

Item 1

Cover Page

# GuideStream Financial, Inc.

SEC File Number: 801 – 70418

## **ADV Part 2A, Firm Brochure Dated May 4, 2018**

Contact: Daniel A. Kurtz, Chief Compliance Officer  
8050 Spring Arbor Road  
Spring Arbor, Michigan 49283  
[www.guidestreamfinancial.com](http://www.guidestreamfinancial.com)

**This Brochure provides information about the qualifications and business practices of GuideStream Financial, Inc. (“GuideStream Financial”). If you have any questions about the contents of this Brochure, please contact us at (517) 750-2727. 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 GuideStream Financial, Inc. also is available on the SEC’s website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).**

**References herein to GuideStream Financial, Inc. as a “registered investment advisor” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to GuideStream Financial, Inc.’s disclosure statement since last year’s Annual Amendment filing on March 27, 2017.

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## Item 4      **Advisory Business**

- A. GuideStream Financial is a corporation formed on June 22, 2009 in the State of Michigan. GuideStream Financial became registered as an Investment Advisor Firm on August 24, 2009. GuideStream Financial is owned by The Free Methodist Foundation. Mark Steven Olson is GuideStream Financial's President.
- B. As discussed below, GuideStream Financial offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

### **INVESTMENT ADVISORY SERVICES**

GuideStream Financial provides discretionary and non-discretionary investment advisory services on a *fee* basis.

GuideStream Financial's annual investment advisory fee shall include investment advisory services, and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of GuideStream Financial), GuideStream Financial may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

GuideStream Financial may provide financial planning and/or consulting services on a stand-alone separate fee basis to clients who have not engaged GuideStream Financial to provide investment management services. Prior to engaging GuideStream Financial to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with GuideStream Financial setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to GuideStream Financial commencing services. If requested by the client, GuideStream Financial may recommend the services of other professionals for implementation purposes, including certain representatives of GuideStream Financial in their separate capacities as licensed insurance agents. (*See* disclosure at Item 10). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GuideStream Financial. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** Each client is advised that it remains the client's responsibility to promptly notify GuideStream Financial if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing, evaluating or revising GuideStream Financial's previous recommendations and/or services.

## MISCELLANEOUS

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by the client, GuideStream Financial may provide financial planning and related consulting services regarding non-investment related matters, such as tax planning, etc. GuideStream Financial does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, GuideStream Financial does not prepare estate planning documents or tax returns. To the extent requested by a client, GuideStream Financial may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including certain representatives of GuideStream Financial in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from GuideStream Financial and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by GuideStream Financial's representatives that a client purchase an insurance commission product through a GuideStream Financial representative in their separate and individual capacities as insurance agents, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission product through any representative. Representatives' insurance services are not material to GuideStream Financial's advisory operations. All commissions received by related individuals shall be donated to a benevolent charitable fund. Clients are reminded that they may purchase insurance products recommended by GuideStream Financial through other, non-affiliated insurance agents. **GuideStream Financial's Chief Compliance Officer, Daniel Kurtz remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If GuideStream Financial recommends that a client roll over their retirement plan assets into an account to be managed by GuideStream Financial, such a recommendation creates a conflict of interest if GuideStream Financial will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by GuideStream Financial. The GuideStream Financial's Chief Compliance Officer, Daniel Kurtz, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such rollover recommendation.**

**ERISA / IRC Fiduciary Acknowledgment.** If the client is: (i) a retirement plan ("Plan") organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of

ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then GuideStream Financial represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by GuideStream Financial or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

**Please Note: The Free Methodist Foundation (Potential Conflict of Interest).** GuideStream Financial is wholly owned by The Free Methodist Foundation (“FMF”), which is a subsidiary of the Free Methodist Church USA. GuideStream Financial and FMF share commonality of officers, directors and employees. FMF serves in a trustee capacity. FMF is an exempt corporate trustee under state law (religious organization). Certain clients for whom FMF may serve as Trustee may also have a separate investment advisory relationship with GuideStream Financial. Neither GuideStream Financial nor FMF maintains physical custody of any client advisory funds or Trust funds.

In addition, GuideStream Financial’s President, Mark S. Olson, is also the Executive Vice President of FMF and oversees the Free Methodist Investment and Loan Fund (the “Fund”). The Fund is a church extension fund into which members, contributors and participants of the Free Methodist Church may invest, including clients of GuideStream Financial. No portion of Fund principal is guaranteed by any governmental authority, including, but not limited to, the Federal Deposit Insurance Corporation (“FDIC”). The Fund is subject to annual certified audit. GuideStream Financial does not exercise any discretionary authority to place any client assets into the Fund, nor does GuideStream Financial provide any investment advisory services to the Fund. GuideStream Financial does not recommend that any client invest in the Fund. In the event that a client requests information from GuideStream Financial regarding the Fund, GuideStream Financial will direct such client directly to an FMF employee who does not provide investment advice on behalf of GuideStream Financial. Given the relationship between GuideStream Financial and the Foundation, an introduction to the Fund by GuideStream Financial, presents a **conflict of interest**. It remains the client’s decision whether or not to invest in the Fund. Nevertheless, the relationship between FMF and GuideStream Financial presents a **conflict of interest**. **Clients are therefore reminded that they are under no obligation to contribute to the Fund.**

A complete discussion of the Fund is set forth in the Fund’s subscription documents, which will be provided directly by FMF to each prospective investor for review and consideration. Each prospective investor will generally be required to complete an Investment Application, pursuant to which the investor shall acknowledge and accept the various risk factors that are associated with an investment in the Fund. **GuideStream Financial’s Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding this arrangement.**

**Please Note: GuideStream Charitable Gift Fund (Potential Conflict of Interest)** GuideStream Charitable Gift Fund (the “Gift Fund”) is a separate 501(c)(3) public charity. When a client chooses to engage GuideStream Financial for financial planning

services, a plan may include a charitable giving component. If the client wishes to include charitable giving in their plan, the Gift Fund may be presented as a potential option for fulfillment of the charitable component of the plan. Although it shares a common name, GuideStream Financial does not manage the Gift Fund or operate the Gift Fund. The Gift Fund is a tax exempt fund into which individuals may choose to contribute to further their charitable endeavors, including clients of GuideStream Financial. The Gift Fund has not been approved by any regulatory authority, nor is any portion of the Gift Fund principal guaranteed by any regulatory authority, nor is any portion of the Gift Fund principal guaranteed by any governmental authority, including, but not limited to the FDIC. The Gift Fund is subject to annual certified audit. GuideStream Financial does not exercise any discretionary authority to place any client assets into the Gift Fund, nor does GuideStream Financial provide any investment advisory services to the Gift Fund, nor does GuideStream Financial receive referral fees, commissions or any form of compensation from the Gift Fund. In the event that a client requests information from GuideStream Financial regarding the Gift Fund, GuideStream Financial will direct such client directly to a Gift Fund employee. It remains the client's decision whether or not to donate to the Gift Fund. FMF provides administrative services to the Gift Fund, and, in the past, has been partially reimbursed by the Gift Fund for such services. The relationship between the Gift Fund and FMF presents a **conflict of interest**. **Clients are therefore reminded that they are under no obligation whatsoever to contribute to the Gift Fund, and that they may contribute to any other unaffiliated charitable fund.**

A complete discussion of the Gift Fund is set forth in the Gift Fund's program description and related documents, which will be provided directly by the Gift Fund to each prospective donor for review and consideration. Each prospective donor will generally be required to complete a Donor Application Form. **GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding this arrangement.**

**Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by GuideStream Financial independent of engaging GuideStream Financial as an investment advisor. However, if a prospective client determines to do so, he/she will not receive GuideStream Financial's initial and ongoing investment advisory services. **Please Note:** In addition to GuideStream Financial's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Please Note: Short-Term Trading Fees.** GuideStream Financial is not a short-term trader. It manages investment assets consistent with the client's long-term investment objective. Some of the mutual funds utilized by GuideStream Financial impose a short-term trading fee (generally \$50 for funds held less than 30 days). If a client requires a distribution, GuideStream Financial, whenever possible, shall first seek to liquidate funds that either do not assess a short-term trading fee or whose short-term trading fee has expired.

**Portfolio Activity.** GuideStream Financial has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, GuideStream Financial will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when GuideStream Financial determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by GuideStream Financial will be profitable or equal any specific performance level(s).

**Non-Discretionary Service Limitations.** Clients that determine to engage GuideStream Financial on a non-discretionary investment advisory basis **must be willing to accept** that GuideStream Financial cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that GuideStream Financial would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, GuideStream Financial will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Trade Error Policy.** GuideStream Financial shall reimburse accounts for losses resulting from GuideStream Financial's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within GuideStream Financial's custodian firm account and GuideStream Financial retains the net gains and losses.

**Client Obligations.** In performing its services, GuideStream Financial shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify GuideStream Financial if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising GuideStream Financial's previous recommendations and/or services.

- C. GuideStream Financial shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment advisor representative will ascertain each client's investment objective(s). Thereafter, GuideStream Financial shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on GuideStream Financial's services.
- D. GuideStream Financial does not participate in a wrap fee program.

As of December 31, 2017, GuideStream Financial had \$106,594,678 in assets under management on a discretionary basis and \$2,200,947 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

A.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage GuideStream Financial to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, GuideStream Financial's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under GuideStream Financial's management, to be prorated and charged on a monthly basis, in arrears, as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
\$1 to \$250,000	1.09%
\$250,001 to \$1,000,000	0.94%
Over \$1,000,000	0.59%

GuideStream Financial's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of GuideStream Financial), GuideStream Financial may charge for additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

GuideStream Financial may provide financial planning and/or consulting services, including investment and non-investment related matters, on a stand-alone separate fee basis to clients who have not engaged GuideStream Financial to provide investment management services. GuideStream Financial's planning and consulting fees are negotiable, but will be normally based on a rate of \$175 per hour and will generally range from \$350 to \$2,500, depending upon the level and scope of the services required and the professionals rendering the service.

- B. Clients may elect to have GuideStream Financial's advisory fees deducted from their custodial account. Both GuideStream Financial's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of GuideStream Financial's investment advisory fee and to directly remit that management fee to GuideStream Financial in compliance with regulatory procedures. In the limited event that GuideStream Financial bills the client directly, payment is due upon receipt of GuideStream Financial's invoice. GuideStream Financial shall deduct fees and/or bill clients monthly in arrears, based upon the average daily market value of the assets during the previous month.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, GuideStream Financial shall generally recommend that Pershing, LLC ("*Pershing*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Pershing* generally charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). However, GuideStream Financial has negotiated with *Pershing* a 0.03% asset-based fee, based on each client's assets placed



under Pershing's custody, to cover brokerage and transaction fees in client accounts maintained with *Pershing*. This asset-based fee covers account transaction fees and client-related support services (statements, on-line access, etc.). *Pershing* debits the fee directly from each client's account. This fee is in addition to the Firm's advisory fee. The Firm does not receive any portion of the fee paid to Pershing. Pershing also charges clients \$75.00 for closing certain types of accounts. In addition, Pershing may charge other fees as warranted by particular circumstances.

In addition to GuideStream Financial's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. GuideStream Financial's annual investment advisory fee shall be prorated and paid monthly, in arrears, based upon the average daily market value of the assets during the previous month. GuideStream Financial generally requires an annual minimum fee of \$120 or a minimum asset level of \$10,000 for investment advisory services. GuideStream Financial, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee or asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between GuideStream Financial and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, GuideStream Financial shall debit the account for the pro-rated portion of the unpaid advisory fee based upon the number of days that services were provided during the billing month.

- E. Neither GuideStream Financial, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither GuideStream Financial, nor any supervised person of GuideStream Financial, accepts performance-based fees.

## **Item 7            Types of Clients**

GuideStream Financial's clients shall generally include individuals, business entities, trusts, estates, charitable organizations and pension and profit sharing plans. GuideStream Financial generally requires an annual minimum fee of \$120 or a minimum asset level of \$10,000 for investment advisory services. GuideStream Financial, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum fee or asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

**Please Note:** As result of the above, similarly situated clients could pay different fees. In

addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** GuideStream Financial's Chief Compliance Officer, Daniel Kurtz, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

- A. GuideStream Financial may utilize the following methods of security analysis and strategies when implementing investment advice given to clients:
- Apply provisions of an Investment Policy that contains the details to define, implement and manage a specific strategy.
  - Identify time horizons.
  - Identify risk levels.
  - Identify a target investment return intended to meet the investment objectives based on historical data and present data forecasts for each particular strategy
  - Select asset classes appropriate for the identified time horizon, risk level and return objective.
  - Select investments in ETFs, index funds or mutual funds within each asset class appropriate for the identified time horizon, risk level and return objective.

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by GuideStream Financial) will be profitable or equal any specific performance level(s).

- B. GuideStream Financial's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis GuideStream Financial must have access to current/new market information. GuideStream Financial has no control over the dissemination rate of market information. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

GuideStream Financial's primary investment strategy - Long Term Purchases – is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop.

**Margin Accounts**-GuideStream Financial **does not** recommend the use of margin. However, should a client determine to use margin, GuideStream Financial will include the entire market value of the margined assets when computing its advisory fee. Accordingly, GuideStream Financial's fee shall be based upon a higher margined account value, resulting in GuideStream Financial earning a correspondingly higher advisory fee.

As a result, this presents a conflict of interest since GuideStream Financial may have an economic disincentive to recommend that the client terminate the use of margin.

- C. Currently, GuideStream Financial primarily allocates client investment assets among various individual equity (stocks), debt (bonds), and fixed income securities, mutual funds and/or exchange traded funds and separately managed accounts on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

GuideStream Financial has not been the subject of any disciplinary actions.

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

- A. Neither GuideStream Financial, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither GuideStream Financial, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** Certain representatives of GuideStream Financial, in their separate individual capacities as licensed insurance agents. These individual may be engaged in their individual capacities to provide insurance products on an accommodation basis for GuideStream Financial's clients. Neither GuideStream Financial nor its representative hold themselves out as providing insurance services to the general public. All commissions received by the individual shall be donated to a benevolent charitable fund. The representative's insurance services are not material to GuideStream Financial's advisory operations.

The recommendation by GuideStream Financial that a client purchase an insurance commission product through a related person presents a conflict of interest, as the receipt of commissions, though mitigated in this circumstance, may provide an incentive to recommend investment products based on commissions, rather than on a particular client's need. No client is under any obligation to purchase any commission products from GuideStream Financial's representatives. Clients are reminded that they may purchase insurance products recommended by GuideStream Financial through other, non-affiliated insurance agents. **GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

- D. GuideStream Financial does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. GuideStream Financial maintains an investment policy relative to personal securities transactions. This investment policy is part of GuideStream Financial's overall Code of Ethics, which serves to establish a standard of business conduct for all of GuideStream Financial's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisors Act of 1940, GuideStream Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by GuideStream Financial or any person associated with GuideStream Financial.

- B. Neither GuideStream Financial nor any related person of GuideStream Financial recommends, buys, or sells for client accounts, securities in which GuideStream Financial or any related person of GuideStream Financial has a material financial interest.
- C. GuideStream Financial and/or representatives of GuideStream Financial *may* buy or sell securities that are also recommended to clients. This practice may create a situation where GuideStream Financial and/or representatives of GuideStream Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest.

GuideStream Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of GuideStream Financial's "Access Persons." GuideStream Financial's securities transaction policy requires that an Access Person of GuideStream Financial must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date GuideStream Financial selects; provided, however that at any time that GuideStream Financial has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. GuideStream Financial and/or representatives of GuideStream Financial *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where GuideStream Financial and/or representatives of GuideStream Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, GuideStream Financial has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of GuideStream Financial's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that GuideStream Financial recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct GuideStream Financial to use a specific broker-dealer/custodian), GuideStream Financial generally recommends that investment management accounts be maintained at *Pershing*. Prior to engaging GuideStream Financial to provide investment

management services, the client will be required to enter into a formal *Investment Advisory Agreement* with GuideStream Financial setting forth the terms and conditions under which GuideStream Financial shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that GuideStream Financial considers in recommending *Pershing* (or any other broker-dealer/custodian to clients) include historical relationship with GuideStream Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by GuideStream Financial's clients shall comply with GuideStream Financial's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where GuideStream Financial determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although GuideStream Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, GuideStream Financial's investment management fee. GuideStream Financial's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Non-Soft Dollar Research and Benefits. Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, GuideStream Financial may receive from *Pershing* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist GuideStream Financial to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by GuideStream Financial may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by GuideStream Financial in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist GuideStream Financial in managing and administering client accounts. Others do not directly provide such assistance, but rather assist GuideStream Financial to manage and further develop its business enterprise.

GuideStream Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Pershing* as a result of this arrangement. There is no corresponding commitment made by GuideStream Financial to *Pershing* or any other entity to invest any specific amount or percentage of client

assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

2. GuideStream Financial does not receive referrals from broker-dealers.
3. GuideStream Financial does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements the client will negotiate terms and arrangements for their account with that broker-dealer, and GuideStream Financial will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by GuideStream Financial. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs GuideStream Financial to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through GuideStream Financial. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**ANY QUESTIONS: GuideStream Financial's Chief Compliance Officer, Daniel Kurtz, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.**

- B. To the extent that GuideStream Financial provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless GuideStream Financial decides to purchase or sell the same securities for several clients at approximately the same time. GuideStream Financial may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GuideStream Financial's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. GuideStream Financial shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom GuideStream Financial provides investment supervisory services, account reviews are conducted on an ongoing basis by GuideStream Financial's President and representatives. All investment supervisory clients are advised that it remains their responsibility to advise GuideStream Financial of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with GuideStream Financial on an annual basis.
- B. GuideStream Financial may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GuideStream Financial may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, GuideStream Financial may receive an economic benefit from *Pershing*. GuideStream Financial, without cost (and/or at a discount), may receive support services and/or products from *Pershing*.

GuideStream Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Pershing* as a result of this arrangement. There is no corresponding commitment made by GuideStream Financial to *Pershing* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**ANY QUESTIONS: GuideStream Financial's Chief Compliance Officer, Daniel Kurtz, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.**

- B. Neither GuideStream Financial, nor any related person, compensates any non-supervised person for client referrals.

### **Item 15      Custody**

GuideStream Financial shall have the ability to have its advisory fee for each client debited by the custodian on a monthly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. GuideStream Financial may also provide a written periodic report summarizing account activity and performance. To the extent that GuideStream Financial provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by GuideStream Financial with the account statements received from the

account custodian. The account custodian does not verify the accuracy of GuideStream Financial's advisory fee calculation.

**Please Note: Custody Situations:** GuideStream Financial engages in certain practices on behalf of its clients that require disclosure at the custody section of Part 1 of Form ADV, which are subject to an annual surprise examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisors Act of 1940.

## **Item 16 Investment Discretion**

The client can determine to engage GuideStream Financial to provide investment advisory services on a discretionary basis. Prior to GuideStream Financial assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming GuideStream Financial as the client's attorney and agent in fact, granting GuideStream Financial full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage GuideStream Financial on a discretionary basis may, at any time, impose restrictions, **in writing**, on GuideStream Financial's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe GuideStream Financial's use of margin, etc.).

## **Item 17 Voting Client Securities**

GuideStream Financial votes client proxies. Absent mitigating circumstances and/or conflicts of interest (to the extent any such circumstance or conflict is presented, if ever, information pertaining to how GuideStream Financial addressed any such circumstance or conflict shall be maintained by GuideStream Financial), it is GuideStream Financial's general policy to vote proxies in conjunction with the services provided by, and consistent with the recommendations of Broadridge Investor Communications Solutions ("Broadridge"). With regard to Taft-Hartley clients, GuideStream Financial has retained Broadridge, at no cost to the client, to vote all proxies in accordance with AFL-CIO Guidelines for Voting Proxies which by definition is in the best interests of the client.

GuideStream Financial (in conjunction with the services provided by Broadridge) shall monitor corporate actions of individual issuers and investment companies consistent with GuideStream Financial's fiduciary duty to vote proxies in the best interests of its clients. With respect to individual issuers, GuideStream Financial may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), GuideStream Financial may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. GuideStream Financial (in conjunction with the services provided by Broadridge) shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisors Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how GuideStream Financial voted on any specific proxy issue



is also available upon written request. Requests should be made by contacting GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz.

**Item 18      Financial Information**

- A. GuideStream Financial does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. GuideStream Financial is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. GuideStream Financial has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: GuideStream Financial's Chief Compliance Officer, Daniel A. Kurtz, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**