

Client Relationship Summary (Form CRS) – March 14, 2024

There are different ways you can get help with your wealth and investments. You should carefully consider which types of services and accounts are right for you. We are an investment advisor and not a broker. This document gives you an introduction and summary of services we provide and how you pay. In addition to the suggested questions, please ask us for more information.

Our clients tend to be Wise Wealthy Stewards of their lives, who want Certainty, Clarity and Peace of Mind around their wealth. The problem is a confusing landscape of financial advice, which makes you feel uncertain if you are on the right path of being financially independent. We believe you should get expert financial guidance in alignment with your core values and most important goals. We understand that building, growing and keeping your wealth is important, which is why with over 30 years in business we guide over 300 households in their Wealth Management and we have over \$500 million under investment management, held in custody at firms like Charles Schwab.

Spectrum Asset Management (“Spectrum,” the “Firm,” “SAM”, “we,” “us,” “our”) is a SEC registered investment adviser with offices in Newport Beach, CA, Paia, HI and Gunter, TX. Investment advisory fees that SAM charges and brokerage services and other fees that are charged by the custodian and/or broker, differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about investment advisers, broker-dealers, and investing.

Q | What investment services and advice can you provide me?

SAM offers its investment advisory services to retail investors for an ongoing asset-based fee based on the value of cash and investments in your account. Our advisory services include Wealth Management, Financial Planning, and Portfolio Management. In addition, we provide consultation on wealth transfer, estate planning, income taxes, retirement planning, education funding and charitable gifting. We may work with non-affiliated strategic partners when providing certain consultative services. When opening an account, we will meet with you to understand your current financial situation (Wealth Checkup). Based on what we learn, we will either prepare a Financial plan (Financial Roadmap) and/or recommend a portfolio investment strategy that is regularly monitored. We offer Financial Planning Services independently or in conjunction with investment services where you provide SAM investment authority for portfolio management.

INVESTMENT AUTHORITY Spectrum provides discretionary investment advisory services for a fee to retail clients. We act as a discretionary investment manager and manage portfolios using various investment strategies including: balanced, equity growth, equity value, fixed income, and ETF model strategies (exchange traded funds and mutual funds). After we align on the strategy and you sign an agreement, we may buy and sell securities on an ongoing basis without contacting you. From the custodian of your accounts(s) you will receive ongoing updates in addition to regular reporting provided by SAM. On a very limited basis, we may provide investment advice to clients on a

nondiscretionary basis. We also serve as a sub-advisor to other registered investment advisory organizations

For those Clients for whom Spectrum provides investment advisory services, account reviews are generally conducted at least annually and more frequently depending on your preferences. All Clients are advised that it remains their responsibility to advise us of any changes in their investment objectives and/or financial situation. Our suggested minimum investment portfolio is \$1 million.

ADDITIONAL INFORMATION More detailed information about our investment advisory business, client types, account minimums and investment strategies are included in [Items 4, 7 and 8 in our Form ADV, Part 2A \(“Brochure”\)](#).

Conversation Starters

- Given my financial situation, should I choose an investment advisory service? If so, why?
- How will you choose investments to recommend to me?
- What relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

Q | What fees will I pay?

Our annual investment advisory fees are based upon a percentage of the market value of your account managed by Spectrum. Management fees on Separate Accounts depend on the investment strategy. Though the percentage we charge will stay the same or may even decline, the more assets that are in your account, the more you will pay in fees when

expressed in dollars. We have an incentive to encourage you to increase the assets in your account and to increase performance. Ongoing fees will reduce the value of your portfolio over time.

Equity, Balanced, and ETF Model Strategies fees start at 1.00% and Fixed Income Strategies start at 0.60% with break points that lower the overall percentage charged. Fee rates for other strategies such as Cash Management and Emerging Wealth Management can be found in our Form ADV Part 2A. Your investment advisory agreement with us establishes the manner in which management fees are charged. We bill an annualized fee, payable quarterly in advance, subject to refund for any unearned fee for that quarter. Fees are debited from your account or paid separately. Our management fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses. You may also incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, other fees, and taxes. Financial Planning fees are independent of advisory fees and can be either fixed or hourly. Our flat financial planning fee ranges from \$1,000 to \$10,000 and hourly rate ranges from \$150 to \$950 (with an upfront retainer) for our Financial Planning & Consulting service.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

ADDITIONAL INFORMATION For additional information about our fees, please see Spectrum's [Form ADV Part 2A, Item 5](#).

Q | What are your legal obligations to me

Conversation Starters

- Help me understand how these fees and costs might affect my investments. If I give you \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?

when acting as my investment adviser?
How else does your firm make money
and what conflicts of interest do you
have?

When we act as your investment adviser, we must act in your best interest and not put our interest ahead of yours. At the same time, the way we make money may create some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. We seek to conduct ourselves in a manner we consider the most fair and consistent with our fiduciary obligations to you.

We make investment decisions based on your investment objectives, portfolio strategy, restrictions, goals, available cash, and other relevant considerations. Conflicts of interest

that arise in managing your account and accounts for other clients include, for example, conflicts among investment strategies, conflicts in the allocation of investment opportunities or conflicts due to different fees.

ADDITIONAL INFORMATION For additional details with respect to Spectrum's potential conflicts of interest with retail clients and our adoption of a code in meeting our fiduciary duty to our clients, please see [Spectrum's Form ADV Part 2A, Item 8, Item 10, Item 11, Item 12, and Item 17](#).

Q | How do your financial professionals make money?

The primary form of compensation for our financial professionals is salary. In addition to salary, certain advisors

Conversation Starters

- How might your conflicts of interest affect me, and how will you address them?

have revenue sharing arrangements that pay them additional compensation based on existing client assets as well as new client assets.

Certain Spectrum Supervised Persons who are licensed insurance agents may be compensated by an outside insurance firm through commission from the sale of an insurance product.

Q | Do you or your financial professionals have legal or disciplinary history?

No. Please go to [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our financial professionals.

Conversation Starters

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

ADDITIONAL INFORMATION ABOUT SPECTRUM Our fiduciary duty to clients and the services we offer are provided in our Form ADV Part 2A and 2B which can be found at <https://adviserinfo.sec.gov/firm/summary/111007>. You can request a copy of Form CRS and up-to-date information about Spectrum by calling our office at (949) 717-3400.