



# VISIONPOINT<sup>SM</sup>

IMPACTING THE SUCCESS OF THOSE WE SERVE

VisionPoint Group, LLC

## FORM ADV PART 2A – Disclosure Brochure

March 16, 2021

This Disclosure Brochure provides information about the qualifications and business practices of VisionPoint Group, LLC (“VisionPoint”) If you have any questions about the content of this brochure, please contact the Advisor at (800) 282-4032 or by email at: [compliance@vpadvisor.com](mailto:compliance@vpadvisor.com). The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about VisionPoint is also available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). VisionPoint’s CRD number is: 168733.

5001 Spring Valley Road  
Suite 200W  
Dallas, TX 75244  
(972) 361-1001  
[compliance@vpadvisor.com](mailto:compliance@vpadvisor.com)

*Registration does not imply a certain level of skill or training.*

VisionPoint Group | 5001 Spring Valley Road, Ste 200W | Dallas, TX 75244 | [vpadvisor.com](http://vpadvisor.com)

# Item 2: Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of VisionPoint.

VisionPoint believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. VisionPoint encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

The following material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- James Mars has been appointed as the Chief Compliance Officer, effective March 2021.
- The Advisor has amended its legal name to ensure accuracy of disclosure.

## Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 168733. You may also request a copy of this Disclosure Brochure at any time by contacting the Advisor at (800) 282-4032 or by email at [compliance@vpadvisor.com](mailto:compliance@vpadvisor.com).

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# Item 4: Advisory Business

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## A. Description of the Advisory Firm

VisionPoint Group, LLC (VPAG; hereinafter “VisionPoint”) is a Limited Liability Company organized in the State of Iowa. The firm was formed in August 2013.

## B. Types of Advisory Services

VisionPoint serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the VisionPoint upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. VisionPoint’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

VisionPoint offers the following services to advisory Clients:

### *Portfolio Management Services*

VisionPoint offers ongoing portfolio management services, through the traditional and wrap fee programs described below. These services are based on the individual goals, objectives, time horizon, and risk tolerance for each Client. VisionPoint seeks to design investment strategies utilizing the Client’s current situation (income, tax levels, and risk tolerance levels) to construct a plan to aid in the selection of a portfolio that matches each Client’s specific situation.

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

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

VisionPoint evaluates the current investments of each Client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Advisory Contract, which is given to each Client.

VisionPoint will select, recommend and/or retain mutual funds on a fund-by-fund basis. Due to specific custodial and/or mutual fund company constraints, material tax consideration, and/or systematic investment plans, VisionPoint will select, recommend and/or retain a mutual fund share class that does not have trading costs, but do have higher internal expense ratios than institutional share classes. VisionPoint will seek to select the lowest

cost share class available that is in the best interest of each Client and will ensure the selection aligns with the Client's financial objectives and stated investment guidelines.

VisionPoint seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its Clients and without consideration of VisionPoint's economic, investment or other financial interests. To meet its fiduciary obligations, VisionPoint attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain Client portfolios, and, accordingly, VisionPoint'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.

### *Selection of Other Advisers*

VisionPoint may recommend that a Client utilize one or more unaffiliated sub-adviser or investment platforms (collectively "Sub-Adviser") for all or a portion of a Client's investment portfolio. In such instances, the Client may be required to authorize and enter into an advisory agreement with the Sub-Adviser[s] that defines the terms in which the Sub-Adviser[s] will provide investment management and related services. VisionPoint may also assist in the development of the initial policy recommendations and managing the ongoing Client relationship. VisionPoint will perform initial and ongoing oversight and due diligence over the selected Sub-Adviser[s] to ensure the Sub-Adviser's strategies and target allocations remain aligned with its Clients' investment objectives and overall best interests. The Client, prior to entering into an agreement with unaffiliated Sub-Adviser[s] or investment platform[s], will be provided with the Sub-Adviser's Form ADV 2A (or a brochure that makes the appropriate disclosures).

Additionally, VisionPoint may direct Clients to certain programs sponsored by LPL Financial, LLC ("LPL"). Before selecting other advisers for Clients, VisionPoint will always ensure those other advisers are properly licensed or registered as an investment adviser.

### *Sub-Adviser Services*

VisionPoint may also act as a Sub-Adviser to advisers unaffiliated with VisionPoint. These third-party advisers would outsource portfolio management services to VisionPoint. This relationship will be memorialized in each contract between VisionPoint and the third-party advisor.

### *Retirement Plan Services*

VisionPoint offers advisory services to participant-directed defined contribution plans subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) ("ERISA Plan Clients"), such as 401(k) plans. Each ERISA Plan Client is required to enter into an investment advisory or management agreement with VisionPoint describing the services that VisionPoint will perform for the ERISA plan and its participants. VisionPoint provides both ERISA fiduciary services and non-fiduciary services to ERISA Plan Clients.

**Fiduciary Services:** VisionPoint provides fiduciary services to ERISA Plan Clients either as a discretionary investment manager or a non-discretionary investment adviser.

**Investment Management Services:** VisionPoint provides investment management services to ERISA Plan Clients on a discretionary basis as an investment manager under ERISA § 3(38) and in that capacity, VisionPoint’s investment decisions are made in its sole discretion without the ERISA Plan Client’s prior approval. Each ERISA Plan Client who engages VisionPoint to perform investment management services is required to enter into an investment management agreement. VisionPoint’s investment management services include developing and implementing an investment policy statement, selecting a broad range of investment options consistent with ERISA § 404(c), making decisions about the selection, retention, removal and addition of investment options and if the ERISA Plan Client has determined that the Plan should have a qualified default investment alternative (a “QDIA”) for participants who fail to make an investment election, selecting the investment that will serve as a QDIA. VisionPoint may also provide participant-level investment advisory and/or investment management services.

**Investment Advisory Services:** VisionPoint also provides investment advisory services on a non-discretionary basis under ERISA § 3(21) and in that capacity, the ERISA Plan Client retains, and exercises, final decision-making authority and responsibility for the implementation (or rejection) of VisionPoint’s recommendations or advice. Each ERISA Plan Client who engages VisionPoint to perform non-discretionary investment advisory services is required to enter into an investment advisory agreement.

VisionPoint’s non-discretionary investment advisory services include assisting the ERISA Plan Client in developing and implementing an investment policy statement, assisting the ERISA Plan Client in selecting a broad range of investment options consistent with ERISA § 404(c), assisting the ERISA Plan Client in making decisions about the selection, retention, removal and addition of investment options, and if the ERISA Client has determined that the Plan should have a QDIA for participants who fail to make an investment election, assisting in the selection of the investment that will serve as a QDIA. VisionPoint may also provide participant-level investment advisory services.

**Non-Fiduciary Services:** VisionPoint’s non-fiduciary services to ERISA Plan Clients include educating the ERISA Plan Client as to its fiduciary responsibilities, assisting the ERISA Plan Client in monitoring, selecting and supervising service vendors, and performing benchmarking studies and fee analysis. VisionPoint’s non-fiduciary services also include assisting in group enrollment meetings and educating plan participants about general investment principles and the investment alternatives under the plan.

For a more detailed description of VisionPoint’s fiduciary and non-fiduciary services, the ERISA Plan Client should refer to the investment advisory agreement or investment management agreement, as the case may be.

### ***Retirement Account Clients/ Conflicts of Interest***

VisionPoint is a fiduciary under ERISA with respect to investment management services and investment advice provided to ERISA Clients, including ERISA plan participants. VisionPoint is also a fiduciary under the Internal Revenue Code (the “IRC”) with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRA owners and IRAs (collectively, “Retirement Account

Clients”). As such, VisionPoint is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption. A conflict of interest arises and the prohibited transaction rules are implicated when VisionPoint provides fiduciary advice about plan distributions and rollovers if it results in VisionPoint receiving compensation that it would not have received absent the advice. VisionPoint will mitigate this conflict by acting in the best interest of the Client.

No Client is under any obligation to roll over ERISA plan or IRA assets to an account advised or managed by VisionPoint.

### *Financial Planning*

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; debt/credit planning; estate planning; and exit planning for business owners.

### *Services Limited to Specific Types of Investments*

VisionPoint generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs (including ETFs in the gold and precious metal sectors), real estate funds (including REITs), non-U.S. securities (to a limited extent), hedge funds, and insurance products including annuities. VisionPoint may invest in American Depositary Receipts, but expects to do so infrequently, and may use other securities as well to help diversify a portfolio when applicable.

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

VisionPoint will tailor a 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 VisionPoint on behalf of the Client. Clients complete a basic financial analysis with their advisor to determine short and long-term needs, cash flow, retirement needs in addition to risk tolerance. VisionPoint may use “model portfolios” together with a specific set of recommendations for each Client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent VisionPoint from properly servicing the Client’s account[s], or if the restrictions would require VisionPoint to deviate from its standard suite of services, VisionPoint reserves the right to end the relationship.

## D. Wrap Fee Program Offered

In addition to traditional fee investment programs, VisionPoint sponsors a wrap fee program, whereby the investor may pay one stated fee that includes one or more of the following: management fees, transaction costs, fund expenses, custodial costs, and/or any other administrative fees. A portion of the fees paid to the wrap fee program may be given to VisionPoint as a management fee for services.

## E. Assets Under Management

VisionPoint has the following assets under management as of December 31, 2020:

Discretionary Amounts:	Non-discretionary Amounts:	Total Assets Under Management
\$ 591,940,018	\$ 1,399,972,140	\$1,991,912,158

# Item 5: Fees and Compensation

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## A. Fee Schedule

### *Portfolio Management Services Fees*

VisionPoint charges an annual fee of up to 2.50% of total assets under management, through the traditional and wrap fee programs described above. These fees are generally negotiable, and the final fee schedule is included as part of the Investment Advisory Contract.

VisionPoint uses multiple custodians. Typically, in determining the market value of the assets upon which the advisory fee is based, custodians calculate an average of the daily balance in the Client's account[s] throughout the billing period, after taking into account deposits and withdrawals.

### *Selection of Other Advisers Fees*

For Clients referred by VisionPoint to a Sub-Adviser, the Client's fee will be deducted from the Client's account[s] with the respective Sub-Adviser and the fee will be provided to VisionPoint based on VisionPoint's agreement with the Client and VisionPoint will provide a portion of the fee to the Sub-Adviser. VisionPoint is responsible for negotiating the fees with the Sub-Adviser on behalf of the Client. VisionPoint does not receive any compensation or fees from the Sub-Adviser.

In addition, when appropriate VisionPoint will have the ability to provide advisory services through certain programs sponsored by LPL. Annualized fees for participation in LPL advisory programs vary up to maximum of 2.50%. For more information regarding the LPL programs, including more information on the advisory services

and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs, please see the LPL Financial Form ADV Part 2 or the applicable LPL program's Wrap Fee Program Brochure and the applicable LPL Financial Client agreement.

### ***Sub-Adviser Services Fees***

VisionPoint may also act as a Sub-Adviser to unaffiliated third-party advisers and VisionPoint would receive a share of the fees collected from the third-party adviser's Client. The fees charged will not exceed any limit imposed by any regulatory agency. This relationship will be memorialized in each contract between VisionPoint and the third-party adviser.

### ***Retirement Plan Services Fees***

VisionPoint is a fiduciary under ERISA and the Internal Revenue Code (the "IRC") in providing investment management and advisory services to Retirement Account Clients (described in Item 4). As such, VisionPoint is subject to specific duties and obligations under ERISA and the IRC that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, VisionPoint may only charge fees for investment advice about products for which VisionPoint and/or its affiliates do not receive any commission, 12b-1 fees or other compensation or alternatively, if VisionPoint and/or its affiliates receive such commissions, 12b-1 fees or other compensation, it will offset such amounts on a dollar-for-dollar basis against the advisory fee.

The fee for retirement plan services will be a flat fee, an asset-based rate of up to a maximum of 1.00% of the plan assets for which VisionPoint is providing such retirement plan services, or a combination of both. These fees are negotiable and will be set forth in the investment advisory or investment management agreement, as the case may be, entered into with the Client.

### ***Financial Planning Fees***

#### **Fixed Fees**

The maximum rate for creating Client financial plans is up to \$25,000. The fees are negotiable, and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

#### **Hourly Fees**

The hourly fee for financial planning services ranges from \$250 to a maximum of \$750. The fees are negotiable, and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

### ***Termination of Agreements***

Clients may terminate the agreement without penalty, for full refund of VisionPoint's fees, within five business days of signing the Investment Advisory Contract. Thereafter, Clients may terminate the Investment Advisory Contract generally with 30 (thirty) days' written notice.

In the event that a Client should wish to terminate their relationship with the Sub-Adviser, the terms for termination will be set forth in the respective agreements between the Client and that Sub-Adviser. VisionPoint will assist the Client with the termination and transition as appropriate.

## **B. Payment of Fees**

### *Payment of Portfolio Management Fees*

Portfolio management fees are withdrawn by the Custodian directly from the Client's account[s] at the Custodian with the Client's written authorization or may be invoiced and billed directly to the Client; Clients may select the method in which they are billed. Fees are billed quarterly at either the beginning of or the end of the respective quarter, pursuant to the terms of the portfolio management agreement.

### *Payment of Selection of Other Advisers Fees*

For Clients referred by VisionPoint to a Sub-Adviser, the Client's fee may be separately billed or deducted from the Client's account[s] with the respective Sub-Adviser. VisionPoint will collect the investment advisory fee and provide a portion of the fee to the Sub-Adviser.

### *Payment of Sub-Adviser Fees*

Sub-Adviser fees may be withdrawn from the Client's account[s] at the Custodian or the Client may be invoiced for such fees, as disclosed in each contract between VisionPoint and the applicable unaffiliated third-party adviser. Clients provide written authorization permitting advisory fees to be deducted by Custodian and billed by VisionPoint directly from their accounts[s] held by the Custodian.

### *Payment of Retirement Plan Services Fees*

Pension Consulting fees are primarily withdrawn directly from the Client's account[s] with the Client's written authorization, but they may also be invoiced and billed directly to the Client and Clients may select the method in which they are billed. Fees are paid quarterly and the end of the respective quarter.

### *Payment of Financial Planning Fees*

#### **Fixed Fees**

Our annual and fixed project-based fees for financial planning range up to \$25,000. We collect fees for project-based engagements in a single installment. We collect fees for ongoing engagements monthly or quarterly. Fixed fees are negotiable based on the nature and complexity of the services to be provided and the overall business relationship with the firm. We provide an estimate of the total cost prior to engaging us for these services. VisionPoint will not collect an advance fee of \$1,200 or more for services that will take six (6) months or more to complete.

## Hourly Fees

Our hourly fees for financial planning are at a rate of \$250 to \$750 per hour. We collect fees either in a single installment or on a quarterly basis. Hourly fees are negotiable based on the nature and complexity of services provided and the overall business relationship. We provide an estimate of the total cost prior to engaging us for these services.

## C. Third Party Fees

Where client and advisor select a wrap fee account, VisionPoint will wrap third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) into the total advisory fee. VisionPoint will charge Clients one fee of 2.50% of assets under management and pay all transaction fees using the fee collected from the Client. Fees are paid quarterly.

## D. Prepayment of Fees

VisionPoint collects its fees in arrears and in advance.

Refunds for fees paid in advance will be returned within fourteen days to the Client via check or return deposit back into the Client's respective account.

For all asset-based fees paid in advance, the fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 365.)

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 Securities to Clients

### *1. Outside Compensation from LPL Financial: Conflict of Interest*

The Supervised Persons will accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds to its Clients. This presents a conflict of interest, in which the Supervised Person has an incentive to recommend products based on compensation received, rather than on the Client's needs. When recommending the sale of securities or investment products, the Supervised Person will document any conflict of interest in the Client file and inform the Client of the conflict of interest.

## ***2. Clients Have the Option to Purchase Recommended Products from Other Brokers***

Clients always have the option to purchase VisionPoint recommended products through other brokers or agents that are not affiliated with VisionPoint.

## ***3. Commissions are not the Primary Source of Income for VisionPoint***

Commissions are not VisionPoint's primary source of compensation for advisory services.

## ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to Clients are not reduced to offset the commissions or markups on securities or investment products recommended to Clients.

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

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VisionPoint does not charge performance-based fees for its investment advisory services. The fees charged by VisionPoint are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

VisionPoint does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

# Item 7: Types of Clients

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VisionPoint generally provides advisory services to the following types of Clients:

- Individuals
- High-Net-Worth Individuals
- Banks and Thrift Institutions
- Pension and Profit-Sharing Plans
- Charitable Organizations
- Corporations or Business Entities
- State or Municipal Government Entities

- Other Investment Advisers

### *Minimum Account Size*

The Advisor does not impose a minimum account or relationship size. Certain Sub-Advisers may impose minimum asset levels.

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

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

#### *Methods of Analysis*

VisionPoint's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. VisionPoint uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

Notwithstanding the foregoing, VisionPoint will provide investment advisory services to each client in accordance with the investment strategies, objectives and guidelines that are applicable thereto. The methods of analysis above are not intended to be comprehensive.

### *Investment Strategies*

The VisionPoint investment philosophy implements a combination of quantitative and qualitative research techniques to identify securities. The result is a global, multi-asset class, tactical investment strategy.

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

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**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.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work longterm.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two- fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk.** 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.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one.

Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

VisionPoint may sometimes use short term trading. VisionPoint generally does not use short sales and options trading. All these strategies generally hold greater risk and Clients should be aware that there is a material risk of loss using any of those 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.

**Short term trading** risks include liquidity, economic stability and inflation, in addition to the long-term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Options** writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

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

### **C. Risks of Specific Securities Utilized**

VisionPoint generally does not use short sales and options trading, which holds greater risk of capital loss. 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. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and 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 market conditions and general economic environments.

**Fixed Income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary and 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):** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) may be negatively impacted by several factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real Estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**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

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-Regulatory Organization (SRO) Proceedings**

In order to resolve an alleged failure to properly disclose loans from its broker-dealer, LPL Financial, LLC, VisionPoint submitted an Offer of Settlement to the SEC that resulted in a September 2017 order against

VisionPoint. The order included censure, a cease and desist with respect to the alleged disclosure violations, and a \$45,000 fine, which has been paid by VisionPoint.

## Item 10: Other Financial Industry Activities and Affiliations

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

VisionPoint IARs may also be Registered Representatives of LPL, a registered Broker/Dealer, member FINRA and SIPC. Clients are under no obligation to purchase or sell securities through IARs. However, if a Client chooses to implement the recommendations, commissions will be earned by IARs in addition to any fees paid for advisory services. Commissions may be higher or lower at LPL than at other broker/dealers. IARs have a conflict of interest in having Clients purchase securities and/or insurance related products through LPL in that the higher their production with LPL the greater potential for obtaining a higher pay-out on commissions earned. Further, IARs may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through LPL. IARs spend approximately 20% of their time offering securities products on a commission basis.

However, the amount of time spent by each IAR will vary. Some IARs may spend significantly more or less time offering commissionable products and services through LPL.

As discussed above, certain Advisory Persons of VisionPoint are Registered Representatives of LPL. As a result of this relationship, LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about VisionPoint' Clients, even if Client does not establish any account through LPL. If you would like a copy of the LPL Privacy Policy, please contact our Chief Compliance Officer at 972-361-1001.

Certain IARs and other related persons of VisionPoint are licensed with various insurance companies. VisionPoint, its IARs and Advisory Persons have a conflict of interest to recommend Clients purchase insurance products since commissions are earned in addition to fees for advisory services. Clients are not obligated to purchase insurance products through VisionPoint or its IARs. IARs spend approximately 5% of their time offering insurance products. However, the amount of time spent by each IAR will vary. Some IARs may spend significantly more or less time offering insurance products and services. The principal business of VisionPoint is not to offer insurance products and services. Less than 10% of VisionPoint's resources are dedicated to insurance business.

As stated above, IARs are generally independent contractors. As such, the IARs have a direct incentive in the advisory fees being charged since a portion of the advisory fee collected by VisionPoint will be paid to the IAR for compensation for advisory services. Further, Clients are advised that the amount paid by VisionPoint to the IAR

will be based on the production of the IAR. Therefore, the higher sales the IAR produces the more compensation the IAR will receive. Consequently, since production is a basis for determining the IAR's payout, and since a portion of the advisory fees will be retained by VisionPoint, there is a conflict of interest for the IAR to potentially charge a higher fee.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither VisionPoint 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 and Possible Conflicts of Interests**

Some of VisionPoint's Investment Adviser Representatives are Registered Representatives of LPL. From time to time, they will offer Clients advice or products from those activities and receive commissions from sales of packaged products, including without limitation brokerage transactions, mutual fund loads, or variable annuities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. VisionPoint always acts in the best interest of the Client, including with respect to the sale of commissionable products to advisory Clients. Clients are in no way required to implement the plan through any representative of VisionPoint in such individual's capacity as a Registered Representative.

Certain Investment Adviser Representatives also serve in a non-depository capacity as a registered representative and/or investment advisory representative through LPL for unaffiliated banks or thrift institutions. These IARs receive only normal and customary commissions and compensation as a result of such services.

Certain employees are licensed insurance agents. From time to time, they will offer Clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. VisionPoint always acts in the best interest of the Client; including the sale of commissionable products to advisory Clients. Clients are in no way required to implement the plan through any representative of VisionPoint in such individual's capacity as an insurance agent.

## *Conflicts of Interest*

If an IAR has recently become associated with LPL, he or she may have received payments from LPL in connection with the transition from another broker dealer. These payments, which may be significant, are intended to assist an IAR with the costs associated with transition, such as moving expenses, leasing space, furniture, staff and termination fees associated with moving accounts; however, LPL does not confirm the use of these payments for such transition costs. These payments may be in the form of loans to the IAR, which may be repayable to LPL or may be forgiven by LPL based on years of service with LPL (e.g., if the IAR remains with LPL for 5 years) and/or the scope of business engaged in with LPL, including the amount of advisory account assets with LPL. This presents a conflict of interest in that an IAR has a financial incentive to recommend that a Client engage with the IAR and LPL for advisory services for the loan to be forgiven. However, an IAR may only recommend a program or service that he or she believes is suitable for you. LPL and VisionPoint have systems in place to review IAR-managed accounts for suitability over the course of the advisory relationship.

In addition, James Mars, Principal of VisionPoint in his role as Office of Jurisdiction (OSJ) Manager, is entitled to receive a portion of the payment paid by LPL to the IAR. These payments are intended to offset costs associated with the support of an IAR's transition. This presents a conflict of interest as Mr. Mars has a financial incentive to support the recommendation advisory services associated with LPL. Mr. Mars and the IAR may only recommend a program or service that he believes is suitable for the Client involved. LPL and VisionPoint have systems in place to review managed accounts for suitability over the course of the advisory relationship.

Transactions in LPL advisory program accounts are generally effected through LPL as the executing broker-dealer. VisionPoint receives compensation from LPL because of a Client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the VisionPoint would receive if the Client participated in other programs, whether through LPL or another sponsor, or whether the Client paid separately for investment advice, brokerage, and other services.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

VisionPoint may select Sub-Advisers to assist with the implementation of a Client's investment strategy. In such arrangements, VisionPoint will collect the investment advisory fees and provide a portion of the fee to the Sub-Adviser.

VisionPoint may also direct clients (other than Retirement Account Clients) to third-party investment advisers. VisionPoint will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between VisionPoint and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that VisionPoint has an incentive to direct clients to the third-party investment advisers that provide VisionPoint

with a larger fee split. VisionPoint will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. VisionPoint will ensure that all recommended advisers are licensed, or notice filed in the states in which VisionPoint is recommending them to clients.

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

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

VisionPoint has a written Code of Ethics that covers subjects such as: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, and Service on a Board of Directors. VisionPoint also maintains Compliance Procedures that address Compliance with Laws and Regulations, Procedures and Reporting, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. The Advisor's Code of Ethics is available upon request to any Client or prospective Client.

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

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

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

From time to time, Supervised Persons of VisionPoint buy or sell securities for themselves that they also recommend to Clients. This may provide an opportunity for Supervised Persons of VisionPoint to buy or sell the same securities before or after recommending the same securities to Clients resulting in Supervised Persons profiting off the recommendations they provide to Clients. Such transactions create a conflict of interest. VisionPoint 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, Supervised Persons of VisionPoint buy or sell securities for themselves at or around the same time as Clients. This may provide an opportunity for Supervised Persons of VisionPoint to buy or sell securities before or after recommending securities to Clients resulting in Supervised Persons profiting off the recommendations they provide to Clients. Such transactions create a conflict of interest; however, VisionPoint will never engage in trading that operates to the Client's disadvantage when similar securities are being bought or sold.

# Item 12: Brokerage Practices

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

Custodians/broker-dealers will be recommended based on VisionPoint's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a Client on terms that are the most favorable to the Client under the circumstances. The Client will not necessarily pay the lowest commission or commission equivalent, and VisionPoint may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of VisionPoint. VisionPoint will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker- dealer/custodian. VisionPoint will generally recommend that Clients establish their account[s] at LPL Financial, LLC ("LPL"), a FINRA-registered broker-dealer and member SIPC. LPL will serve as the Client's qualified custodian. VisionPoint maintains an institutional relationship with LPL, whereby VisionPoint receives economic benefits from LPL. Please see Item 14 below.

As Registered Representatives of LPL, VisionPoint may be limited in using other broker-dealers/custodian as LPL must approved the use of any outside broker-dealer/custodian.

### ***1. Research and Other Soft-Dollar Benefits***

While VisionPoint has no formal soft dollars program in which soft dollars are used to pay for third party services, VisionPoint may have access to research, products, or other services from its broker/dealer in connection with Client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers. There can be no assurance that any particular Client will benefit from any particular soft dollar research or other benefits. VisionPoint benefits by not having to produce or pay for the research, products or services, and VisionPoint will have an incentive to

recommend a broker dealer based on receiving research or services. Clients should be aware that VisionPoint's acceptance of soft dollar benefits may result in higher commissions charged to the Client.

VisionPoint personnel from time to time may accept invitations to financial events and conferences from vendors which may include flights, lodging and meals in addition to other expenses. VisionPoint personnel may also be reimbursed for expenses related to these financial events.

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

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

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

If VisionPoint buys or sells the same securities on behalf of more than one Client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple Clients to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, VisionPoint would place an aggregate order with the broker on behalf of all such Clients 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. VisionPoint would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with the Adviser's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## Item 13: Reviews of Accounts

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### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

The VisionPoint Investment Committee meets periodically to review Due Diligence on managers, investments, strategies, etc. The Investment Committee documents changes within each strategy on an ongoing basis. Advisors that use their own models also conduct due diligence on managers, investments, strategies, etc.

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

Portfolio management reviews may be triggered by material market, economic or political events, or by changes in Client's financial situations (such as retirement, termination of employment, physical move, or inheritance). With respect to one-off financial plans, VisionPoint's services will generally conclude upon delivery of the financial plan.

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

Each portfolio management Client will receive at least annually a written report that details the Client's account including assets held and asset value, which report will come from the custodian. Each one-off financial planning Client will receive the financial plan upon completion.

## Item 14: Client Referrals and Other Compensation

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### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

As disclosed in Item 10 above, VisionPoint and certain of its representatives received loans from LPL. The terms of these loans, including the loan being forgiven, are based in part on LPL benefitting financially from its relationship with VisionPoint and its personnel, which constitutes a conflict of interest. VisionPoint mitigates this conflict of interest by ensuring that it acts in the best interests of its Clients, including when utilizing LPL as a broker-dealer.

#### ***Participation in Institutional Advisor Platforms***

VisionPoint has established several institutional relationships to assist VisionPoint in managing Client account[s]. VisionPoint receives access to software and related support as part of its relationship with LPL Financial. The software and related systems support may benefit VisionPoint, but not its Clients directly. In fulfilling its duties to its Clients, VisionPoint endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence VisionPoint's recommendation of the Custodian over one that does not furnish similar software, systems support, or services. Additionally, VisionPoint may receive the following benefits from LPL:

receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

VisionPoint and its Advisory Persons are incented to join and remain affiliated with LPL and to recommend that Clients establish accounts with LPL through the provision of Transition Assistance. LPL also provides other compensation to VisionPoint and its Advisory Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

LPL provides various benefits and payments to Advisory Persons that are new to the LPL platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL platform (collectively referred to as “Transition Assistance”). The proceeds of such Transition Assistance payments are intended to be used for stationery and licensure transfer fees, LPL’s platform and to render advisory services to Clients transitioning to VisionPoint from another advisor. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to Supervised Persons of VisionPoint in their capacity as Registered Representatives of LPL. However, the receipt of Transition Assistance by such Advisory Persons creates conflicts of interest relating to VisionPoint’s advisory business because it creates a financial incentive for VisionPoint’s representatives to recommend that its Clients maintain their accounts with LPL. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its Clients’ assets with LPL and therefore VisionPoint has an incentive to recommend that Clients maintain their account with LPL to generate such benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL.

### *Selection of Other Advisers*

VisionPoint may be indirectly compensated by a Sub-Adviser as described in Item 5 above and does not receive any other forms of compensation with such arrangements.

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

VisionPoint will enter written arrangements with third parties to act as solicitors for the Adviser's investment management services. All compensation with respect to the foregoing will be fully disclosed to each Client to the extent required by applicable law. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

## Item 15: Custody

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VisionPoint, with Client written authority, has limited custody of Client's assets through deduction by custodians of VisionPoint's fees. If the Client chooses to be billed directly by LPL or the Client's chosen custodian, VisionPoint would have constructive custody over that account 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

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VisionPoint provides discretionary and non-discretionary investment advisory services to Clients. The Investment Advisory Contract established with each Client outlines the discretionary authority for trading. Where investment discretion has been granted, VisionPoint generally manages the Client's account and makes investment decisions without consultation with the Client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, the price per share. In some instances, VisionPoint'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 VisionPoint).

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

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VisionPoint will not be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Account may be invested from time to time except as may be directed by Client and except as may be otherwise required by law.

VisionPoint does not have any authority to and does not vote (or recommend how to vote) proxies on behalf of ERISA Clients. The Adviser will not be responsible for and is expressly precluded from voting (or recommending how to vote) proxies of the investments held by the Plan (or its trust). The responsibility for voting proxies of investments held by the Plan or its trust remain with Client (or, if applicable, the Plan participants).

Clients may obtain a complete copy of the proxy voting policy by contacting VisionPoint in writing and requesting such information. Clients can send written requests to the Chief Compliance Officer at [compliance@vpadvisor.com](mailto:compliance@vpadvisor.com).

## Item 18: Financial Information

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### **A. Balance Sheet**

VisionPoint neither requires nor solicits prepayment of more than \$1,200 in fees per Client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

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

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

VisionPoint has not been the subject of a bankruptcy petition in the last ten years.