

Part 2A of Form ADV: Firm Brochure

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October 17, 2023

This Brochure provides information about the qualifications and business practices of NavPoint Financial, Inc. (“NavPoint”) if you have any questions about the contents of this Brochure, please contact us at 952-746-1115 or [kkeltsen@navpoint-financial.com](mailto:kkeltsen@navpoint-financial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Registration as an investment adviser does not imply a certain level of skill or training.

Additional information about NavPoint also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 - Material Changes

This Firm Brochure, dated March 30, 2023, is our disclosure document (Form ADV 2A) or Firm Brochure, prepared according to regulatory requirements. We suggest that all our clients carefully review this Firm Brochure and discuss any questions with us.

This Item will be used to provide our clients with a summary of material changes since the last annual update of the Brochure. Since the date of our last Annual Firm Brochure, dated March 30, 2023, we would like to announce the following material changes to our business:

- Charles Schwab completed its acquisition of TD Ameritrade during calendar year 2020. The two brokers expect to combine operations fully during calendar year 2023. As such we have established a relationship with Schwab and will begin recommending the custodian. Items 12 and 14 have been updated to reflect the arrangement and any conflicts of interest.
- The firm has updated its ownership. (Item 4)

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## Item 4 - Advisory Business

NavPoint is a federally registered investment adviser with its principal place of business located in Minnesota. NavPoint recognizes the responsibility as a fiduciary according to the Investment Advisors Act of 1940.

NavPoint began conducting business in 1997 and is owned by David G. Martell, Ayn Carlson, Cole Carlson and Bruce Edwin Carlson. The documents to make the ownership change official were signed on 9/27/2023 to be effective retroactively on 7/1/2023. The major decisions of a strategic and administrative nature for the firm are made by Bruce Carlson and one or more of the following officers, David Martell-President, CEO, Krista Ketelsen-Vice President, CCO, Corporate Secretary.

### ADVISORY SERVICES

NavPoint provides a variety of services including investment and portfolio management, financial advice, and financial planning. Based on the needs and stated requirements of our clients, NavPoint will identify the scope of services we will provide on a customized basis for each client in advance. We will discuss the scope and responsibilities with a prospective client before presenting them with a contract.

#### Investment Management

NavPoint offers investment management services. We determine the client's individual objectives, time horizons, risk tolerance and liquidity needs. Tax considerations and integrating concentrated positions (corporate benefit plans, small business ownership, inheritance etc.) can play a significant role in portfolio design. As appropriate we also review and discuss a client's prior investment history as well as family composition and background. NavPoint implements the allocation, and then monitors the assets and portfolios. We alter individual portfolios based on changing markets, changing client circumstances or risk tolerances and our judgment about the evolving nature of opportunities and risks.

Special note: Especially with our corporate executive clients (or any client that has a significant part of their net investment assets inside employer benefit plans, or otherwise deployed outside traditional financial accounts), the portfolio recommendations we make may lead to concentrated, or imbalanced portfolios when looked at in isolation. However, when the client's total financial picture is considered, the total portfolio will be directed towards the client's objectives and within client's risk tolerances. We approach our investment management looking at a client's situation and assets holistically even if we may be directing strategies affecting only a portion of the assets. This is discussed in detail with clients. We also strive to construct our client's portfolios to be efficient with respect to costs and anticipated taxation.

#### Financial Planning

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing financial planning services receive advice and reports consistent with illustrating their circumstances or to assist decision-making towards achieving his or her financial goals and objectives.

In general, our financial planning services can address any or all the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio and likely contribution to the client's goals. We particularly emphasize the integration of employer benefits and outside assets in strategies we develop for high-level corporate executives. Further information regarding our investment recommendations practices and procedures is provided in "Investment Management", above.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We model likely future scenarios and analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.
- **OTHER:** It may also include analyzing a very specific circumstance or opportunity the client faces such as evaluating executive compensation packages.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, return objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client. We then construct illustrations or future projections that illustrate reasonable client outcomes. The results are presented to the client for discussion and to verify that goals are achievable. We then prepare recommendations based on our judgment to achieve the client's goals. Should the client choose to implement the recommendations we provide, we suggest the client work closely with his/her attorney, accountant and/or insurance agent. Implementation of financial planning recommendations is entirely at the client's discretion.

#### Special Projects

We will endeavor to assist clients in other areas of financial analysis via special projects as the need arises. This generally involves advice and analysis surrounding complicated topics requiring open-ended analysis, such as the sale of a business or a divorce in the family. This may take several forms, from providing the analysis ourselves, to assisting the client in selecting other advisors with the proper level of expertise to address the issue/opportunity faced. Fees for this service will be negotiated in advance. We reserve the right to charge hourly for special projects. This type of arrangement will be discussed with clients in advance of any work or contracting.

## AMOUNT OF MANAGED ASSETS

As of December 31, 2022, we were actively managing \$549,544,850 of clients' assets.

### Item 5 - Fees and Compensation

Our annual fees for financial and investment advisory services may be based upon a percentage of assets under management, fixed fees, hourly charges, or any combination thereof, as set forth below. NavPoint retains the discretion to negotiate fees on a client-by-client basis. The specific fee schedule is identified in the contract between NavPoint and each client.

Except for hourly fees, clients may choose to have NavPoint advisory fees deducted directly from a custodial account for their convenience or may be billed directly.

Percentage of Assets Under Management (“POA”) - POA fees range from 0% to 2% annually. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets\* to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. POA fees are billed quarterly in advance. Typically, we will receive compensation for Investment Management based on a percent of “assets under management.” This fee usually applies only to “outside” financial assets (outside of corporate/employer benefit plans). Even though we will assist in advising clients about assets, asset choices, and participation levels within employer benefit plans, we do not generally bill for those services on an “assets under management” basis. Compensation for those services may be covered under fixed financial planning fees (see below).

\* NavPoint considers cash to be an asset class. As such it is included in all percent of asset calculations.

Fixed - Fixed fees generally range from \$500 to \$20,000 annually. Fixed annual fees are based upon a combination of factors, including the amount of time required for client consultation (i.e., fact finding, client meetings, etc.), financial analysis (i.e., net worth, income tax, cash flow, education funding, and retirement projections, plus analysis of corporate benefits, etc.), and preparation of written plan materials. Fixed fees are billed quarterly in advance.

Hourly – Hourly fees for Special Projects are identified in advance. They will generally be assessed at a rate of \$150 - \$600 per hour (depending on the personnel providing the services). Hourly charges will be billed monthly in arrears, or at end of project, whichever is specified in the contract.

## GENERAL INFORMATION

### Termination of the Advisory Relationship

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. If the advisory relationship terminates before the end of a period for which fees have been prepaid, the fees will be prorated, taking into account reasonable start-up expenses, and the unused portion of the fees will be promptly refunded.

### Additional Fees and Expenses

**Custodian and Broker Dealer Fees:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transaction for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) for additional information regarding our brokerage practices.

From time to time, NavPoint may refer a client to a custodian, either for the convenience of the client, or to satisfy the requirements of a qualified plan administrator to have a custodian. The fees charged by these custodians are not included in the advisory fees charged by NavPoint. These fees vary from custodian to custodian and are charged directly by the custodian. These fees may be deducted from the client's account or paid to the custodian from funds outside of the account, at the client's discretion. The custodian referred to the client will vary depending on factors such as the asset mix in the account and the amount of trading anticipated in the account. All fees to be charged by the custodian are disclosed in the custodian application which the client signs upon the opening of the custodial account.

**Mutual Fund Fees:** All fees paid to NavPoint for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds ("ETFs") to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. As a result, client assets invested in such funds will pay two levels of advisory fees- one to us and one indirectly to the fund's investment adviser. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Managed Account Fees:** We may refer clients to other advisors, funds, or managed accounts with specialty expertise or methodology. All fees and expenses related to those investments are separate and distinct from NavPoint's fees. These fees and expenses are described in each investment's prospectus, account application, or other agreement. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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

NavPoint does not charge performance-based fees. As a result, NavPoint has no conflicts of interest between accounts that pay asset-based fees and accounts that pay performance-based fees (known as "side-by-side management").

## Item 7 – Types of Clients

NavPoint generally provides investment advice to the following types of clients.

- Individuals (high net worth)
- Individuals (other than high net worth individuals)
- Trusts, estates, or charitable organizations (including foundations, endowments)
- Pension or profit-sharing plan participants (but not the plans or custodians).

All clients must enter into a written investment advisory agreement before the commencement of any investment advisory relationship with NavPoint.

NavPoint generally requires that client have assets of \$3 million or more. However, smaller accounts may be solicited or accepted at the discretion of NavPoint.

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the entity underlying the security itself) to determine if the security is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the financial condition of an entity underlying the security. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular security against the overall market in an attempt to predict the price movement of the security.

### Analysis Risks

Our securities analysis methods rely on the assumption that the entities whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.



## INVESTMENT STRATEGIES

We use the strategy(ies) identified below in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no assurance that an investment will provide positive performance over any period of time. Past performance is no guarantee of future results and different periods and market conditions may result in significantly different outcomes. The material risks presented by each strategy and its investments are set forth below, but this section does not attempt to identify every risk, or to describe completely those risks it does identify.

Asset Allocation. Specifically, asset allocation is used to diversify risk, and then to position assets in sectors that will benefit from positive relative returns or lower risk levels than would otherwise be available. Historical performance and relationships are used as a guide. This will be combined with our judgment about future opportunities and risks. Asset Allocation approaches may have a more significant effect on account value when one of the more heavily weighted asset classes is performing more poorly than the others. Diversification and strategic asset allocation do not assure profit or protect against loss in declining markets.

### Note: Corporate Executive Clients-Concentrated Positions

Our corporate executive clients (or any client that has a significant part of their net investment assets inside employer benefit plans, or otherwise deployed outside traditional financial accounts) have the potential to hold significant and material assets in silos not readily manageable or with limited investment options. Therefore, as we discuss with clients the portfolio recommendations, we make outside of those silos may lead to concentrated or imbalanced portfolios when looked at in isolation. However, when the client's total financial picture is considered, the total portfolio will be directed towards the client's objectives and within risk tolerances. We approach our investment management looking at a client's situation and assets holistically even if we may be directing strategies affecting only a portion of the assets. We also attempt to construct our client's portfolios to be efficient with respect to costs and anticipated taxation.

Long-term purchases. We may purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we believe fund managers have capability to deliver superior returns, and/or
- we believe fund managers are utilizing favorable strategies that have capability to deliver superior returns, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our

predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we may purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this to attempt to take advantage of our predictions of brief price swings. Active trading can affect investment performance by increasing brokerage and other transaction expenses for investors. Active trading also may result in the realization of substantial net short-term capital gains, which, when distributed, are taxable.

**Short sales.** We may borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were borrowed/sold from the original owner, the client account realizes the profit. If incorrect, you would experience a loss.

**Margin transactions.** We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. This can increase the risk of loss on security price movements, as well as interest costs associated with the borrowing.

**Options.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security; in other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

#### Management Risk

This is the risk that we will not successfully execute a strategy even after applying our investment process. There can be no guarantee that our decisions will produce the intended result, and there can be no assurance that an investment strategy will succeed.

### GENERAL RISKS OF SECURITIES

#### Market Risk

The market values of the securities owned in the strategy may decline, at times sharply and unpredictably. Market values of equity securities are affected by several different factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer's products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

#### Economic Risk

Changes in economic conditions, including, for example, interest rates, inflation rates, political and diplomatic events and trends, tax laws and innumerable other factors, can substantially and adversely affect investments.

#### Fixed Income Risks

Including: interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates; income risk, which is the chance that a strategy's income will decline because of falling interest rates; credit risk, which is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline; and call risk, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. The strategy would then lose any price appreciation above the bond's call price and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the strategy's income.

### Municipal Securities Risks

To the extent the strategy invests in bonds issued by local governments, such bonds are subject to the fixed income risks described above as well as the following risks: legislative risk- the risk that a change in the tax code could affect the value of tax-exempt interest income; and liquidity risk- the risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer.

### Foreign Investment Risk

Investments in the securities of foreign issuers may experience more rapid and extreme changes in value than funds with investments solely in securities of U.S. companies. This is because the securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, foreign securities issuers may not be subject to the same degree of regulation as U.S. issuers. Reporting, accounting, and auditing standards of foreign countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, or political changes or diplomatic developments could adversely affect investments in a foreign country. In the event of nationalization, expropriation, or other confiscation, an investor could lose their entire investment. ADRs are U.S. dollar-denominated equity and debt securities of foreign issuers that are offered on U.S. exchanges. Interest or dividend payments on such securities may be subject to foreign withholding taxes.

### Derivatives Risk

The strategy may use derivatives, such as options, futures and swaps. The derivatives market is, in general, a relatively new market and there are uncertainties as to how it will perform during periods of unusual price volatility or instability, market illiquidity or credit distress. Substantial risks are also involved in borrowing and lending against derivatives. Derivatives prices can be volatile, market movements are difficult to predict, and financing sources and related interest rates are subject to rapid change. One or more markets may move against the derivatives positions held by an account, thereby causing substantial losses. Most of these instruments are not traded on exchanges but rather through an informal network of banks and dealers who have no obligation to make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force us to close out positions). In addition, some derivatives carry the additional risk of failure to perform by the counterparty to the transaction. Many unforeseeable events, such as government policies, can have profound effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments.

### Risk of Loss

Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

### Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding certain legal or disciplinary events that are material to a client's or prospective client's evaluation of NavPoint's advisory business or the integrity of our management. NavPoint and our management personnel have no reportable legal or disciplinary events responsive to this Item to disclose.

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

Our Firm is not registered, nor does it have any applications pending to register as a broker-dealer, registered representative of a broker-dealer, futures commissions merchant, commodity pool operator, commodity trading advisor or an associated person of foregoing entities.

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

NavPoint has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. NavPoint and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. The Code also provides for oversight, enforcement, and recordkeeping provisions, as well as policies regarding the confidentiality of client information.

NavPoint's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

All employees at NavPoint must acknowledge the terms of the Code of Ethics annually, or as amended. Employees must report any violations of the Code to the Chief Compliance Officer. The Code also provides for a range of sanctions that may be applied to employees who violate the Code. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [kketelsen@navpoint-financial.com](mailto:kketelsen@navpoint-financial.com), or by calling us at 952-746-1115.

We believe that client's interests are served when we commit our own personal funds to investments we recommend. Many times, we will do this as an additional element of our due diligence process and own the investment for some time before recommending it to a client. (However, our allocations to these investments may differ significantly from the recommendations we make to clients, as our personal circumstances, objectives and risk tolerances may vary widely from those of our clients).

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

NavPoint employees may trade for their own accounts in securities which are recommended to and/or purchased for NavPoint clients. Because NavPoint permits such personal trading, this creates the conflict that employees could use their knowledge of pending client transaction in an attempt to benefit their own personal transactions. To address conflicts related to personal trading, our Code of Ethics requires that:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that when engaging in a Personal Securities Transaction, an Advisory Representative shall place the interests of Clients first and avoid any actual or potential conflict of interest or abuse of his or her position.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 - Brokerage Practices

### THE CUSTODIAN AND BROKERS WE USE

NavPoint does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab) or TD Ameritrade (TDA). TD Ameritrade was acquired by Schwab in 2020. Both Schwab and TDA are a registered broker dealer, member SIPC, and a qualified custodian.

We are independently owned and operated and are not affiliated with Schwab/TDA. Schwab/TDA will hold your assets in a brokerage account and buy and sell securities when we/you instruct them to. While we recommend that you use Schwab/TDA as custodian/broker, you will decide whether to do so and will open your account with Schwab/TDA by entering into an account agreement

directly with them. Conflicts of Interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your Custodian.

We do not open the account for you, although we may assist you in doing so.

### HOW WE SELECT BROKERS/CUSTODIANS

Our firm seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. A wide range of factors are considered, including, but not limited to:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- breadth of investment products made available (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- availability of investment research and tools that assist in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength and stability of the provider
- prior service to our firm and our other clients
- availability of other products and services that benefit our firm

#### *Schwab*

##### Your Brokerage and Trading Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, and U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash features Program. In cases where we choose to execute a trade with different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is Consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/ custodians"). By using another broker or dealer you may pay lower transaction costs.

### Products and Services Available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available at no charge to us. Following is a more detailed description of Schwab's support services:

**Services that benefit you.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, record keeping, and client reporting

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.



### Our Interest in Schwab Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

### *TD Ameritrade (now owned by Schwab)*

NavPoint participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. NavPoint receives some benefits from TD Ameritrade through its participation in the Program.

### Your Brokerage and Trading Costs

TD Ameritrade charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). TD Ameritrade enables NavPoint to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TD Ameritrade's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by TD Ameritrade may be higher or lower than those charged by other custodians and broker-dealers. This is merely done to implement client approved trades/actions for the client's convenience. Neither NavPoint nor NavPoint's personnel receive any compensation for implementing those trades/actions. All fees, commissions and any other charges are specifically those of TD Ameritrade, or the investment purchased. Clients should review all TD Ameritrade account disclosures.

### Products and Services Available to us from TDA

As disclosed above, NavPoint participates in TD Ameritrade's institutional customer program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between NavPoint's participation in the program and the investment advice it gives to its clients, although NavPoint receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving NavPoint participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to NavPoint by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit NavPoint but may not benefit its client accounts. These products or services may assist NavPoint in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help NavPoint manage and further develop its business enterprise. The benefits received by NavPoint or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of its fiduciary duties to clients, NavPoint always endeavors to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits NavPoint or its related persons in and of itself creates a potential conflict of interest and may indirectly influence NavPoint choice of TD Ameritrade for custody and brokerage services.

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

While the underlying securities within accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by David Martell, President, CEO and/or Krista Ketelsen, Vice President/CCO/Corporate Secretary, and/or Bruce Carlson, owner.

In addition to the monthly and/or quarterly statements and confirmations of transactions that clients receive from their broker-dealers or custodians, NavPoint may provide written quarterly reports summarizing account performance, balances, and holdings. These reports are generated by NavPoint as a service to our clients and do not purport to be actual account statements evidencing ownership. We urge clients to compare our statements for accuracy against statements and confirmations received from their broker/dealers or custodians. Any discrepancies should be immediately reported to NavPoint and/or the accountcustodian.

Special reports, which are tailored to meet specific client requirements, may also be provided to clients upon request.

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

NavPoint does not directly or indirectly compensate any person for client referrals. It is also NavPoint's policy not to accept or allow our related persons to accept any form of economic benefit or compensation, including cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

#### *Schwab*

We receive economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

*TD Ameritrade (now owned by Schwab)*

As disclosed under Item 12 above, NavPoint participates in TD Ameritrade's institutional customer program and NavPoint may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between NavPoint's participation in the program and the investment advice it gives to its Clients, although NavPoint receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to NavPoint by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by NavPoint's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit NavPoint but may not benefit its Client accounts.

These products or services may assist NavPoint in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help NavPoint manage and further develop its business enterprise. The benefits received by NavPoint or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, NavPoint always endeavors to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by NavPoint or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the NavPoint's choice of TD Ameritrade for custody and brokerage services.

**Item 15 - Custody**

Custody is a term used to describe the role of the entity that maintains and reports on investment assets held in client accounts. These services are typically provided by brokerage firms or banks. The role of a qualified custodian is highly specialized, independently protecting each client's assets in a role that complements the responsibilities of an advisory firm like Navpoint.

Clients will receive at least quarterly account statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm may, at the client's request, directly debit advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should also compare them with the account reports they receive from us and contact us directly if they believe that there may be an error between their custodian statement and their NavPoint reports.

We are also deemed to have additional responsibilities in those instances where you have authorized us to move your money to another person's account. This is called a third-party standing letter of authorization and can only be established with your signed authority. While all such accounts are physically custodied by an independent third-party custodian, we have an additional obligation to report these assets to our regulators, maintain internal documentation and engage an independent, qualified accounting firm to conduct an annual surprise exam that reviews qualifying account relationships.

### **Item 16 - Investment Discretion**

NavPoint usually receives discretionary authority at the outset of an advisory relationship to select the identity and amount of securities to be bought or to make changes in a client's investment portfolio without client approval. In all cases, however, NavPoint exercises such discretion in a manner consistent with the stated investment objectives for the particular client account, observing the investment policies, limitations and restrictions of each particular client, which must be provided to NavPoint in writing. Discretionary trading in client accounts will generally be limited to general securities (stocks and bonds), mutual funds, ETFs and government securities.

When an advisory relationship is established on a non-discretionary basis, NavPoint has to receive client approval before executing recommended transactions. To the extent there is a delay in receiving that approval, NavPoint may not be able to execute in the same manner that we do for other clients where there is no delay or otherwise be able to take advantage of rapidly changing market conditions.

### **Item 17 - Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues if they contact us in a timely manner with questions at our principal place of business.

### **Item 18 - Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. NavPoint has no financial condition that impairs its ability to meet contractual commitments to clients and has never been the subject of a bankruptcy proceeding.

**FORM ADV PART 2B - BROCHURE SUPPLEMENT**

**BRUCE EDWIN CARLSON, born 1954**

NavPoint Financial, Inc.  
16180 Hastings Ave SE, Suite 301  
Prior Lake, MN 55372  
Ph (952) 746-1115

October 17, 2023

**This brochure supplement provides information about Bruce Edwin Carlson that supplements NavPoint Financial, Inc.'s disclosure brochure. You should have received a copy of that brochure. Please contact Krista Ketelsen at [kketelsen@navpoint-financial.com](mailto:kketelsen@navpoint-financial.com) if you did not receive the NavPoint Financial, Inc. disclosure brochure or if you have any questions about the contents of this supplement.**

**Educational Background and Business Experience**

*Education:* University of Minnesota - BS/Business-Finance, Carlson School of Management 1984  
University of Minnesota - MBA-Securities Analysis/Portfolio Management, Carlson School of Management 1988

*Business Experience:*

Owner - - 12/97 to Present  
Executive Vice President - - 7/23 - Present  
Chief Executive Officer, President, Chief Financial Officer, Director - - 12/97 to 8/08  
NavPoint Financial, Inc.  
Prior Lake, MN

Chief Executive Officer, President - - 6/87 to 6/92  
Chief Financial Officer - - 6/92 to 6/95  
Associate - - 12/83 to 4/98  
Capital Management Associates, Inc.  
Bloomington, MN

Registered Representative - - 12/83 to 6/16  
Chief Executive Officer, President - - 6/87 to 6/92  
Chief Financial Officer - - 6/92 to 6/95  
Capital Management Securities, Inc.  
Bloomington, MN

**Disciplinary Information**

Bruce Edwin Carlson has no legal or disciplinary events to report.

**Other Business Activities**

Westwood Point Investments, LLC (Family Investments)  
Washington Square HOA President and Board Member (No Compensation)  
Bruce Carlson as Sole Proprietor – Outside Consultant (Business Consultant, Expert Witness)  
Rental of un-used Residential Parking Spaces in residential Condo building  
BMW CCA-NorthStar Chapter & Puget Sound Chapter - High Performance Driving Instructor (No compensation)

**Additional Compensation**

Bruce Edwin Carlson has no additional compensation to report.

**Supervision**

Bruce Edwin Carlson is subject to the supervision of NavPoint's Chief Compliance Officer, Krista Marie Ketelsen. She can be contacted at (952)746-1115.

**FORM ADV PART 2B - BROCHURE SUPPLEMENT**

**DAVID GARY MARTELL, born 1973**

NavPoint Financial, Inc.  
16180 Hastings Ave SE, Suite 301  
Prior Lake, MN 55372  
Ph (952) 746-1115

October 17, 2023

**This brochure supplement provides information about David Gary Martell that supplements NavPoint Financial, Inc.'s disclosure brochure. You should have received a copy of that brochure. Please contact Krista Ketelsen at [kketelsen@navpoint-financial.com](mailto:kketelsen@navpoint-financial.com) if you did not receive the NavPoint Financial, Inc. disclosure brochure or if you have any questions about the contents of this supplement.**

**Educational Background and Business Experience**

*Education:* University of Minnesota-Duluth - - BBA-Finance,1996  
University of Minnesota-Duluth - - BA-Economics,1996

*Business Experience:*

Owner - - 7/23 to Present  
President - - 8/08 to Present  
Chief Executive Officer - - 8/08 to Present  
Vice President - - 1/04 to 8/08  
Corporate Secretary - - 8/98 to 8/08  
Operations Manager - - 4/98 to 8/08  
NavPoint Financial, Inc.  
Prior Lake, MN

Registered Representative - - 10/96 to 6/16  
Capital Management Securities, Inc.  
Bloomington, MN

Advisor Assistant - - 10/96 to 4/98  
Capital Management Associates, Inc.  
Bloomington, MN

**Disciplinary Information**

David Gary Martell has no legal or disciplinary events to report.

**Other Business Activities**

David Gary Martell has no other business activities to report.

**Additional Compensation**

David Gary Martell has no additional compensation to report.

**Supervision**

David Gary Martell is subject to the supervision of NavPoint's Chief Compliance Officer, Krista Marie Ketelsen. She can be contacted at (952)746-1115.

**FORM ADV PART 2B - BROCHURE SUPPLEMENT**

**KRISTA MARIE KETELSEN, born 1979**

NavPoint Financial, Inc.  
16180 Hastings Ave SE, Suite 301  
Prior Lake, MN 55372  
Ph (952) 746-1115

October 17, 2023

**This brochure supplement provides information about Krista Marie Ketelsen that supplements NavPoint Financial, Inc.'s disclosure brochure. You should have received a copy of that brochure. Please contact Krista Ketelsen at [kketelsen@navpoint-financial.com](mailto:kketelsen@navpoint-financial.com) if you did not receive the NavPoint Financial, Inc. disclosure brochure or if you have any questions about the contents of this supplement.**

**Educational Background and Business Experience**

*Education:* University of Wisconsin-Stout - - BS/Business-Finance -2002  
University of Minnesota - - MBA-Securities Analysis/Portfolio Management  
Carlson School of Management-2009

*Business Experience:*

Vice President - - 1/15 to Present  
Chief Compliance Officer - - 1/15 to Present  
Corporate Secretary - - 8/08 to Present  
Operations Manager - - 8/08 to Present  
Client & Operations Specialist - - 1/03 to 8/12  
NavPoint Financial, Inc.  
Prior Lake, MN

Registered Representative - - 6/2003 to 06/16  
Capital Management Securities, Inc.  
Bloomington, MN

**Disciplinary Information**

Krista Marie Ketelsen has no legal or disciplinary events to report.

**Other Business Activities**

Krista Marie Ketelsen has no other business activities to report.

**Additional Compensation**

Krista Marie Ketelsen has no additional compensation to report.

**Supervision**

Krista Marie Ketelsen is the Chief Compliance Officer of NavPoint Financial, Inc. She is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including herself. She can be contacted at (952)746-1115.