

# SP Asset Management

## FORM ADV PART 2A – BROCHURE

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*This disclosure brochure provides clients with information about the qualifications and business practices of SP Asset Management, an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”). It also describes the services SP Asset Management provides as well as background information on those individuals who provide investment advisory services on behalf of SP Asset Management. Please contact Sandeep Pandya, Chief Compliance Officer of SP Asset Management, at 408-257-7711 if you have any questions about the contents of this disclosure brochure.*

*The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that SP Asset Management or any individual providing investment advisory services on behalf of SP Asset Management possess a certain level of skill or training. Additional information about SP Asset Management is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for SP Asset Management is 113178.*

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## **MATERIAL CHANGES**

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On July 28, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV,” which amends the disclosure document that SP Asset Management provides to its clients as required by SEC Rules. As such, this Brochure is materially different in structure and requires certain new information that our previous brochure did not require. In the future, this section will discuss only specific material changes that we make to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

## **ADVISORY BUSINESS**

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### **OUR COMPANY**

SP Asset Management, a California sole proprietorship that has been in business since 1995, offers discretionary management of investment portfolios and ongoing financial planning for individuals, pension and profit sharing plans, trusts, and business entities, in accordance with the investment objective(s) of the client. Throughout this disclosure brochure, we refer to SP Asset Management as “SP Asset Management” or “the Firm.”

### **OUR INVESTMENT TEAM**

*Sandeep Pandya, President*

Mr. Pandya is an experienced investment advisor who has been providing investment advice to individuals and organizations since 1995. Mr. Pandya has both bachelors and masters degrees in mechanical engineering and over twenty years of professional experience. Please see the attached brochure supplement for more details.

### **OUR SERVICES**

At SP Asset Management we provide investment supervisory and portfolio management services on a fully discretionary basis. On more than an occasional basis, we furnish advice to clients on matters not involving securities.

### **OUR ASSETS UNDER MANAGEMENT**

As of March 15, 2016, the total amount of client assets managed by SP Asset Management is approximately \$300,000,000.

Of this total amount, \$250,000,000 of client assets are managed on a discretionary basis and \$50,000,000 of client assets are managed on a non-discretionary basis.

## FEES & COMPENSATION

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### INVESTMENT MANAGEMENT FEES

In the event the client desires, the client can engage the Firm to provide discretionary investment management services on a fee-only basis. The Firm charges an annual investment management fee based upon a percentage of the market value of the assets managed by the Firm. Although SP Asset Management's fees are negotiable, they generally follow the below listed schedule.

Assets Under Management	Maximum Annual Fee (%)	Applicable Quarterly Fee
\$0 to \$999,999	1.00%	0.250%
\$1,000,000 to \$1,999,999	0.90%	0.225%
\$2,000,000 to \$2,999,999	0.80%	0.200%
\$3,000,000 to \$3,999,999	0.70%	0.175%
\$4,000,000 to \$4,999,999	0.60%	0.150%
\$5,000,000 and above	0.50%	0.125%

The Firm's annual investment management fee shall be pro-rated and paid quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter.

### IMPORTANT ADDITIONAL INFORMATION

#### *Fees Negotiable*

The Firm, in its sole discretion, may charge a lesser management fee 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, client negotiation, length of client relationship, etc.).

#### *Direct Debiting of Client Accounts*

We may directly debit our advisory fees from our clients' accounts on a quarterly basis. We will only do this under the following three conditions. First, the client must provide written authorization permitting SP Asset Management's fees to be paid directly from his/her account. Second, the client must have their account held by an independent custodian. Third, the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to SP Asset Management. Clients are informed that it is their responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.

#### *Termination of Client Relationship*

Either party may cancel an agreement for any reason upon written notice. Upon termination of any account, any unpaid, earned fees will be due and payable and the Firm will refund any unearned, prepaid fees.

### *Mutual Fund Fees*

All fees paid to SP Asset Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds 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. A client could invest in a mutual fund directly, without the services of SP Asset Management. In that case, the client would not receive the services provided by SP Asset Management 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. To the extent that client assets are invested in money market funds or cash positions, the fees for monitoring those assets are in addition to the fees included in the internal expenses of those funds paid to their own investment managers, which are fully disclosed in each fund's prospectus. Accordingly, the client should review both the fees charged by the funds and the fees charged by SP Asset Management to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

### *Trading and Other Costs*

All fees paid to SP Asset Management for investment advisory services are separate and distinct from transaction fees charged by broker dealers associated with the purchase and sale of equity securities, fixed income and options. In addition, fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Please see the section entitled "Brokerage Practices" of this disclosure brochure for additional information on brokerage and other transaction costs.

## **PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**

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SP Asset Management does not accept performance-based fees (e.g., fees based on a share of capital gains on or capital appreciated of the assets in a client's account).

## **TYPES OF CLIENTS**

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The Firm's investment advisory services are currently limited to the discretionary management of investment portfolios and ongoing financial planning for individuals, pension and profit sharing plans, trusts, and business entities, in accordance with the investment objective(s) of the client. To the extent specifically requested by a client, SP Asset Management may provide limited consultation services to its investment management clients on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Registrant shall not receive any separate or additional fee.

## **ENGAGING THE SERVICES OF SP ASSET MANAGEMENT**

All clients wishing to engage SP Asset Management for investment advisory services must first complete the applicable investment advisory agreement as a separate custodial/clearing agreement with the selected custodians. The investment advisory agreement describes the services and

responsibilities of SP Asset Management to the client. It also outlines SP Asset Management's fee in detail. Upon completion of these documents, SP Asset Management will be considered engaged by the client. Clients will be responsible for ensuring that SP Asset Management is informed in a timely manner of changes in investment objectives and risk tolerance. The Investment Advisory Agreement between the Firm and the client will continue in effect until terminated by either party by written notice.

## **CONDITIONS FOR MANAGING ACCOUNTS**

### *Investment Management Services*

SP Asset Management generally does not require new clients have a minimum account size. SP Asset Management does require a minimum quarterly fee of \$625.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES, & RISK OF LOSS**

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### **TYPES OF INVESTMENTS**

Currently, the Firm primarily allocates investment management assets of its client accounts among domestic and foreign equity securities, commercial paper, certificates of deposit, municipal and United States government securities, Exchange

Traded Funds, mutual funds, and options contracts on securities. The Firm manages all of these investments on a discretionary basis, in accordance with the investment objectives of the client.

### **INVESTMENT STRATEGIES**

SP Asset Management may utilize different investment strategies, based upon the needs of the client, including long-term purchases, short-term purchases, trading, short sales, margin transactions and option writing. SP Asset Management also utilizes asset allocation strategies to match client goals and objectives.

### **SECURITY ANALYSIS**

SP Asset Management only uses fundamental analysis to analyze securities

### **SOURCES OF INFORMATION**

In conducting security analysis, SP Asset Management may utilize the following sources of information: financial newspapers and magazines; inspection of corporate activities; research materials prepared by others; annual reports, prospectuses, and filings with the U.S. Securities and Exchange Commission; and company press releases.

### **RISK**

#### *General*

Investing in securities involves risk of loss that each client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain strategies may impose more risk than others. For example, with fixed income

securities, a period of rising interest rates could erode the value of bond since bond values generally fall as bond yields rise. Investment risk with international equities also includes fluctuation in currency values, differences in accounting and economic and political instability.

### *Options*

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

### *Margin Transactions*

Only if a client authorizes the use of margin will the Firm thereafter employ margin in the management of the client's investment portfolio. When buying stocks on margin, you are employing leverage as an investing strategy. Leverage allows you to extend your financial reach by investing using borrowed funds while limiting the amount of your own cash you expend. Please note, however, that this can involve a high degree of risk. Some of these risks include:

- Losing more money than you have invested;
- Being required to deposit additional cash or securities in your account on short notice to cover market losses;
- Being forced to sell some or all of your securities when falling stock prices reduce the value of your securities; and
- Having your brokerage firm sell some or all of your securities without consulting you to pay off the loan it made to you.

In addition, the use of margin increases the market value of the client's account and corresponding fee payable by the client to the Firm. As a result, in addition to the additional principal risks associated with the use of margin, we advise clients that authorizing margin creates a potential conflict of interest. Therefore, the decision as to whether to employ margin is left totally to the discretion of the client. To the extent applicable, we advise clients that the use of margin in a retirement account could subject the account to unrelated business income tax, and that they should discuss the issue with their tax advisors.



## **CASH MANAGEMENT**

SP Asset Management treats cash as an asset. Typically, a core money market fund holds clients' cash. On occasion, SP Asset Management may use certificates of deposit and other cash alternatives. If a client needs short-term liquidity, his/her account may hold the cash.

## **DISCIPLINARY INFORMATION**

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Neither SP Asset Management nor its employees have any reportable disciplinary history.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS**

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Neither SP Asset Management nor its employees have any other financial industry activities or affiliations.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, & PERSONAL TRADING**

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### **CODE OF ETHICS**

SP Asset Management has adopted a Code of Ethics to prevent violations of federal securities laws. The Code of Ethics is predicated on the principle that SP Asset Management and its employees owe a fiduciary duty to its clients. Accordingly, the Firm expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. SP Asset Management and its employees are required to adhere to the Code of Ethics. At all times, the Firm and its employees must (i) place client interests ahead of SP Asset Management's; (ii) engage in personal investing that is in full compliance with SP Asset Management's Code of Ethics; and (iii) avoid taking advantage of their position. Clients and prospective clients may request a copy of the Firm's Code of Ethics by contacting Sandeep Pandya, Chief Compliance Officer of SP Asset Management, at 408-257-7711.

### **PRIVACY NOTICE**

SP Asset Management views protecting its clients' private information as a top priority and has instituted policies and procedures to ensure that client information is private and secure. SP Asset Management does not disclose any nonpublic personal information about its clients or former clients to any nonaffiliated third parties, except as permitted or required by law. In the course of servicing a client's account, SP Asset Management may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers, etc. SP Asset Management restricts internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions for SP Asset Management. As emphasized above, it has always been and will always be SP Asset Management's policy never to sell information about current or former clients or their accounts to anyone. It is also SP Asset Management's policy not to share information unless required to process a transaction, at the request of a client, or as

required by law. For the full text of SP Asset Management's Privacy Policy, please contact Sandeep Pandya, Chief Compliance Officer of SP Asset Management, at 408-257-7711.

## **PROHIBITION ON USE OF INSIDER INFORMATION**

SP Asset Management has also adopted policies and procedures to prevent the misuse of "insider" information. No person associated with SP Asset Management, shall disclose material nonpublic information about a company or about the market for such that company's securities: (a) to any person except to the extent necessary to carry out the legitimate business obligations of the Firm; or (b) in circumstances in which the information is likely to be used for unlawful trading.

## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

*Policy.* SP Asset Management does not permit any of the Firm's advisory representatives or his/her immediate family to effect for himself/herself any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the Firm's clients, unless in accordance with the following Firm Procedures.

*Firm Procedures.* Regarding any of the Firm's advisory representatives or his/her immediate family ("Covered Persons"), the following procedures apply.

- 1) If the Firm is purchasing or considering for purchase any security on behalf of the Firm's client, no Covered Persons may transact in that security prior to the client purchase having been completed by the Firm, or until a decision has been made not to purchase the security on behalf of the client.
- 2) If the Firm is selling or considering the sale of any security on behalf of the Firm's client, no Covered Persons may transact in that security prior to the sale on behalf of the client having been completed by the Firm, or until a decision has been made not to sell the security on behalf of the client.

*Exceptions to Procedures.* Regarding any of the Firm's advisory representatives or his/her immediate family, the following exceptions to the Firm's procedures apply.

- a) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of the Firm's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with the Firm's records in the manner set forth above.
- b) Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by the Firm's Investment Policy and Procedures.

## **BROKERAGE PRACTICES**

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### **BROKERAGE SELECTION**

#### *Best Execution*

Best execution has been defined by the SEC as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer’s services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness. The commissions paid by the Firm’s clients shall comply with the Firm’s duty to obtain best execution. However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. 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 the Firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

#### *Broker Analysis*

SP Asset Management evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer’s trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving SP Asset Management.

Also in consideration are such broker-dealers’ provisions or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by “soft dollars”, as further discussed in the “Research/Soft Dollars Benefits” section immediately below). Accordingly, if SP Asset Management determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

#### *Research/Soft Dollar Benefits*

In return for effecting securities transactions through Fidelity, Schwab, Goldman Sachs, JP Morgan Chase, and/or TD Ameritrade or other designated broker-dealers, the Firm may receive certain investment research products and/or services which assist the Firm in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. Although the investment research products and/or services that may be obtained by the Firm will generally be used to service all of the Firm’s

clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. The brokerage commissions and/or transaction fees charged by Fidelity, Schwab, Goldman Sachs, JP Morgan Chase, and/or TD Ameritrade or other designated broker-dealer/custodian are exclusive of, and in addition to, the Firm's investment management fee.

These broker-dealers may also make available to SP Asset Management other products and services that benefit SP Asset Management, but may not benefit its clients' accounts. Some of these other products and services assist SP Asset Management in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of SP Asset Management's fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of SP Asset Management's accounts, including accounts not maintained at the specific broker-dealer that is offering this particular service. These broker-dealers also provide SP Asset Management with other services intended to help SP Asset Management manage and further develop its business enterprise. These services may include consulting, publications, conferences and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these broker-dealers may make available, arrange and/or pay for these types of services to SP Asset Management by independent third parties. These broker-dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to SP Asset Management. While as a fiduciary SP Asset Management endeavors to act in its clients' best interests, SP Asset Management's recommendation that clients maintain their assets in accounts with Fidelity, Schwab, Goldman Sachs, JP Morgan Chase, and/or TD Ameritrade may be based in part on the benefit to SP Asset Management of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage provided by these broker-dealers which may create a conflict of interest.

## **DIRECTED BROKERAGE**

### *SP Asset Management Directed Brokerage*

As stated above, clients in need of brokerage will have Fidelity, Schwab, or TD Ameritrade recommended to them. While there is no direct linkage between the investment advice given and usage of these broker-dealers, economic benefits are received which would not be received if SP Asset Management did not give investment advice to clients (please see additional disclosures in the "Research/Soft Dollars Benefits" section above). SP Asset Management does not participate in any transaction fees or commissions paid to the broker dealer or custodian and does not receive any fees or commissions for the opening or maintenance of client accounts at recommended brokers.

Not all investment advisers require their clients to direct brokerage. SP Asset Management is required to disclose that by directing brokerage, SP Asset Management may not be able to achieve most favorable execution of client transactions and that this practice may cost clients more money.

### *Client Directed Brokerage*

The client may direct the Firm to use a particular broker-dealer (subject to the Firm's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Firm 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 the Firm. 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. In the event that transactions for client accounts are effected through a broker-dealer that refers investment management clients to the Firm, the potential for conflict of interest may arise.

## **TRADE AGGREGATION & ALLOCATION**

Transactions for each client account generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm'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 the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's principal(s) and/or associated person(s) may invest, the Firm shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. The Firm shall not receive any additional compensation or remuneration as a result of the aggregation.

## **REVIEW OF ACCOUNTS**

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### **INVESTMENT MANAGEMENT SERVICES**

#### *Reviews*

The Firm's President, Sandeep Pandya, conducts account reviews on an ongoing basis. However it remains the responsibility of all investment supervisory clients to advise the Firm of any changes in their investment objectives and/or financial situation. The Firm encourages all clients to comprehensively review investment objectives and account performance with the Firm on an annual basis, as applicable.

#### *Reports*

The custodians for clients' accounts provide clients with transaction confirmation notices and regular summary account statements. The Firm will also send to those clients to whom the Firm provides investment advisory services a quarterly report summarizing account activity and performance.

## CLIENT REFERRALS & OTHER COMPENSATION

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SP Asset Management does not receive any economic benefits (e.g., sales incentives, prizes) from non-clients for providing investment advice. SP Asset Management does not use solicitors to refer clients to the Company.

## CUSTODY

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SP Asset Management has custody solely because SP Asset Management deducts its fees directly from clients' accounts. Both the Firm's Investment Advisory Agreement and the corresponding custodial/clearing agreement(s) authorize the custodian(s) to debit the account for the amount of the Firm's investment management fee and to directly remit that management fee to the Firm in accordance with applicable regulatory procedures.

The independent custodian selected by the client will maintain custody of the client's assets. SP Asset Management will not have physical custody of any assets in the client's account *except as permitted for payment of advisory fees*. Clients will be solely responsible for paying all fees or charges of the custodian. Clients will authorize SP Asset Management to give the custodian instructions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash or cash equivalent or other investment for the client's account.

Clients will receive directly from the custodian at least quarterly a statement showing all transactions occurring in the client's account during the period covered by the account statement, and the funds, securities and other property in the client's account at the end of the period. We urge clients to carefully review statements received from the custodian to ensure the accurate reporting of such information.

## INVESTMENT DISCRETION

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For those client accounts over which SP Asset Management has discretion, SP Asset Management requests that it be provided with written authority (e.g., limited power of attorney contained in SP Asset Management's Investment Advisory Agreement) to determine the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change or amend these limitations as required. All such amendments shall be submitted in writing. SP Asset Management generally has discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected: (1) which securities are bought and sold for the account and (2) the total amount of securities to be bought and sold. Account guidelines, investment objectives and trading restrictions (as agreed between SP Asset Management and the client) may limit SP Asset Management's authority in making investment related decisions.

Clients will retain ownership of all assets in their accounts. Neither SP Asset Management nor its supervised persons will have any right to withdraw either cash or securities from the client's account, *except for the direct deduction of advisory fees as authorized by the client*.

## **VOTING CLIENT SECURITIES**

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### **PROXY VOTING**

SP Asset Management does not vote proxies on behalf of its clients. Therefore, although SP Asset Management may provide investment advisory services relative to client investment assets, it is the client that maintains 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 proceeding or other type events pertaining to the client's investment assets. SP Asset Management and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact Sandeep Pandya, Chief Compliance Officer of SP Asset Management, at 408-257-7711 if they have questions regarding a particular solicitation.

### **CORPORATE ACTIONS**

Although SP Asset Management has discretion over client accounts, it will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

## **FINANCIAL INFORMATION**

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### **PREPAYMENT OF FEES**

Because SP Asset Management does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, SP Asset Management is not required to include a balance sheet with this disclosure brochure.

### **FINANCIAL CONDITION**

SP Asset Management does not have any adverse financial conditions to disclose.

### **BANKRUPTCY**

SP Asset Management has never been the subject of a bankruptcy petition.

# Sandeep Pandya

## SP Asset Management

### BROCHURE SUPPLEMENT – SANDEEP PANDYA

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Fax: 408-904-5611

March 30, 2013

*This disclosure brochure provides clients with information about the qualifications and business practices of SP Asset Management, an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”). It also describes the services SP Asset Management provides as well as background information on those individuals who provide investment advisory services on behalf of SP Asset Management. Please contact Sandeep Pandya, Chief Compliance Officer of SP Asset Management, at 408-257-7711 if you have any questions about the contents of this disclosure brochure.*

*The information in this disclosure brochure has not been approved or verified by the SEC or by any state securities authority. Registration with the SEC does not imply that SP Asset Management or any individual providing investment advisory services on behalf of SP Asset Management possess a certain level of skill or training. Additional information about SP Asset Management is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for SP Asset Management is 113178.*



## EDUCATION & BACKGROUND EXPERIENCE

- Born: 1964
- Education
  - **Indian Institute of Technology**, Bachelors of Technology in Mechanical Engineering (1986)
  - **University of California-Berkeley**, Masters of Science in Mechanical Engineering (1987)
- Work Experience
  - **SP Asset Management Inc.**, President (December, 1995 – Present)
  - **IIT Bombay Heritage Fund** (non-profit), Director & Treasurer, (1995 – Present)
  - **Lucent Technologies**, Staff Engineer (April, 1990 – March, 1998)
- Professional Licenses & Designations: None.

## DISCIPLINARY INFORMATION

Mr. Pandya has no legal or disciplinary events to report.

## OTHER BUSINESS ACTIVITIES

Mr. Pandya is not engaged in any other business or occupation for compensation that provides a substantial source of his income or involves a substantial amount of his time.

## ADDITIONAL COMPENSATION

Mr. Pandya does not receive any additional compensation for providing advisory services.

## SUPERVISION

As a single individual firm, Mr. Pandya is responsible for monitoring all advisory activities. Mr. Pandya reviews the personal trading activities of his household personal trading. Please contact Mr. Pandya, Chief Compliance Officer of SP Asset Management, at 408-257-7711 if you have any questions regarding supervision.