner determined in good faith by Grove Point Advisors by consulting other exchanges or validation services.

If a client does not have sufficient cash in his or her account to cover the payment of the Choice Fee, a debit is created in the account and the client's IAR is notified so that he or she can obtain the client's approval to sell a position to pay the Choice Fee.

Additions to an account may be made at any time and will result in an adjustment to the Choice Fee with respect to such new assets prorated from the date of the addition. Withdrawals of assets may be made at any time and will result in an adjustment to the Choice Fee with respect to the withdrawn assets prorated from the date of the withdrawal. The proceeds of a withdrawal will be delivered to the client after the time necessary for the resulting trades to clear and settle. If the account is terminated by either party, fees paid for that quarter will be prorated based on the number of days in the quarter for which the Program was in effect and any unearned investment advisory fees will be returned to the client, and the market value of the assets in the account shall be calculated as of the close of trading on the last business day that Grove Point Advisors provides investment advisory services under the Agreement.

The client will authorize Pershing to deduct all applicable fees from the client's account. All such fees will be clearly noted on the client's statements.

In the event a client's agreement is terminated prior to the last day of a calendar quarter, a pro-rata portion, based upon the number of days remaining in such quarter, of the quarterly Choice Fee with respect to the Choice Program assets paid in advance, will be refunded to the client.

### **Additional Compensation**

#### **12b-1 Fees**

Our Affiliate, Grove Point Investments may receive 12b-1 fees from mutual funds in which a client's assets are invested under Choice. The receipt of such fees is in addition to the investment advisory fees received by Grove Point Investments under Choice. However, Grove Point Investments credits back to each client's account an amount equal to the 12b-1 fees received by Grove Point Investments.

### **Revenue Sharing**

In addition to the Choice Fee, Grove Point Investments receives payments, commonly referred to as revenue sharing, from certain of the investment advisers, principal underwriters, or other affiliates of the mutual funds in which clients' accounts may be invested. None of the compensation we receive under these arrangements is credited back to clients or offset against our investment advisory fees. Accordingly, these payments present a conflict of interest for us to recommend mutual funds that make these payments to us over mutual funds that do not make such payments. Please see Additional Information.

### **Sales Compensation**

The principal business of Grove Point Advisors is that of a Registered Investment Advisor. Our affiliate, Grove Point Investments' principal business is that of a general securities introducing broker-dealer. Our IARs who are affiliated with Grove Point Investments are compensated for the sale of securities and insurance products when they act in the capacity of registered representatives of the broker-dealer or as insurance agents when acting as agents for various insurance carriers. When acting in these sales capacities they generally receive a portion of the transaction-based compensation received by Grove Point Investments such as commissions, on the sale of securities or may receive transaction-based compensation directly from the applicable insurance carrier. Such compensation is the primary compensation for Grove Point Investments. This practice presents a conflict of interest and gives Grove Point Advisors and its IARs an incentive to recommend investment or insurance products based on the compensation received, rather than on a client's needs. We address this conflict by disclosing this conflict and by reviewing the securities recommendations made by our IARs when they act as registered representatives and insurance agents. We strive to have all such recommendations be suitable and appropriate for our clients. We also use reports and audits to review the investment advice provided by our registered representatives to see whether it satisfies applicable legal requirements. Clients have the option of purchasing investment products that we recommend through other broker-dealers that are not affiliated with us or purchasing insurance products through agents other than our IARs.

### **ERISA Considerations**

If the Employee Retirement Income Security Act of 1974 ("ERISA"), as interpreted by the Department of Labor, imposes obligations on Grove Point Advisors to take certain actions with respect to revenue sharing payments, 12b-1 fees charged to mutual fund shares owned by employee benefit plans or other sources of revenue, Grove Point Advisors will act in accordance with such obligations.

### **Account Requirements and Types of Clients**

The minimum account size under the Program is \$50,000. Lesser amounts, to a certain extent, may be accepted in Grove Point Advisors' sole discretion. Services under the Program are offered primarily to individuals and certain tax qualified accounts such as individual retirement accounts. Grove Point Advisors reserves the right to reject any client from participating in the Choice Program.

### **Portfolio Manager Selection and Evaluation**

Under the Choice Program, Grove Point Advisors does not select portfolio managers to manage assets in client Accounts. Rather, the Choice Program is offered to clients by Grove Point Advisors IARs, who are solely responsible for gathering information about client Characteristics. Based on those Characteristics, Grove Point Advisors recommends a Strategy and a portfolio of securities that is appropriate for the client's Characteristics.

For more information about the Grove Point Advisors IARs and their qualifications, as well as Grove Point Advisors' procedures, if any, for reviewing and evaluating Grove Point Advisors IARs and their performance, see your IAR's Form ADV Part 2B Brochure Supplement.

### **Client Information Provided to Portfolio Managers**

Grove Point Advisors does not use portfolio managers in the Choice Program. Clients participating in the Choice Program provide relevant personal information, including investment objectives, risk tolerance, time horizon and financial and other Characteristics directly to their IARs.

The Grove Point Advisors IARs will consult with each client at least annually to consider changes in the client's financial circumstances and investment objectives, and to recommend appropriate changes to the client's Strategy or account. Grove Point Advisors IAR are also available on an on-going basis to discuss a client's account or Strategy or changes in a client's Characteristics.

### **Client Contact with a Portfolio Manager**

Grove Point Advisors does not use portfolio managers in the Choice Program. There are no restrictions placed on Client's ability to contact the client's Grove Point Advisors IAR. Clients have regular access to Grove Point Advisors and Grove Point Advisors IARs to discuss their accounts, Characteristics, and Strategies.

### **Additional Information**

#### ***Disciplinary Information***

Grove Point Advisors has not been the subject of any material disciplinary actions as a result of its activities as a registered investment adviser.

#### ***Other Financial Industry Activities and Affiliations***

The principal business of Grove Point Advisors is that of a Registered Investment Adviser. We are affiliated with Grove Point Investments which is a full service general securities introducing broker-dealer registered with the SEC, and state securities agencies and is a member of FINRA. Grove Point Investments is subject to the rules and regulations of the Municipal Securities Rulemaking Board ("MSRB") and National Futures Association ("NFA"). Grove Point Investments is involved in the sale of various types of securities, including but not limited to, mutual funds, stocks, bonds, options, direct participation programs and variable insurance products. Grove Point Advisors also can recommend managed futures through Grove Point Investments as an introducing broker. Grove Point Advisors is an affiliated entity and subsidiary of Grove Point Financial and Kestra Financial, Inc. Kestra Financial, Inc. and affiliates are ultimately owned by Kingfisher Holding, LP.

Your IAR may also be a registered representative authorized to provide securities brokerage services through Grove Point Investments and may be separately licensed as an insurance agent for one or more insurance companies. In those separate capacities, he or she may offer products or services to you. If you purchase other products or services recommended by your representative, you might be charged commissions or transaction-based fees; however, Grove Point Advisors and the representative will forego such compensation in connection with those transactions related to the advisory services offered while a plan services agreement is in force.

Our obligations to you when we are acting as a broker-dealer or insurance agency differ from our obligations to you when we are acting as an investment adviser. In particular, when we are acting as a broker-dealer or insurance agency (and when your IAR is acting as a registered representative or an insurance agent) we are acting (directly or indirectly) as an agent of the issuer of the security or insurance product and are being paid by the issuer to distribute and sell their product. We or our IAR receive commissions and other transaction-based compensation if we are successful in selling the products on behalf of the issuer. When acting in these sales capacities, any recommendations we make must be suitable for our customers. In contrast, when we are acting as an investment adviser (and your IAR is acting as an investment adviser representative) we are acting as your agent in providing investment advice to you. In doing so, we are fiduciaries to you and owe you a duty of care, a duty of loyalty and must act in your best interest.

You are under no obligation, however, to purchase any other products or services from Grove Point Advisors, Grove Point Investments, or our representatives.

A number of our IARs own their own companies or engage in other outside businesses that are not affiliated with our company (each an Outside Business), including but not limited to certain insurance agencies as discussed above. Grove Point Advisors does not provide investment advisory services through these Outside Businesses, does not supervise these businesses and is not responsible for any product or service purchased through these businesses. To the extent you purchase a product or service through an Outside Business, the IAR or his or her Outside Business will receive compensation in addition to any amount you pay Grove Point Advisors for investment advisory services. Since Grove Point Advisors does not own or control these Outside Businesses, you should discuss any compensation or other arrangements regarding it with your IAR.

Some of our IARs are registered with or affiliated with an investment adviser other than Grove Point Advisors. You should read the brochure and any other materials provided by these other investment advisers for information regarding their services and fees if you engage them to provide you advisory services.

### ***Conflicts of Interest***

Various situations and programs present a conflict of interest for Grove Point Advisors and/or IARs. Typically, these conflicts of interest arise because Grove Point Advisors and/or the IAR receive compensation or other benefits in addition to the investment advisory fees we receive from the client. Conflicts of interest also arise when (i) we can achieve certain expense reductions based upon how a client's assets are invested (e.g. the rates we pay third party service providers may decrease as we introduce more assets to those third party service providers); (ii) we receive additional compensation from a client in a capacity other than as the client's investment adviser (e.g. for certain programs where we also act as the broker-dealer and receive additional compensation in that capacity); or (iii) one of our affiliates may receive compensation through some of our programs (e.g. a program where an affiliate of ours provides trust services). In these situations, we have an economic interest in how a client's assets are invested, thus resulting in a conflict between the client's interests and ours.

An IAR is compensated as a result of a client engaging the IAR to provide services to the client. The amount of that compensation varies between our programs or may be more than what the IAR would earn if the client paid separately for services that we may bundle together (e.g., paying separately for investment advice and brokerage services). An IAR may have an economic interest in whether the client receives investment advisory services versus securities brokerage or other services, or which investment advisory program a client utilizes, thus resulting in a conflict between the client's interests and those of the IAR. Specific conflicts of interest that arise in the context of the ACAMP+ and Choice Programs are discussed above under Services, Fees and Compensation. For more information about your IAR's compensation, please contact your IAR.

As required by law, Grove Point Advisors maintains certain policies and procedures, such as our “Code of Ethics” (see below), that are designed to prevent Grove Point Advisors and our IARs from acting in any way that is inconsistent with our legal obligations to a client, including the requirement that we put our clients’ interests first. We address conflicts by disclosing them to clients so they can make an informed decision as to whether to continue with the advisory relationship and by reviewing the recommendations made by our IARs. We also use reports and audits to review the advice provided by our IARs and the accounts they manage.

### ***Payments from Strategic Partners***

In its capacity as a broker-dealer and insurance agency, our affiliate, Grove Point Investments, offers products issued by over 200 sponsor companies. In its capacity as an investment adviser, Grove Point Advisors can provide access to third-party investment advisers. However, we have a focused relationship with a limited number of sponsor companies and third-party investment advisers (“Strategic Partners”). Pursuant to Grove Point Financial’s Strategic Partner Program, Grove Point Financial receives payments commonly referred to as “revenue sharing” from some of the Strategic Partners or their affiliates. Such revenue sharing is in addition to the regular compensation Grove Point Advisors, or its affiliates receive when acting as a broker-dealer, insurance agency or investment adviser (such as loads, commissions, 12b-1 fees, and investment advisory fees). Revenue sharing payments are paid to Grove Point Financial by the Strategic Partners or their affiliates and are not shared with Grove Point Financial’s IARs.

In addition to revenue sharing payments, which typically are based on a percentage of initial sales of securities and/or a percentage of annual assets held (or assets under management), Grove Point Financial receives compensation in the form of flat fees for providing certain Strategic Partners with access to conferences and meetings with its field force (together with revenue sharing, “additional compensation”). Grove Point Financial may use the additional compensation for general financial support to offset the costs of product management support and compliance. The actual amount Grove Point Financial receives is negotiated in each case and varies by Strategic Partner. In return for the revenue sharing payments, Strategic Partners have greater access to our representatives to provide training and other educational presentations and product information so they can serve investors better, visibility on our website and assistance with coordinating access to and educational opportunities for our representatives. In addition, the Strategic Partners and we agree to provide each other periodic reports.

There is no direct economic incentive for representatives of Grove Point Advisors or Grove Point Investments to sell securities or insurance products issued by, or investment advisory programs managed by, the Strategic Partners over any other security, insurance product, or investment advisory program. In this respect, the Grove Point Advisors’ representatives do not receive any part of the additional compensation. Accordingly, we believe these financial arrangements do not create incentives that will influence the advice you receive from your representative. Nevertheless, the Strategic Partner arrangements create a conflict of interest since Grove Point Advisors receives financial benefits from certain of the Strategic Partners if their securities or investment advisory programs are selected that Grove Point Advisors does not receive if securities and investment advisory programs of non-Strategic Partners are chosen.

Information about payments received during 2021 from Strategic Partners that participated in the Strategic Partner Program, which are relevant to Grove Point Advisors’ investment advisory services, are included in another brochure, Grove Point Advisors Form ADV 2A, which contains the information about Grove Point Advisors’ advisory business, and which is offered to all Grove Point Advisors advisory clients on an annual basis.

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

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the “Act”), Grove Point Advisors has established and enforces a written code of ethics (“Code”) that describes standards of business conduct, including applicable fiduciary obligations, that must be observed by Grove Point Advisors and its “supervised persons” (as defined in the Act) in connection with Grove Point Advisors’ investment advisory business. These standards include requirements:

- To always act with the utmost integrity and honesty, dealing fairly with clients, Grove Point Advisors, its associates and service providers
- To place the interests of clients first
- To render professional and unbiased investment advice to clients
- To provide full, fair, and timely information to clients
- To avoid conflicts of interest with clients when supervised persons conduct personal securities transactions
- To exercise diligence and care in maintaining and protecting clients’ non- public, personal or confidential information and
- To always comply with the federal securities laws.

All supervised persons are prohibited from trading based on material non-public information. In addition, the Code prohibits certain supervised persons (“Access Persons”) from trading, in their personal accounts or in other accounts in which they have a beneficial interest, in “reportable securities” (as defined in Rule 204A-1 and the Code) ahead of a client’s trade in the same security. Our access persons also are prohibited from purchasing any security that is part of an initial public offering without prior approval. Access Persons must also obtain prior approval from Grove Point Advisors’ Chief Compliance Officer before purchasing any security as part of a private placement or other limited offering.

To avoid conflicts of interest that arise from the personal securities trading activity, the Code requires Access Persons to provide, and Grove Point Advisors to review, both initial and annual reports of all reportable securities beneficially owned by such Access Person. Quarterly reports of all transactions in reportable securities by Access Persons are also required under the Code and are reviewed by Grove Point Advisors.

Each supervised person receives a copy of the Code and of each amendment thereto and is required to acknowledge such receipt in writing. The Code further requires each supervised person to report any violation of the Code promptly to Grove Point Advisors’ Chief Compliance Officer. A copy of Grove Point Advisors’ Code of Ethics will be provided to any client or prospective client upon request.

Grove Point Advisors and its affiliates have investment responsibilities, render investment advice to, and perform other investment advisory services for, other individuals and entities (“Other Accounts”). Grove Point Advisors and its affiliates (and their respective partners, directors, officers, agents and employees) may buy, sell or trade in any securities for their own respective accounts (“Affiliated Accounts”). Grove Point Advisors and its affiliates may give advice or exercise investment responsibility and take such other actions with respect to Other Accounts and Affiliated Accounts which may differ from the advice given or the timing or nature of action taken with respect to a client’s Account.

Other Accounts and Affiliated Accounts may at any time, hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which a client’s Account may have an interest from time to

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time, whether in transactions which involve the client's Account or otherwise. Grove Point Advisors has no obligation to purchase for a client's Account a position in any security which Other Accounts or Affiliated Accounts may acquire.

## **Brokerage Practices**

Grove Point Advisors does not receive research or other products or services (also known as "soft dollar benefits") from a broker-dealer or third party in connection with client securities transactions. In addition to being an investment adviser, Grove Point Advisors is affiliated with Grove Point Investments, an introducing broker-dealer. In Grove Point Investment's capacity as a broker-dealer, we act as a selling agent on a best efforts basis for fixed income securities, which an IAR may recommend for your advisory account. In such transactions, Grove Point Advisors will receive advisory fees on the fixed income securities in your advisory account but will not receive commissions or other transaction-based compensation on such trades.

Grove Point Investments has a clearing agreement with Pershing, LLC to settle and clear all securities trades introduced to it by Grove Point Advisors. As a result, Grove Point Advisors will not be able to: (i) select broker-dealers on the basis of the lowest price or other attributes; (ii) shop around to different broker-dealers to negotiate commissions (or mark-ups or mark-downs on fixed income and other securities) or impact or improve the price or quality of the execution services provided by Pershing; or (iii) aggregate or "batch" orders for purposes of execution with orders for the same securities for other accounts managed by Grove Point Advisors other than for other accounts also custodied or cleared through Pershing.

Due to the foregoing, certain purchase and sale transactions might result in less favorable prices than would otherwise be the case, and we may be unable to achieve most favorable execution of client transactions. In particular, clients may not achieve executions of the nature, quality, speed or price that they might otherwise, which means client accounts in the Choice Program might not generate the returns they would if orders were not directed as described above. Not all investment advisers require clients to direct brokerage. The securities trades directed to Pershing in the Choice Program are included in the calculation of assets we introduce to Pershing and therefore may result in reduced fees charged to us by Pershing or in our receipt of additional services from Pershing.

Being an affiliate to the introducing broker-dealer of record for Choice accounts, Grove Point Advisors has an interest in having Pershing settle and clear securities transactions under these Programs. Under Grove Point Investments' agreement with Pershing, the fees charged to Grove Point Investments and the level of services provided by Pershing are dependent upon the amount of assets introduced by Grove Point Investments to Pershing. The securities trades directed to Pershing under the Choice Program are included in the calculation of assets introduced by Grove Point Investments to Pershing and therefore may result in reduced fees being charged to Grove Point Investments by Pershing or in Grove Point Investments' receipt of additional services from Pershing. Any such reduction in fees being charged to Grove Point Investments does not result in a reduction of the Program Fees charged to clients in the Choice Program.

Investment advisers must act in the best interest of their clients, including the selection of appropriate mutual fund share classes, and disclose fees associated with the recommended share classes. A single mutual fund may offer more than one "class" of its shares to investors, but each class represents a similar interest in the mutual fund's portfolio. The principal difference between the classes is that the mutual fund charges different fees and expenses on the various share classes based primarily on the amount invested. Even within a share class, expenses will vary by fund and by fund company. These fees and expenses negatively impact investment returns. The brokerage or clearing platforms we utilize do not make available all mutual fund families or all share classes of all mutual funds. Certain share classes are not eligible to be managed as advisory assets. We do not allow B or C share mutual funds to be held as advisory assets.

To eliminate potential compensation conflicts in advisory accounts, we have limited available fund families to those that our due diligence process has determined to have associated expenses that fall within industry norms. Additionally, within those fund families, we offer a single share class that in most cases will result in the lowest total expenses in relation to other available share classes in the fund. We refer to this subset as “covered funds.” Covered funds are chosen based on a set of criteria designed to offer the best appropriate share class for the largest segment of our clients while still offering consistency across our platforms. The funds on our platform may not be the absolute lowest cost share class available in the marketplace but will meet our standard criteria of analysis that includes cost, custodial availability, and average client trade volumes.

Grove Point Investments receives securities service fees, 12b-1 fees and other third-party payments if you implement our recommendations through our affiliated broker-dealer, Grove Point Investments, LLC.

Relative to your mutual fund purchases, for the period in which you maintain an investment with the mutual fund, Grove Point Investments will receive ongoing 12b-1 and service fees directly from the mutual fund company or ongoing fees from the adviser, underwriter or distributor of the mutual fund. Mutual funds with 12b-1 fees are generally more expensive than those funds without such fees. There is a conflict of interest when we recommend these products or services since they result in increased compensation to Grove Point Investments. To mitigate this conflict of interest, Grove Point Investments will credit back to your account an amount equal to the 12b-1 and service fees collected in connection with your advisory assets, except for 12b-1 fees generated through the default sweep money market mutual funds available on the Pershing platform, which Pershing remits to Grove Point Investments and which Grove Point Investments retains. This credit is only available for accounts custodied at Pershing.

Pershing offers a no-transaction-fee (NTF) program where the transaction charge is waived for the purchase and sale of mutual funds participating in the program. Other mutual funds participate in a program where the transaction charge is waived for the purchase of mutual funds but not the sale. Participating funds compensate Pershing as applicable, which in turn compensates Grove Point Investments based on the amount of assets invested in those funds. As a result, Grove Point Investments has a conflict of interest to the extent IARs recommend these funds, because Grove Point Investments will receive compensation in addition to any advisory fees you pay. If your IAR absorbs the transaction fees for your account, the NTF program creates a conflict of interest as it results in increased compensation to your IAR. The funds in the program also have higher expense ratios than similar funds not in the program. Thus, over time, you will pay higher costs for funds in this program than you would for non-NTF funds subject to transaction charges.

When you establish an account with Grove Point Advisors on the Pershing platform, you are required to select a bank sweep option or money market mutual fund in which the cash in your account will be held. The FDIC bank deposit sweep program is the default option for cash contributed to non-entity (individual) accounts and Grove Point Investments receives more from Pershing for assets held in that sweep program than we do for assets placed into a money market fund. Entities are not eligible to participate in the bank deposit sweep program.

The bank sweep account will have a yield that will vary based on prevailing interest rates. Grove Point Investments has the ability to dictate what portion of the yield (interest rate paid) on the bank sweep accounts it will retain. Grove Point Investments’ ability to adjust the yield creates a conflict of interest since the lower the portion of the yield paid to you, the more Grove Point Investments earns. Our IARs do not receive any portion of the bank sweep compensation paid to Grove Point Investments.

Grove Point Advisors does not select or recommend other broker-dealers. In some programs, client’s direct trades to our affiliate Grove Point Investments for introduction to Pershing, LLC, Grove Point Investments’ clearing firm.

Grove Point Advisors IARs may aggregate trades for client accounts in the Choice Program. Trades may be aggregated for various securities, including stocks and exchange traded funds. All clients participating in an aggregated or “block” trade receive the same average price for the relevant security and clients’ costs are allocated on a pro-rata basis. Aggregating trades does not guarantee that a client will pay a lower cost than if Grove Point Advisors had not aggregated a trade and at times could cause a given client to pay more in transaction costs than he or she would otherwise pay.

### **Review of Accounts**

As a part of the investment management services provided in the Program, Grove Point Advisors will review your account with you at least once each year to determine whether the assets in your account are allocated consistently with the parameters of the allocation strategy you selected. The review covers such things as changes in the value of your account, the success of your investment strategy in meeting your investment needs and objectives, whether any material changes have taken place in your financial circumstances or investment objectives, and any recommendations Grove Point Advisors makes with respect to your account(s). Grove Point Advisors is also available on an ongoing basis to discuss any changes that may have occurred in your circumstances or investment objectives.

Pershing will provide you with monthly account statements and access to quarterly reports analyzing the investment performance of your account. You will also receive confirmation of activity in your account. The statements, reports, and confirmations may be delivered in writing or electronically, as you choose.

### **Client Referrals and Other Compensation**

Grove Point Advisors may enter into solicitor referral agreements with individuals, professional firms and financial institutions, which may or may not be affiliated or associated with Grove Point Advisors. Grove Point Advisors may pay these individuals, professional firms, and financial institutions a flat fee, or percentage of the regular fee charged to the client for services rendered by Grove Point Advisors. In no instance will this result in higher fees being charged to clients referred to Grove Point Advisors.

To help cover or defray the costs of transitioning from another investment adviser to Grove Point Advisors, our IARs receive various forms and amounts of transition assistance. Such transition assistance may include loans, technology services, administrative support, termination fees associated with moving accounts and regulatory services, payments based on production, reimbursement of fees, attendance at conferences and events, and access to preferred pricing. Grove Point Advisors receives compensation from our custodians to offset the cost of transitioning assets.

Buckingham Strategic Wealth offers Grove Point Advisors IARs with assets on their platform a basic subscription to MoneyGuidePro at no cost to the IAR. Furthermore, IARs can pay additional amounts to receive an upgraded version of MoneyGuidePro. This creates a conflict interest because it incentivizes an IAR to place business with Buckingham Strategic Wealth in exchange for software access.

Grove Point Advisors makes loans to IARs which may be forgivable based on years of service with Grove Point Advisors or its affiliates, assets under management, the amount of production with Grove Point Advisors or our affiliates or some combination of these factors. This practice creates a conflict of interest since the IAR has a financial incentive to recommend a client engage Grove Point Advisors for advisory services, engage Grove Point Advisors for brokerage services, and to recommend additional products and services in order for their loan to be forgiven.

## **Financial Information**

As an investment adviser registered with the SEC, Grove Point Advisors is required to provide certain financial information or disclosures about Grove Point Advisors' financial condition. Grove Point Advisors has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.