



# anchorpointe

wealth management

## Form ADV Part 2

### Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Anchor Pointe Wealth Management, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 573-334-0034. 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 Anchor Pointe Wealth Management, LLC (IARD#226643) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

October 4, 2023

## Item 2: Material Changes

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### Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### Material Changes since the Last Update

Since the last annual update filed on January 31, 2023, the Firm made the following changes:

- The firm filed its application for registration with the Securities and Exchange Commission on April 13, 2023;
  - The firm made changes to the fees that it charges for its Comprehensive Service that are outlined in more detail in Item 5 below; and,
  - The firm made changes to the services that it offers that are outlined in more detail in Items 4 and 10 below.
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### Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm. You may view the current Disclosure Brochure online at any time at the SEC's Investment Adviser Public Disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also request a copy of this Disclosure Brochure at any time by contacting the Firm at: [derieck@anchorpointewealth.com](mailto:derieck@anchorpointewealth.com)



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## Item 3: Table of Contents

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## Item 4: Advisory Business

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### Firm Description

Anchor Pointe Wealth Management, LLC, (Anchor Pointe) was formed as a Missouri Limited Liability Company in April of 2015. Derieck Hodges is 100% owner.

Anchor Pointe is a fee based financial planning and investment management firm. The firm does not sell annuities, insurance, or other commissioned products. Anchor Pointe does not act as a custodian of client assets.

Although Anchor Pointe may assist with tax and legal issues, the firm does not provide legal or tax advice. Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. Conflicts of interest will be disclosed to the client in the event they should occur.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

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### Types of Advisory Services

The following describes Anchor Pointe's engagements. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. Anchor Pointe also has legacy clients who receive services with fee arrangements that are no longer offered and that are different than those described below.

#### **FINANCIAL PLANNING SERVICES**

##### Financial Boot Camp

The Financial Boot Camp engagement is a financial planning engagement where Anchor Pointe provides limited scope financial planning to the Client. No investment management services are included in Financial Boot Camp. In Financial Boot Camp, Clients will identify a primary financial goal, and Anchor Pointe will conduct a review of Clients' tax situation and provide a general summary of their current status as to cash management, debt management, insurance, investments, and estate planning. Following the review, Clients will receive no less than one meeting in which Anchor Pointe will deliver to Clients general recommendations related to their primary financial goal.

After the completion of the Financial Boot Camp service, Clients can elect to proceed with one of Anchor Pointe's comprehensive advisory services engagements.

#### **COMPREHENSIVE SERVICES**

Anchor Pointe offers a comprehensive ongoing engagement that provides both financial planning and portfolio management services. Clients can elect to receive Anchor Pointe's ongoing advisory services after an initial consultation or the Financial Boot Camp. Depending on the Client's needs, Anchor Pointe will provide comprehensive financial planning services that include, but are not limited to, such areas as: an Investment portfolio review, an investment risk assessment, tax planning tips, identity theft avoidance strategies, estate binder creation, a

social security analysis, an insurance needs analysis, a debt reduction strategy, a cash allocation analysis, a budget and cash flow strategy, an income tax review and recommendations, a secure e-document organizer, consolidated online account access, education planning services, a tax-efficient retirement income strategy, a goals and objectives review, a comprehensive financial plan, charitable gifting strategies, strategic planning for wealth conservation, executive compensation planning, tax-optimized investing and giving, a comprehensive insurance review, a detailed estate plan review, a detailed tax projection and strategy, periodic insurance price comparison, and tax-loss harvesting strategy.

In offering ongoing portfolio management services, Anchor Pointe will determine Clients' investment goals, time horizons, objectives, and risk tolerance. Clients authorize Anchor Pointe with discretionary authority to implement the sale and/or purchase of securities in their account without prior client consent. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by Anchor Pointe.

#### Insurance Consulting

As a part of its comprehensive services, Anchor Pointe has a relationship with DPL Financial Partners, LLC ("DPL") to provide clients insurance reviews/analyses, education, and insurance solutions. DPL is a third-party provider of a platform of insurance consultancy services to SEC-registered investment advisers ("RIAs") that have clients with a need for insurance products. DPL is licensed as an insurance producer in Kentucky, and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group.

#### Use of Sub-Advisor, Third-Party Asset Management Platform, Third-Party Investment Manager (collectively "Sub-Advisor")

When it is in the best interest of the client, Anchor Pointe will recommend clients delegate all, or a portion, of the assets in their account to a Sub-Advisor to perform ongoing supervision and investment management services to their account. Clients will enter into an agreement with the Sub-Advisor and receive copies of the agreement and the disclosure documents for the Sub-Advisor that set forth the services and fees to clients.

Anchor Pointe and the client are solely responsible for choosing the Sub-Advisor and determining the appropriateness of the investment manager's strategy for their account. Anchor Pointe will periodically review the account and may recommend changes in the Sub-Advisor that Anchor Pointe deems appropriate according to a client's stated investment objectives, risk tolerance and any restrictions placed on their account. Unless notified in writing, there are no restrictions with respect to the management of the Account. Clients are free to accept or reject the use of a Sub-Advisor for their account at any time. The client acknowledges that the Sub-Advisor is independent of and not owned, affiliated with, or sponsored by Anchor Pointe.

The Sub-Advisor provides its services on a discretionary basis and will not give advance notice or seek a client's consent before conducting transactions in their account. Anchor Pointe and any Sub-Advisor are authorized to give instructions to the custodian with respect to all investment decisions regarding the client's account. Anchor Pointe will have no responsibility for decisions

made by clients for their accounts that are independent of Anchor Pointe's advice.

#### Educational Seminars/Workshops

Anchor Pointe provides periodic educational seminars and workshops to clients and the public. These events include a mailer that is sent out prior to the date of the workshop.

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#### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

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#### **Wrap Fee Programs**

Anchor Pointe does not sponsor any wrap fee programs, although third-party platform providers that are available may do so. For information about such programs provided by third party platform providers, please refer to the applicable disclosure brochure which will be provided to you.

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#### **Client Assets under Management**

As of April 4, 2023, Anchor Pointe had \$99,500,594 in client assets under management on a discretionary basis and \$523,705 in assets under management on a non-discretionary basis for a total of \$100,024,299 in client assets under management.

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

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#### **Method of Compensation and Fee Schedule**

The following describes the fees that Anchor Pointe charges for its services. Fees are negotiable. Anchor Pointe also has legacy clients who receive services with fee arrangements that are no longer offered and that are different than those described below.

#### Financial Boot Camp

Anchor Pointe charges a fixed fee of \$1,000 for its Financial Boot Camp. One half of the fee, \$500.00, is due upon signing of the agreement, and the remainder, \$500.00, is due upon the conclusion of the services. Anchor Pointe accepts payment via check or credit card via a third-party payment system.

#### Comprehensive Services

For Anchor Pointe's services, clients are charged a fee calculated as a percentage of Assets Under Management according to the fee schedule below for financial planning and investment recommendations and implementation. A Sub-Advisor providing investment management services to clients' accounts will charge a separate and additional fee to Anchor Pointe's for their investment management services as set forth in the clients' agreements with those Sub-Advisors.

Assets Under Management	Annual Management Fee	Quarterly Management Fee
\$0 - \$500,000	1.50%	0.375%

\$500,001 - \$1,000,000	1.25%	0.3125%
\$1,000,001 - \$2,000,000	1.00%	0.25%
\$2,000,001 - \$3,000,000	0.75%	0.1875%
Greater than \$3,000,000	0.50%	0.125%

Fees may be reduced or waived in certain circumstances and are negotiable in Anchor Pointe's sole discretion based on such factors as the amount of the client's assets under management, accounts within the same household, expected deposits, a Sub-Advisor's fee and Anchor Pointe's relationship to the client.

Anchor Pointe's fee is billed quarterly, in advance, calculated at the beginning of each calendar quarter using the amount of client's Assets Under Management as of the close of business on the last business day of the previous quarter. The fee charged by a Sub-Advisor providing services to Client's Account(s) will be set forth in the Sub-Advisor's client agreement. If the initial deposit of monies to the Account occurs on a day other than the start of the calendar quarter and for any deposits made in subsequent months, Anchor Pointe's fee will be payable upon deposit of the additional funds in the client's account charged on a pro-rata basis through the end of the calendar quarter.

In computing the market value of investments of the client's account, each security listed on any national securities exchange or otherwise subject to current last-sale reporting will be valued at the last sale price on the valuation date. Such securities that are not traded nor subject to last-sale reporting will be valued at the latest available bid price reflected by quotations furnished to Anchor Pointe by such sources as it may deem appropriate. Any other security will be valued in such manner as shall be determined in good faith by Anchor Pointe to reflect its fair market value.

#### Fee Billing

In the comprehensive services engagements, Clients authorize Anchor Pointe to deduct their respective fees directly from their account(s) held at an independent qualified custodian as they become due and payable. The Sub-Advisor's fee will also be directly deducted from the client's account. Clients will be provided with a statement, at least quarterly, from their Account's custodian reflecting deductions of all advisory fees. Clients may terminate Sub-Advisory accounts at any time and receive a refund of fees as outlined in their agreement with the Sub-Advisor.

If Client has more than one account, Anchor Pointe makes the determination as to which account the fee is taken from based on Client's best interest, or at Client's instruction. If Client cancels their service in the middle of a billing cycle, Anchor Pointe will refund any prepaid, unearned fees on a pro rata basis. Whether fees have been earned or unearned will be determined by Anchor Pointe at Anchor Pointe's sole discretion.

If the Client has not received Anchor Pointe's Brochure at least 48 hours prior to entering into an advisory agreement, the Client has the right to terminate the agreement without penalty or

fee within five business days after entering into the agreement.

### Educational Seminars/Workshops

Anchor Pointe provides periodic educational seminars and workshops to clients and the public for which Anchor Pointe collects \$25, which covers the cost of the workbook. Educational seminars are paid in advance of each event and are payable by check.

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### **Additional Client Fees Charged**

Clients may incur certain fees or charges imposed by third parties, other than Anchor Pointe, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer, pursuant to their published standard fee schedule. Anchor Pointe does not receive any portion of these fees paid by the client. The management fee charged by Anchor Pointe is separate and distinct from these custodian and execution fees.

All fees paid to Anchor Pointe for advisory services are separate and distinct from other expenses charged for investing, such as fees and expenses charged by mutual funds and exchange-traded funds to their shareholders and fees associated with bonds purchased for Clients' accounts. Mutual fund and ETF fees and expenses are generally used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage, and account reporting), and a possible distribution fee. The prospectus for each mutual fund and ETF will describe the fees and expenses. A Client could invest in these products directly, without the services of Anchor Pointe, but would not receive the services provided by Anchor Pointe which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Anchor Pointe does not receive any 12b-1 fees paid by mutual fund companies. Accordingly, the Client should review both the fees associated with a particular security or a bond and the fees charged by Anchor Pointe to fully understand the total fees involved.

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

Neither Anchor Pointe nor any of its investment advisor representatives receive any external compensation for the sale of securities to clients.

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

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Anchor Pointe does not use a performance-based fee structure because of the conflict of interest it creates. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

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

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### **Description**

Anchor Pointe primarily provides investment advice to individuals and high net worth individuals. Client relationships vary in scope and length of service.



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### Account Minimums

Anchor Pointe requires a minimum of \$450,000 to open an account, but the firm does have the discretion to accept accounts with less assets for people with pre-existing relationships with the firm or with clients of the firm. Accounts with fewer assets are accepted as an accommodation to clients with multiple accounts, and/or for those making regular additions to their account(s).

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

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### Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profit margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

When creating a financial plan, Anchor Pointe utilizes fundamental analysis to provide review of insurance policies for economic value and income replacement. Technical analysis is used to review mutual funds and individual stocks. The main sources of information include Morningstar, client documents such as tax returns and insurance policies.

In developing a financial plan for a client, Anchor Pointe's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate preservation. Based on the information gathered, a detailed strategy is tailored to the client's specific situation. The firm does not, however, provide legal or tax advice.

The main sources of information include outside investment platforms, Morningstar, financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

For information about methods of analysis used by Sub-Advisors, please refer to their disclosure brochure which will also be provided to you.

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### Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Risk Tolerance Questionnaire that documents their objectives and their desired investment strategy.

Anchor Pointe's investment strategy is primarily long-term focused, but Anchor Pointe may buy, sell, or re-allocate positions that have been held less than one (1) year to meet the objectives of the client or due to market conditions. Anchor Pointe will construct, implement, and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the client. Each client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by Anchor Pointe.

Other strategies may include long-term purchases, short-term purchases, trading, and option writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves risk of loss that clients should be prepared to bear.

In advising clients of Anchor Pointe investing with Sub-Advisors, Anchor Pointe may select from mutual funds, Exchange Traded Funds (ETF's), and other investment solutions offered by or through them. These solutions are provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists.

With respect to clients investing with Sub-Advisors, Anchor Pointe also advises clients on the selection of Sub-Advisors who provide discretionary management of individual portfolios including a wide variety of security types. Clients will receive a separate disclosure from such investment managers regarding any such investment manager's advisory services and strategies.

For more information about investment strategies used by Sub-Advisors, please refer to their disclosure brochure which will also be provided to you.

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### Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Anchor Pointe:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a

particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Item 9: Disciplinary Information

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### Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

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### Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

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### Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

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## Item 10: Other Financial Industry Activities and Affiliations

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### Broker-Dealer or Representative Registration

Neither the firm nor any of its employees are affiliated with a broker-dealer.

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### Futures or Commodity Registration

Neither Anchor Pointe nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Mr. Hodges is the Founder of DMH Property Services, LLC, a property rental company. Advisory clients of Anchor Pointe Wealth Management, LLC are not solicited to invest in or rent property from DMH Property Services, LLC.

Anchor Pointe has a relationship with DPL Financial Partners, LLC ("DPL") to provide clients insurance reviews/analyses, education, and insurance solutions. DPL Financial Partners, LLC ("DPL") is a third-party provider of a platform of insurance consultation services to investment advisers with clients who have current or future needs for insurance products.

Anchor Pointe receives access to DPL's platform for a fixed annual fee. Through its licensed insurance agents, who are also registered representatives of The Leaders Group, Inc. ("The

Leaders Group”), an unaffiliated SEC-registered broker-dealer and FINRA member, DPL offers members a variety of services relating to commission free insurance products. These services include, among others, providing members with analyses of their current methodology for evaluating client insurance needs, educating and acting as a resource to members regarding insurance products generally and specific insurance products owned by their clients or that their clients are considering purchasing, and providing members access to, and marketing support for, commission free products that insurers have agreed to offer to members’ clients through DPL’s platform.

For providing platform services to RIAs and ERAs, DPL receives service fees from the insurers that offer their commission free products through the platform. These service fees are based on the insurance premiums received by the insurers from DPL members’ clients.

DPL is licensed as an insurance producer in Kentucky, and other jurisdictions where required to perform the platform services. Its representatives are also licensed as insurance producers, appointed as insurance agents of the insurers offering their products through the platform, and registered representatives of The Leaders Group.

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

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### **Code of Ethics Description**

The employees of Anchor Pointe have committed to a Code of Ethics (“Code”). The purpose of our Code is to set forth standards of conduct expected of Anchor Pointe employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of Anchor Pointe. The Code reflects Anchor Pointe and its supervised persons’ responsibility to act in the best interest of their client.

One area which the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. Anchor Pointe does not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

Anchor Pointe’s policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Anchor Pointe may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Anchor Pointe’s Code is based on the guiding principle that the interests of the client are the top priority. Anchor Pointe’s officers, directors, advisors, and other employees have a fiduciary duty to the clients and must diligently perform that duty to maintain the trust and confidence of the clients. When a conflict arises, it is Anchor Pointe’s obligation to put the client’s interests over the interests of either employees or the company.

The Code applies to “access” persons. “Access” persons are employees who have access to non-public information regarding any clients’ purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Anchor Pointe and its employees do not recommend to clients, securities in which we have a material financial interest.

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

Anchor Pointe and its employees may buy or sell securities that are also held by clients. To mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Anchor Pointe with copies of their brokerage statements.

The Chief Compliance Officer of Anchor Pointe is Derieck Hodges. He reviews all employee trades quarterly. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

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### **Client Securities Transactions and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Anchor Pointe does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. To mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide Anchor Pointe with copies of their brokerage statements.

The Chief Compliance Officer of Anchor Pointe is Derieck Hodges. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

## **Item 12: Brokerage Practices**

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### **Factors Used to Select Broker-Dealers for Client Transactions**

Anchor Pointe may recommend the use of a particular broker-dealer, such as Fidelity Investments or AssetMark Trust. Not all advisers require their clients to use a particular broker. Anchor Pointe will recommend appropriate brokers based on several factors including, but not limited to, their relatively low transaction fees and reporting ability. Lower fees for comparable services may be available from other sources. Clients pay for all custodial fees in addition to the advisory fee charged by Anchor Pointe.

#### *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves several considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with

such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

#### *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by Anchor Pointe from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Anchor Pointe receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from Anchor Pointe clients' accounts. These benefits include both proprietary research from the broker and other research written by third parties. AssetMark may sponsor annual conferences for participating Financial Advisory Firms and/or Financial Advisors designed to facilitate and promote the success of the Financial Advisory Firm and/or Financial Advisor and/or AssetMark advisory services. Financial Advisors can receive discounted pricing from AssetMark for practice management and marketing related tools and services.

A conflict of interest exists when Anchor Pointe receives soft dollars. This conflict is mitigated by the fact that Anchor Pointe has a fiduciary responsibility to act in the best interest of its clients and the services received are beneficial to all clients.

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

Anchor Pointe is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Anchor Pointe. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

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

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

Account reviews are performed quarterly by Investment Advisor Representatives of Anchor Pointe. Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client and a review is done only upon request of client.

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#### **Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

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#### **Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Anchor Pointe's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Clients who use certain Sub-Advisors will receive performance reports quarterly and upon client request.

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

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Anchor Pointe does not compensate any person for clients who are referred to us, nor are we compensated for referring clients to others.

Anchor Pointe receives certain allowances, reimbursements, or services from AssetMark in connection with investment advisory services provided to its clients. Under AssetMark's Advisor Growth Plan (AGP), Anchor Pointe can receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses. These amounts vary depending on the value of the assets on the AssetMark Platform held by Clients of Anchor Pointe. Anchor Pointe takes part in a marketing arrangement with AssetMark whereby it receives compensation and/or allowances in amounts based either upon a percentage of the value of new or existing Account assets of Clients referred to AssetMark by Anchor Pointe, or a flat dollar amount. AssetMark offers an award to honor selected Financial Advisors across the US who have inspired others by supporting charitable organizations in their communities. AssetMark will make a cash donation, subject to the published rules governing the program, to Anchor Pointe's nominated charity.

## **Item 15: Custody**

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### **Account Statements**

Anchor Pointe does not accept or maintain physical custody of any Client accounts; however, the firm is deemed to have constructive custody because Client's consent to have their accounts directly debited for the payment of fees. All Clients assets are held at an independent qualified custodian. Custodians will send account statements to Clients at least quarterly that typically detail any transactions in such account for the relevant period. Anchor Pointe may, from time to time, provide you with periodic reports from our firm that includes investment performance information. You are urged to carefully review and compare your account statements that you have received directly from your service provider with any report or statement you receive from our firm.

Anchor Pointe also has constructive custody of assets to the extent it uses Standing Letters of Authorizations ("SLOAs") for third-party money movement. Anchor Pointe relies upon the guidance set forth in the SEC No-Action Letter of February 21, 2017, and maintains records to avoid the surprise annual audit that would otherwise be required of advisers with custody.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

Anchor Pointe accepts discretionary authority to manage securities accounts on behalf of clients. AnchorPointe has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Any restrictions are noted on the advisory agreement. However, Anchor Pointe consults with the client prior to each trade to obtain approval if a blanket trading authorization has not been given.

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

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### **Proxy Votes**

Anchor Pointe does not vote proxies on securities. Clients are expected to vote their own proxies. Theclient will receive their proxies directly from the custodian of their account or from a transfer agent. When assistance on voting proxies is requested, Anchor Pointe will provide recommendations to theclient. If a conflict of interest exists, it will be disclosed to the client.

For clients who utilize Sub-Advisors, their agreements and disclosure documents with those Sub-Advisors will determine and disclose whether the Sub-Advisor votes proxies on clients' securities.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because Anchor Pointe does not serve as a custodian for client funds or securities and Anchor Pointe does not require prepayment of fees of more than \$1,200 per client and six (6) months or more in advance.

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

Anchor Pointe has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

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### **Bankruptcy Petitions during the Past Ten Years**

Neither Anchor Pointe nor its management has had any bankruptcy petitions.