



# Turning Point Financial

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Turning Point Financial. If you have any questions about the contents of this brochure, please contact us at (301) 846-9336 or by email at: [info@TPfinancial.com](mailto:info@TPfinancial.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.*

*Additional information about Turning Point Financial is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Turning Point Financial's CRD number is: 301282.*

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*Registration as an investment adviser does not imply a certain level of skill or training.*

*Version Date: 12/21/2023*



## Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Turning Point Financial on March 15, 2023 are described below. Material changes relate to Turning Point Financial policies, practices or conflicts of interests only.

- Turning Point Financial has added fees and compensation for accounts held at Charles Schwab (Item 5)
- Turning Point Financial has added Charles Schwab & Co., Inc. as a custodian. (Item 12 and 14)



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## Item 4: Advisory Business

### Description of the Advisory Firm

Turning Point Financial (hereinafter “Turning Point”) is an independent financial planning and wealth counseling firm registered with the Securities and Exchange Commission (“SEC”) under the Investment Advisers Act of 1940, as amended. Corporation organized in the State of Maryland. The firm was formed in January 1994, and the entity changed its name in 2003 to Turning Point Benefit Group, Inc., the registered entity with the State of Maryland. “Turning Point Financial” is the trade name for Turning Point Benefit Group, Inc., which are not separate legal entities. The firm is owned and managed by Mary K. Troxell, President and shareholder.

### Types of Advisory Services

Turning Point provides financial planning and investment management services to clients based on each person’s individual needs and circumstances. Financial planning can be offered as a stand-alone, fee-based service or in conjunction with ongoing investment management. Likewise, investment management services can be accessed by clients with or without financial planning.

Turning Point uses a team-based approach to deliver financial planning advice, and we are structured to provide these services as fiduciaries. Team members involved in the planning process can include the Investment Advisor Representative (“IAR”), the financial planning team (Para-planner and/or CFP®), and service support personnel as required. Turning Point encourages all IARs to have or obtain the Accredited Investment Fiduciary (AIF®) designation, which requires the IAR to have a fundamental understanding of the principles of fiduciary duty, the standards of conduct for acting as a fiduciary, and a process for carrying out fiduciary responsibility.

When a client engages Turning Point to create a financial plan, they complete a questionnaire and/or provide information about their financial situation. Turning Point conducts the first meeting to obtain clarifying information about a client’s personal goals and wishes and will uncover questions or concerns about their financial lives. This process is modified as needed, based on the complexity of the client’s situation.

Internally, the Turning Point team reviews the data provided by the client and builds out a draft of the financial plan. Plans are dynamic and created to address multiple scenarios and goals. Turning Point provides a highly collaborative planning process with the client, which is either in person, by phone or through a web meeting. The client’s financial profile, objectives, and the plan’s findings are evaluated together. Typically, a comparison of various scenarios and financial projections based on our recommendations or changes are offered throughout the process. Depending on the complexity of the planning recommendations, solutions may be offered after the plan is evaluated.

Plan recommendations may include but are not necessarily limited to investment or insurance solutions, changes to a client’s savings rates/cash position/or cashflow. Suggestions may be made for modifications to the stated goals, a plan for debt restructuring, details for making large purchases or paying large bills (i.e., college tuition or assisted living costs), estate planning techniques, etc. The final plan is provided in print and electronic copy, and is delivered to the client’s secure web portal.

All recommendations are based on the individual client needs and are provided within a framework of ethical standards of conduct, including:



- Acting with honesty, integrity, competence, and diligence.
- Exercising due care.
- Maintaining the confidentiality and protecting the privacy of client information.
- Acting in the client's best interests.
- Avoiding, or disclosing and managing, conflicts of interest.
- Acting in a manner that reflects positively on the financial planning profession.

Once the initial plan is delivered, the client can continue with financial planning services for a flat fee and receive on-going financial plan monitoring and adjustment services. Services provided may include, but are not limited to, basic plan adjustments throughout the year and at least one financial plan review meeting annually. Adjustments to the plan are made based on the client's reported changes to their circumstances (through various reporting mechanisms provided by Turning Point). If no changes are reported, the plan is updated with current investment and insurance data and is reviewed with the client.

Turning Point may also provide modular planning services to meet a client's needs. These services may include but are not limited to:

- Cash Flow Management, , through COMPASS Financial Planning and a al a carte cash flow management service, "Cash Flow Lasso".
- Investment Management Recommendations for Non-Supervised Assets (i.e. company sponsored retirement plans, etc.)
- Retirement Planning and Pension and Social Security Options
- Business and Individual Insurance Analysis
- Education Planning
- Estate Planning
- Tax Planning (not including tax preparation and filing)
- Financial Recovery after Divorce or Death of a Spouse/Partner
- Employer Group Plan Services

Modular plans are quoted individually prior to the first planning meeting. Financial plans are based on a client's financial situation and information provided at the time the plan is presented. Clients must promptly notify Turning Point if their financial situation, goals, objectives, or needs change. Clients are under no obligation to act on any financial recommendations made by Turning Point or any associated person of Turning Point. Should a client choose to act on any of the recommendations, the client is not obligated to implement solutions through Turning Point.

Turning Point offers Investment Management Services to its clients either in combination with financial planning and tax services, or as a stand-alone offering. If a client is not engaging Turning Point to provide financial planning, Turning Point will provide an investment plan that contains a basic overview of the client's investment goals and objectives. Turning Point offers investment management services on a discretionary basis.



Through personal consultations with the client, Turning Point gathers specific financial data to develop a client's personalized profile, which includes their investment objectives, current financial position, risk profile, investment time horizon, tax situation and liquidity needs. Turning Point uses specific third-party tools to identify the client's behavioral and financial risk profile (tools may include SEI's Risk Profile, Riskalyze®, etc.). Based upon this data, Turning Point determines an appropriate portfolio management strategy from the array of options available and monitored by the firm. These may also include asset management services offered by a third-party adviser. Our advice is generally limited to exchange-listed securities, mutual funds, ETFs, individual bonds or United States governmental securities, corporate debt securities, etc.

Under our discretionary portfolio management services, clients grant our firm discretionary authority to manage the account according to the overall goals established for the investment account, indicated by the client's Investment Policy Statement (IPS) or Investment Proposal. Within the discretionary authority, the client grants permission for Turning Point to adjust the allocation within the framework of the established goals of the portfolio and select specific securities within the portfolio for each account. Discretionary authority is granted by the Investment Advisory Agreement. If the account is part of the Managed Account Solution program at SEI, discretionary authority is granted by the Investment Advisory Agreement and the appropriate trading authorization forms signed by the client.

Clients with qualifying investible assets may also access the Managed Account Solution Program ("MAS") which includes additional individual investment managers and third-party asset managers. The MAS also enables clients to place certain limited restrictions on individual securities, asset classes or types of securities. In this case, Turning Point and the appropriate third-party manager will attempt to meet the requests of clients with regards to limiting specific types of investments (i.e., as in socially responsible or morally responsible investing), but cannot guarantee 100% abstinence from the restricted securities or assets.

Turning Point regularly monitors client investment accounts and exercises discretionary authority within the portfolio in order to maintain the investment objective, which may include the ability to hire and fire managers who are, in the opinion of Turning Point, no longer meeting the objectives of the portfolio. Ongoing discretionary investment management is executed as further described below.

### **Third Party Asset Management and Other Investment Advisory Services**

Turning Point primarily uses professional sub-advisors as part of our routine asset management services. Our philosophy is to work with those managers and firms that have focused expertise and skill in investment management. Turning Point selects those third-party managers who provide access to the adviser or investment management team on behalf of our clients. Before selecting or recommending advisers to assist Turning Point in managing assets for clients, Turning Point ensures that those advisers are properly licensed or registered. Turning Point reviews the ongoing performance of third-party or sub-advisers as a part of the client's portfolio review or during our routine portfolio management.

Turning Point's sub-adviser investment management relationships are with CWM Advisors, LLC and SEI Investments Management Company ("SIMC"), federally registered investment advisers. Portfolios are primarily held and maintained on the SEI Private Trust Company custodial platform. Turning Point also works with SEI Investments Management Company and SEI Private Trust Company and its affiliates are collectively referred to in this document as "SEI". SEI includes the investment advisory firm SEI Investments Management Corporation [CRD#105146] ("SIMC") and the broker-dealer SEI Investments Distribution Co. [CRD#10690].



Turning Point may also periodically establish relationships with other custodians or third-party advisors to provide the appropriate solutions to our clients. Turning Point has no general contractual obligation to recommend an asset or service of any sub-adviser or third-party asset manager and does not provide advice to clients based on any obligation to a product sponsor, investment company or sub-adviser. Turning Point may add additional sub-advisers or third-party managers to assist with client investment management solutions (each of their respective ADVs are available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)).

Through the SEI custodial platform, Turning Point offers clients access to various investment models, asset allocation portfolios and separately managed account solutions. The account services that are provided to clients are shared between the sub-adviser and Turning Point and generally include the following:

1. Collecting information about clients and assisting them in selecting the appropriate program and in designating assets to be managed;
2. Assisting clients in determining their investment objectives, investment time horizons, and risk profiles;
3. Assisting clients in selecting an asset allocation policy within the parameters of the program selected;
4. Making investment recommendations consistent with the asset allocation policy;
5. On-going monitoring of the client's portfolio and recommending changes to the investment strategy as warranted; and
6. Serving as primary client contact, including periodically conferring with clients about their accounts and responding to client inquiries.

Turning Point, in working alone and with sub-advisers and third-party investment professionals, offers customized investment solutions and standard investment models to meet the needs of our clients. As participants in the AIF® program, we work with investors and plan sponsors to help them achieve their financial goals while providing the peace of mind that comes from a fiduciary standard of loyalty and care. Our prudent, step-by-step process ensures that an investment strategy is being properly developed, implemented and monitored according to both legal and ethical obligations.

Individual mutual funds used in the core models are regularly monitored against the Fi360 Fiduciary Score® which has been used as a transparent and objective investment rating system of open-ended mutual funds, ETFs, collective investment trust funds and group retirement annuities for over 15 years. It helps financial professionals demonstrate a prudent investment selection and monitoring process with highly visual displays that clients can easily understand. The Fi360 Fiduciary Score® is a peer percentile ranking of an investment against a set of quantitative due diligence criteria selected to reflect prudent fiduciary management. The score is calculated monthly for investments with at least a three-year history, and quarterly for the mutual fund/ETF investment models.

Once the investment solutions are implemented, Turning Point contacts the client to schedule an investment review meeting on an annual basis. In addition, clients can contact Turning Point with updates to their financial situation or goals or ask questions about their investment account. The client review meetings are conducted either in person, by phone or via a web meeting. At the investment review meeting, a reassessment of the client's situation, including their investment objectives and risk



tolerances will occur. Based on these findings, Turning Point may recommend and/or make modifications to the overall investment allocation or solution as required.

On occasion, third-party asset managers and sub-advisers will provide financial sponsorship for Turning Point's educational or marketing efforts. This sponsorship may create a conflict of interest for Turning Point because it creates a theoretical incentive for Turning Point to recommend brokerage account solutions to its clients as such sponsorship and any future sponsorships reduces Turning Point's out-of-pocket costs to purchase materials or host events. Turning Point addresses these conflicts of interest by providing disclosure of the arrangements, expenses and associated conflicts of interest to clients in this Disclosure Brochure and by reminding clients that they are under no obligation to work with Turning Point or third-party asset managers in their workplace retirement plans.

### **Retirement Plan Services**

Turning Point assists employer clients in solving for group retirement plan options by assessing their group and recommending a plan that best meets the needs of the owners and business at large. In some cases, Turning Point will also offer individual asset management services for a client with a workplace retirement plan that is not managed by Turning Point. In such instances, Turning Point will either provide non-discretionary asset allocation recommendation under a Financial Planning Services Agreement OR will work with appropriate third-party asset managers through the client's self-directed brokerage option within the plan. Individuals utilizing the self-directed brokerage account option with third-party asset managers generally gain access to additional investment solutions for which they are charged a fee. These fees are typically deducted from the investments in the self-directed brokerage account, and a portion of that fee is then remitted to Turning Point.

### **Tax/ Accounting Services:**

Turning Point has a Certified Public Accountant on staff that provides tax services (return filing, tax planning and projections, etc.) accounting services and business valuation services.

### **Additional Information**

#### **Business Succession**

The firm has a team-based approach to clients whereby one or more advisor and/or financial planner provides services to the end users clients. If any one of the advisors or financial planners were to become unable to perform their regular duties regarding client activities, Turning Point Financial would substitute another suitable advisor, financial planner or team of people to care for the client's needs, as necessary. This team-based approach provides a high level of comfort for clients, especially since the duties and nature of the overall financial plan are recorded at the firm's operations level.

Clients of the firm are provided with contact information for any and all custodians who maintain their investment accounts. Normal operation of their custodial investment accounts is not impaired by, and does not depend on, a change to advisors or key personnel at this RIA. The owner of this RIA has an emergency succession plan which includes insurance funding for key employee replacement for both the owner and the COO. This enables continued operations and leadership in the event of an unexpected disability or death of either person.





## Cyber Security

Turning Point uses industry standard cyber security software to conduct comprehensive ongoing scans. Along with our IT partners, we regularly evaluate and monitor the technologies and interface systems that are utilized by Turning Point and the team members. This effort evaluates gaps and vulnerabilities, builds defenses against security threats and provides continuous proactive services to detect and prevent security breaches before they occur and/or reduces potential security threats.

Turning Point Financials' detailed policies and procedures are developed to meet the laws and regulations of a NIST CSF framework and Personal Identifiable Information (PII) requirements for the State of Maryland. In addition, security protocols identified through the scans and those targeted for development, will meet or exceed minimum requirements from the SEC and FINRA data security guidelines.

### PROTECTED BUSINESS PROCESSES AND SYSTEMS INCLUDE:

- File Storage
- Email
- Mobile Devices
- Servers and Workstations
- Backups/Disaster Recovery Systems
- Network Systems Including Firewalls
- Remote Access
- Database Applications Including, Both Managed Internally as Well as Off-Premise at Cloud Data Centers Managed By 3rd Parties

The Registered Investment Advisor requires ongoing training and testing for staff and advisors (both employees and independent contractors), data scans to uncover sensitive areas that are potentially compromised, protection of data flow in a live environment, and a structure to organize security and compliance as well as policies and procedures so that every team member and every department understands the protocols with regards to data security.

## Client Tailored Services and Client Imposed Restrictions

Turning Point seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of Turning Point's economic, investment or other financial interests. To meet its fiduciary obligations, Turning Point attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, Turning Point's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is Turning Point's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients.

Since different types of investments typically involve different types of risk, Turning Point conducts a risk analysis for the client and his/her overall portfolio before recommending a certain investment solution. As an investment advisor that offers financial planning services, if a conflict exists between the interests



of the investment advisor and the interests of the client, they are under no obligation to act upon Turning Point's recommendations, and should a client choose to act on any of the recommendations made by Turning Point, the client is under no obligation to effect transactions through Turning Point unless a separate asset management agreement is executed.

Portfolio management services include, but are not limited to, the following:

- Investment Strategy
- Asset Allocation
- Risk Tolerance
- Investment Policy
- Asset Selection
- Regular Portfolio Monitoring

Turning Point will tailor an investment program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by Turning Point on behalf of the client. Turning Point may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients in certain programs may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Turning Point from properly servicing the client account, or if the restrictions would require Turning Point to deviate from its standard suite of services, Turning Point reserves the right to refuse to impose such restrictions or end the relationship.

### **Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Turning Point does not participate in wrap fee programs.

### **Assets Under Management**

Turning Point has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$ 238,178,463	\$0	December 2022

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

If client assets are placed in mutual funds and/or unit investment trusts, these funds pay management fees to the investment advisers managing the assets of the funds and other fees, expenses and charges. The management fee and other fees, expenses and charges are paid by the funds to their service providers and are separate and distinct from the fees paid to us and are not received by us. For our advisory clients, we generally use mutual funds without sales charges. If we utilize front-end loaded mutual funds, they are placed in client's accounts on a net asset value (NAV) or no-load cost.

The fee schedule for our primary custodial relationship (SEI) was an important consideration in the selection process and SEI offers custodial services for low or no transaction fees for Turning Point clients. From time to time Turning Point clients may require transactions that will involve custodial fees



or fund fees for services executed in their account. These fees are in accordance with the custodian's fee schedule and are not part of the revenue paid to Turning Point. Additionally, clients may pay other fees from time to time for maintaining the account. Such fees are not charged by Turning Point and are charged by the product, broker/dealer or account custodian.

Some of the investment adviser representatives are licensed as insurance agents with various companies. Please see form ADV for those IARs who are licensed agents.

In such capacities, our investment adviser representatives can recommend to clients that they purchase insurance products upon which they may receive commissions and other compensation. If Turning Point advisors who are insurance licensed make recommendations to clients for the purchase of insurance products, clients will pay normal and customary insurance product fees for the purchase of the product. A potential conflict of interest may be deemed to exist because our investment adviser representatives may receive commissions and other compensation as a result of such recommendations. While this may be true, Turning Point advisors endeavor at all times to act in the best interests of their clients, and recommendations to purchase insurance products are only made when they feel it is in the best interest of a client.

Clients have no obligation to acquire any securities or insurance product recommended by us through our representatives. Clients have the option to purchase investment products we recommend through other service providers unaffiliated with us. We allow our clients to determine, in their sole discretion, whether and through whom such products are acquired.

When providing a consolidated financial summary of accounts (Net Worth Statement, Balance Sheet, etc.) to Clients, data included may contain information about accounts for which Turning Point does not manage or advise the Client. As such, no inference should be drawn that Turning Point serves as the adviser on all securities listed in these consolidated financial summaries. **Turning Point will not actively supervise assets unless it is granted discretionary authority to manage or supervise such assets.**

The sole business of Turning Point is that of providing financial planning, investment advisory services and tax/accounting services described herein. However, in order to provide comprehensive financial planning services, Turning Point may, from time to time, utilize other professionals from whom clients may receive specific advice.

From time to time, Turning Point may feel it is appropriate to refer clients to other professionals from whom certain services may be received as part of a comprehensive approach to financial planning. Examples of these other professionals include attorneys or outside accountants. Turning Point makes these referrals as a convenience to clients only and neither Turning Point nor its Associates are compensated for these referrals. Clients are not obligated to work with the professionals to whom Turning Point may refer them, and they do so at their sole discretion. Turning Point is not responsible or liable for any services provided by these outside professionals. Turning Point's use of these other professionals will not affect the total fee paid by a client, except in the case of multi-service discounts offered for using multiple in-house services. Clients may also engage these other professionals directly, at their own expense, and these arrangements would be separate and distinct from the financial planning services provided by Turning Point. Turning Point has specific business relationships with a few legal professionals who provide synergy in the Client's overall financial planning experience.



## ***Other Services - Compensation***

Turning Point may receive indirect compensation from third parties in the form of marketing support for client events or company due diligence meetings. Such compensation is a conflict of interest in that Turning Point may have incentive to recommend the services or products provided by such third-party. While this is the case, Turning Point endeavors at all times to act in the best interest of clients and recommendations are made only when the firm and its advisors or associates feel it is appropriate for a client.

At the sole discretion of the owners of Turning Point, the firm may compensate Turning Point employees for client referrals. Under limited circumstances, certain employees may receive a bonus payment or additional compensation for introducing potential clients to Turning Point inviting potential clients to Turning Point events.

## **A. Fee Schedule**

### **Financial Planning Fees**

The fixed rate for creating client financial plans ranges from \$500 and \$10,000 and is disclosed to the client in advance of providing services. An average rate for a standard financial plan is \$3,000.

Fixed financial planning fees are paid as described on the Financial Planning Engagement Form, and by the client paying an upfront deposit (generally \$1,000). The remainder of the quoted or adjusted fee is due upon presentation of the plan, generally during the last (implementation) meeting. If the client fails to show up for the plan presentation meeting, the plan will be delivered via secure email or mail and all remaining fees will be billed to the client or the client's accounts. Turning Point may also make flexible arrangements with clients to pay the fees where necessary.

From time to time, Turning Point will offer financial planning services for an hourly charge which is agreed upon in advance. The rate for these services ranges from \$99/hour to \$500/hour depending on the level of service and number team members required to provide the service. Clients may terminate the agreement without penalty, for full refund of Turning Point's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice and will only be billed for work performed and time applied to the client's case – at the sole discretion of Turning Point.

### **Investment Management Fees**

The typical billing schedule for Investment Management Services, is as follows:

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$500,000	1.60%
\$500,001 - \$1,000,000	1.25%
\$1,000,001 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.85%



<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$5,000,001 - \$10,000,000	0.75%
\$10,000,001 – And Up	0.65%

The above fees are guidelines only and may be less depending on the complexities of a client's individual financial situation. Fees are payable quarterly, in arrears, based on the immediately preceding quarter-ending asset values. Turning Point uses the value of the account as of the last business day of the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. Clients enter into an investment advisory agreement with us for our services based on the fee schedule set forth above. Quarterly fee adjustments for inflows or outflows of cash and/or securities in the account during a billing period are assessed as appropriate. Turning Point also reserves the right to negotiate fees with clients on a case-by-case basis.

Turning Point charges a \$500.00 new client account setup fee. This fee may be waived if the client has \$250,000.00+ in assets or participates in another service provided by Turning Point (i.e., tax/accounting, planning, or insurance). This fee can also be waived for members of employees' immediate families.

The final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of Turning Point's fees within five business days of signing the Investment Management Agreement. Thereafter, clients may terminate the Investment Management Agreement immediately upon written notice.

The billing schedule for Investment Management Services for accounts held at Charles Schwab, is as follows:

<b>Total Assets Under Management</b>	<b>Annual Fees</b>
\$0 - \$249,999	1.40%
\$250,000 - \$500,000	1.30%
\$500,001 - \$750,000	1.20%
\$750,001 - \$1,000,000	1.10%
\$1,000,001 - \$1,500,000	1.00%
\$1,500,001 – \$2,000,000	0.90%
\$2,000,001 - \$3,000,000	0.80%
\$3,000,001 – And Up	0.70%

Fees are negotiable and payable quarterly, in advance. The balance in the client's account on the last day of the prior billing period is used to determine the market value of the assets upon which the



advisory fee is based. Clients enter into an investment advisory agreement with us for our services based on the fee schedule set forth above. Turning Point also reserves the right to negotiate fees with clients on a case-by-case basis.

The final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of Turning Point's fees within five business days of signing the Investment Management Agreement. Thereafter, clients may terminate the Investment Management Agreement immediately upon written notice.

### **Selection of Other Adviser Services Fees**

Turning Point may receive compensation from fund fees, mutual funds and investment managers. The fees will not exceed any limit imposed by any regulatory agency.

### **Tax/Accounting Services Fees**

The rate for individual tax preparation varies and is dependent on the tax client's individual circumstance but start at \$450 for an individual tax return and \$700 for a business tax return. Individual or business tax consulting is billed at a rate of \$180/hour. Ongoing business consulting and accounting services range from \$5,000 - \$150,000 per year for full-service accounting support, and all arrangements are memorialized in a letter of engagement and quoted before services are provided. Tax and accounting fees are negotiable and depend on the complexity of the individual or business situation.

## **B. Payment of Fees**

### **Payment of Financial Planning Fees**

Financial planning fees are paid via credit card, check, and automatic payment from non-qualified investment accounts (where available through the custodian).

### **Payment of Investment Management Fees**

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis.

### **Payment of Selection of Other Adviser Services**

Fees for selection of SEI Private Trust Company as third-party adviser are withdrawn directly from the client's accounts with client's written authorization. Fees are paid quarterly in arrears.

### **Payment of Tax/Accounting Services Fees**

Fees for tax/accounting services are paid via check or credit card. Fees are paid after an engagement letter has been signed, typically in advance of services being provided.

## **C. Client Responsibility for Third Party Fees**

Clients are responsible for the payment of any third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Turning Point. Please see Item 12 of this brochure regarding broker-dealer/custodian.



## **D. Prepayment of Fees**

Turning Point collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client's account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

## **E. Outside Compensation for the Sale of Insurance Products to Clients**

Certain Investment Advisor Representatives with Turning Point will also insurance agents for a separate insurance brokerage or general agency for purposes of providing various fixed insurance solutions. In these roles, they accept compensation for the sale of investment or insurance products that may be made to Turning Point investment or financial planning clients.

As further discussed in Item 10 below, certain Turning Point Financial personnel are insurance agents. In these roles, they accept compensation for the sale of insurance products to Turning Point clients.

Commissions are not Turning Point's primary source of compensation for advisory services. Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

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

Turning Point does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

Turning Point generally provides advisory services to the following types of clients:

- Individuals and Their Families
- Entrepreneurial Business Owners
- High-Net-Worth Individuals

There is no investment account minimum for Turning Point's Financial Planning Services, although there is a "practical minimum" for investment accounts in the Investment Management Service (Track 2). Client portfolio assets will be accepted if the firm determines that the client is a suitable fit for the firm's service model, and if they meet the practical minimum required as determined solely by Turning Point. Turning Point charges a \$500.00 new client account setup fee. This fee may be waived if the client has \$250,000.00+ in assets, or participates in another service provided by Turning Point (i.e. tax/accounting, planning, or insurance). This fee can also be waived for members of employees' immediate families.



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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

#### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Selection of Other Advisers:** Although Turning Point will seek to select only money managers who will invest clients' assets with the highest level of integrity, Turning Point's selection process cannot ensure that money managers will perform as desired and Turning Point will have no control over the day-to-day operations of any of its selected money managers. Turning Point would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulator breach or fraud. In monitoring and analyzing the third-party advisers, Turning Point uses benchmarking analysis, assessing whether the adviser's performance has met, exceeded, or fallen short of comparable benchmarks (e.g., Russell 2000, S&P 500, etc.), together with comparison against any stated benchmarks the adviser has set for itself.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### B. Material Risks Involved

#### **Risk of Loss**

All investing involves risk of loss, including the possible loss of all amounts invested. No methodology or investment strategy is guaranteed to be successful or profitable. Furthermore, different types of investments involve varying degrees of risk, and it should not be assumed that the future performance of any specific investment or investment strategy, including the investments and/or investment strategies recommended or undertaken by Turning Point, will be profitable or equal any specific performance level(s).

While Turning Point uses tools to try to reduce risk, the risk of loss always exists. In some cases, the amount of potential loss may exceed the amount of principal invested if leveraging tactics, such as margin or short selling, are used in the management of your account. Investing generally works best





when we understand your risk tolerance and when you communicate any changes to your investment objectives, needs, risk tolerance, and expectations to us promptly.

### C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.



## Item 9: Disciplinary Information

There are no criminal, civil, administrative, or self-regulatory organization proceedings to report.

## Item 10: Other Financial Industry Activities and Affiliations

### A. Registration as a Broker/Dealer or Broker/Dealer Representative

### B. Neither Turning Point nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer, registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Turning Point nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### C. Registration Relationships Material to this Advisory Business

Certain representatives of Turning Point are also licensed insurance agents.

Turning Point Financial personnel (specifically Mary K. Troxell, Jason Michael Topper, Brennan Ambrose Gmeiner, Kurt August LaLomia, Jeremy Veres, Michelle Aquino and Cody Hobelmann) as insurance agents) also use Turning Point Financials' General Insurance Agency in order to facilitate the sale of fixed life, disability and long-term care insurance products to clients. The firm has chosen to streamline the insurance recommendation and implementation process by primarily using this one general agency which is owned by the same individual who owns Turning Point Financial. This could be construed as a conflict of interest; however the primary purpose is to provide oversight and consistency with the insurance product recommendations being made to clients. Clients should be aware that these products usually pay a commission or other compensation and as commissionable products may conflict with the fiduciary duties of a registered investment adviser. Any recommendations made through Turning Point and Turning Point Advisors are made with the best interest of the client in mind, and clients are in no way required to utilize these products or services.

### D. Selection of Other Advisers or Managers

Turning Point directs clients to third-party investment advisers generally through SEI Private Trust Company or another custodian. The purpose is to manage all or a portion of the client's assets. Turning Point will receive the standard fee for selection of custodian or third-party manager as described in the Investment Management section of this brochure. SEI may receive miscellaneous compensation from managers or securities, but fees will not exceed any limit imposed by any regulatory agency. Turning Point will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients.



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

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

Turning Point has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Turning Point's Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

Turning Point does not recommend that clients buy or sell any security in which a related person to Turning Point or Turning Point has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Turning Point may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Turning Point to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Turning Point will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Turning Point may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Turning Point to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Turning Point will never engage in trading that operates to the client's disadvantage if representatives of Turning Point buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Like all service providers, custodians and broker-dealers are selected by Turning Point based on their ability to deliver and execute consistent services to the firm and its clients. Their trading protocol and duty is to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. If and when additional trading fees apply for transactions (which is not frequent due to the nature of the custodial relationship with SEI that Turning Point client's benefit from), clients may not always pay the lowest commission or commission equivalent. Turning Point may also consider the market expertise and research access



provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in Turning Point's research efforts. Turning Point will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

Turning Point will require clients to use the custodian that is integrated into the operational and investment management services of the firm. The current primary custodian is SEI Private Trust Company. Turning Point may also recommend Charles Schwab & Co., Inc. and American Funds as custodians.

While Turning Point has no formal soft dollar program in which soft dollars are used to pay for third party services, Turning Point may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). Turning Point may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and Turning Point does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Turning Point benefits by not having to produce or pay for the research, products or services, and Turning Point will have an incentive to recommend a broker-dealer based on receiving research or services. Although unlikely, clients should be aware that Turning Point's acceptance of soft dollar benefits may result in higher commissions charged to the client.

Turning Point receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

Turning Point will require clients to use a specific broker-dealer to execute transactions on accounts that are held with the custodian. Not all advisers require clients to use a particular broker-dealer.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If Turning Point buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, Turning Point would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. Turning Point would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

# **Item 13: Review of Accounts**

## **A. Frequency and Nature of Periodic Reviews**

All client accounts, in the aggregate, for Turning Point's advisory services are reviewed at least monthly by the Chief Compliance Officer, Alexandra R Stickelman, and all new account openings at Turning Point are assigned to this reviewer. If Ms. Stickelman is unable to review accounts for any reason, then the firm's President and shareholder, Mary K. Troxell, will review the accounts and/or hire a temporary Compliance Officer to replace her in this capacity.



All financial planning accounts are reviewed upon financial plan creation and plan delivery by Alexandra R Stickelman, CCO. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Interim account reviews may be triggered at a client's request when they have changes in their financial situation (such as retirement, termination of employment, physical move, or inheritance) or at the firm's request in the event of material market, economic or political events.

With respect to financial plans, Turning Point's services will generally conclude upon delivery of the financial plan.

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of Turning Point's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. Online account information is available for most investment accounts through the third-party asset manager or custodian's website.

Each financial planning client will receive the financial plan upon completion.

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

## **A. Economic Benefits Provided by Third Parties**

Other than soft dollar benefits as described in Item 12 above, Turning Point does not receive any economic benefit, directly or indirectly from any third party for advice rendered to Turning Point clients. Turning Point and its representatives may receive added benefits from SEI and/or Charles Schwab.

## **B. Compensation to Non – Advisory Personnel for Client Referrals**

Turning Point may enter into written arrangements with third parties to act as solicitors for Turning Point's investment management services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. Turning Point will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

# **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, Turning Point will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.



## **Item 16: Investment Discretion**

Turning Point provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Turning Point generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, Turning Point's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to Turning Point).

## **Item 17: Voting Client Securities (Proxy Voting)**

Turning Point will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Turning Point neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Turning Point nor its management has any financial condition that is likely to reasonably impair Turning Point's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Turning Point has not been the subject of a bankruptcy petition.

