



**Wrap Fee Program Brochure
Form ADV Part 2A, Appendix 1**

ITEM 1. COVER PAGE

Spotlight Asset Group, Inc.

**2 Mid America Plaza, Suite 710
Oakbrook Terrace, Illinois 60181
www.spotlightassetgroup.com**

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This wrap fee program brochure provides information about the qualifications and business practices of Spotlight Asset Group, Inc. (“Spotlight”). If you have any questions about the contents of this brochure, please contact us at 630-230-6840 or at info@spotlightassetgroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Spotlight is an SEC-registered investment adviser. Registration does not mean that the SEC, or any other agency, has sponsored, recommended, or approved an investment adviser. Being a registered investment adviser does not indicate that an investment adviser has attained a particular level of professional competence, education, or special training.

Additional information about Spotlight is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2. MATERIAL CHANGES

Since the filing of our last wrap fee program brochure dated August 6, 2018, Spotlight Asset Group, Inc. (“Spotlight,” the “Firm,” “us,” “we,” and “our”), has made the following material changes:

Changes to Item 9. Additional Information

We revised this section to update which of our employees sell certain insurance products (including but not limited to fixed annuities, fixed index annuities, variable universal life policies, and disability policies) to individuals, and may directly or indirectly benefit from commissions relating to such sales.

We also revised this section to include additional information about transactions that either the Firm or its CEO engaged in that might be considered principal transactions as defined by Section 206(3) of the Advisers Act.

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ITEM 4. SERVICES, FEES, AND COMPENSATION

General Description of Advisory Services

Spotlight Asset Group, Inc. (“Spotlight,” the “Firm,” “us,” “we,” and “our”) is an SEC-registered investment adviser based in Oakbrook Terrace, Illinois and maintains branch offices in: Ann Arbor, Michigan; Calabasas, California; and Seattle, Washington. Spotlight provides securities investment advisory and other related services to its clients through various types of discretionary and non-discretionary accounts in accordance with each client’s investment objectives. Investment activities focus on investments in various kinds of assets and securities in a variety of markets that are intended to fit within the client’s objectives, strategies, and risk profile as described by each client.

Portfolio Management Services

Spotlight provides advisory services in the form of portfolio management services. Portfolio management services involve providing clients with continuous and on-going supervision over client accounts, primarily on a discretionary basis. This means that Spotlight will continuously monitor a client’s account and make trades in client accounts when necessary. On occasion, Spotlight also provides portfolio management services on a non-discretionary basis depending on the needs of, and arrangement with, a client.

Wrap Fees

Spotlight offers its portfolio management services under a self-sponsored wrap fee program (the “Program”). Clients participating in the Program pay an advisory fee that covers the advisory services and certain other related services provided by Spotlight as well as the trading costs charged by our third-party custodians for trades and/or transactions that we recommended to clients. However, clients are responsible for administrative and other fees charged by our third-party custodians, including, but not limited to, wire fees, account closeout fees, and check reorders. Clients also are responsible for trade and/or transaction costs for any trading positions and/or transactions in assets that were not recommended by Spotlight (“non-recommended transactions”). From time to time, Spotlight, at its discretion, may cover some or all of a client’s non-recommended transactions. Advisory fees paid under the Program are based on the size of a client’s account, rather than directly upon transactions in their account.

The advisory fees we charge clients are set in and governed by the Agreements (as defined below), and are typically determined based on the amount of a client’s assets managed by the Firm (including the gross value of those assets held on margin in the client’s account), according to the following schedules:

Spotlight Asset Group Management Fee Schedule	
Account Value	Fee Percentage
Up to \$2,000,000	1.00%
\$2,000,000 - \$5,000,000	0.85%
\$5,000,000 - \$10,000,000	0.70%
\$10,000,000 - \$25,000,000	0.50%
Over \$25,000,000	0.40%

Fee calculations include balances invested in money market funds, short-term investment funds, ETFs, mutual funds, and all other investment holdings. The fees that our clients will pay us are provided for in the investment management agreements (“Agreements”) that the clients execute with us. Spotlight reserves the right to, in its sole discretion, amend the fee schedules and/or stated fee ranges described above.

Clients may negotiate the fees they agree to pay.

Although it does not do so presently, Spotlight reserves the right to provide certain specified services for a fixed, non-asset-based fee, which will be negotiated with the clients and depends on a variety of factors.

The Program may cost the client more or less than purchasing the included services separately.

Because wrap fee programs bundle certain services into a single fee, total fees charged to a client in a wrap fee program may be more or less than obtaining such services separately. In general, a wrap fee based on the value of assets in your account may be less if there is a lot of trading activity in your account and the wrap fee covers the costs for executing all or most of the trades. But if there is little or no trading activity in your advisory account or the trades being made would not otherwise have a transaction fee, a wrap fee arrangement may cost more than separately paying for the services. There may be considerations other than cost, like access to certain managers, that make a wrap fee program right for a particular client. Factors that bear upon the relative cost of the Program include, but are not limited to, the cost of the services if provided separately and the trading activity in the client’s account.

Portion of the Fees Paid to Portfolio Managers

As Spotlight is the sole portfolio manager for the Program, we receive 100% of the wrap fees we charge to clients.

Other Fees and Expenses

Additional fees and expenses for which a client may be responsible are described in the Agreements. In addition to the fees charged by Spotlight, clients are responsible for their own custodial fees and will incur brokerage and other transaction costs for any trading positions and/or transactions in assets that are not recommended by Spotlight. To the extent that clients’ accounts are invested in mutual funds or ETFs, those funds pay a separate layer of management fees, trading, administrative, and other expenses which are described in each respective fund’s offering documents (i.e., prospectus). If services are terminated during a quarter, fees due are pro-rated based on the period Spotlight managed the assets prior to termination. The date of termination will be used to calculate the final fee payment.

ITEM 5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Spotlight provides portfolio management services to individuals as well as businesses, corporations, and other entities.

The minimum amount for establishing an account is generally \$500,000.00, although initial account sizes of a lesser amount may be accepted at the Firm's discretion.

ITEM 6. PORTFOLIO MANAGER SELECTION AND EVALUATION

Spotlight will be the sole portfolio manager for the Program and will not use any outside portfolio managers. Spotlight will use industry standards, based on a client's goals and objectives, to calculate our investment performance. Spotlight's Chief Compliance Officer reviews all performance information to ensure compliance with performance presentation standards established the United States Securities and Exchange Commission. At this time, Spotlight does not use a third party to verify the accuracy of its performance information but may choose to do so in the future. Portions of the performance data may include calculations or projections generated by third-party vendors used by Spotlight, including, but not limited to, Advent Software, Inc. (a/k/a "Black Diamond") and W.E. Sherman & Co. (a/k/a "The Sherman Sheet").

ITEM 7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

Spotlight is the only portfolio manager for the Program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected only by Spotlight and its employees. Client information is updated during annual client account reviews and also whenever we are notified by a client about changes to their relevant information. As that information changes and is updated, Spotlight will have immediate access to that information.

ITEM 8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

Spotlight does not place any restrictions on a client's ability to contact Spotlight or its employees during regular business hours. Contact information for the firm is provided on the cover page of our ADV Part 2A as well as the cover page to this Brochure. Contact information for our associated persons is provided on the cover page of their respective ADV Part 2B brochure supplements.

ITEM 9. ADDITIONAL INFORMATION

Disciplinary Information

Spotlight is not aware of any legal or disciplinary events that would be material to clients' and prospective clients' evaluation of Spotlight or the integrity of our personnel.

Other Financial Industry Activities and Affiliations

As more fully described in Item 5 of our ADV Part 2A and in the ADV Part 2B brochure supplement for Aaron Kirsch and Lance Peters (available on request), Mr. Kirsch and Mr. Peters, who are supervised persons, engage in insurance-related activities through which they act as insurance agent and have relationships with certain insurance companies. Neither Spotlight nor its management or supervised persons have any other financial industry activities or affiliations for which disclosure is required.

Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Code of Ethics: Our Code of Ethics (the "Code") is documented in our Regulatory Compliance Manual ("Manual"), a copy of which (and any amendments thereto) is provided to each employee. Each person deemed to be an "Access Person" under the Code must certify that he or she has read, understands, and agrees to comply with our Manual and the Code. Furthermore, each Access Person must certify annually that he or she has complied with the Manual. We also hold periodic compliance training sessions and attendance at such sessions is mandatory for all employees.

Our Manual requires our employees to: conduct themselves with integrity and dignity and act in an ethical manner in all dealings on our behalf; act with competence and strive to maintain and improve their competence; use reasonable care and exercise independent professional judgment in the execution of their professional duties; avoid actions or relationships that might conflict, or appear to conflict with, job responsibilities or the interests of Spotlight and our clients; and comply with all applicable federal securities laws. As a fiduciary, Spotlight will act in its advisory clients' best interests. Neither Spotlight, nor any Access Person should benefit at the expense of any advisory client.

Subject to certain legally permitted exceptions, our Manual also requires all of our Access Persons to notify us of all of their securities holdings and accounts and submit to us within 30 days after the end of each calendar quarter securities transaction reports identifying all securities purchased and sold during such quarter. At least quarterly, we review the employee securities transaction reports as well as brokerage and adviser statements to determine compliance with our reporting procedures. Furthermore, we require that each Access Person re-affirm the accuracy of his or her list of securities holdings and accounts on record with us at least annually. Our Manual also requires that Access Persons obtain our approval before investing in any initial public offering of securities or in any private placement of securities.

A copy of the Code will be provided to any client or prospective client upon request.

Participation or Interest in Client Transactions: Spotlight does not currently enter into performance-based fee arrangements with its clients. Should we be entitled to performance fees with respect to a future client account, that may incentivize us to make more speculative investments than would be the case in the absence of such performance fee arrangement. Although we don't presently have any such

arrangements and don't expect to in the near future, we seek to minimize and address any such conflicts by managing each client's account in accordance with the investment objectives and limitations outlined in their Agreement with us, irrespective of the client's fee structure or arrangement.

Spotlight generally does not engage in principal transactions, as defined by Section 206(3) of the Advisers Act, with client accounts. However, in connection with funding our operations, our CEO, Stephen Greco, issued promissory notes, backed by his equity in the Firm, to two clients and also sold a portion of his stock in the Company to two clients. The Company also sold shares of stock to a member of the Board of Directors who is also a client. Viewing Section 206(3) of the Adviser's Act broadly, these transactions may be considered principal transactions because they involve notes, which are typically considered securities, and stock being sold to a client, in part, for the Firm's benefit. Therefore, Spotlight disclosed to the clients that the transactions pose a conflict between the clients' interests and those of the Firm, specifically that the Firm or its employees might be inclined, consciously or unconsciously, to render advice that is not disinterested. To further mitigate this conflict we, among other things, implemented written policies and procedures designed to mitigate the impact of the transactions and their attendant conflicts on our management of client accounts. Clients or prospective clients who have questions about these transactions are encouraged to contact us.

Personal Trading: Employees of Spotlight and their family members are expected, but not required, to have accounts (collectively, "Employee Accounts") that invest in the same securities that are recommended to clients. Such a practice, including if Employee Accounts were managed by Spotlight, presents inherent conflicts of interest, such as employees and/or certain of their family members: 1) trading before clients (i.e., front-running), and/or 2) receiving a better allocation or price than clients. To address and mitigate (potential) conflicts of interest associated with personal trading, should they arise in the future, Spotlight has developed written policies and procedures to help ensure that Employee Accounts are not favored over other client accounts. When investing in the same securities, Employee Accounts would be expected to generally transact in securities alongside client accounts, receive the average price that clients pay for securities transactions, and pay their share of transaction costs. In the event that an aggregated order including both Employee Accounts and client accounts is only partially filled, the participating accounts will receive a pro rata allocation. In certain instances (*e.g.*, new accounts, terminating accounts, add-on capital, partial withdrawals), Spotlight may purchase or sell securities for Employee Accounts when other client accounts are not purchasing or selling the same security. With limited exceptions, Employee Accounts would not be expected to receive a more advantageous price than client accounts for a particular security purchased or sold on the same trading day. In addition, employees should not purchase or sell individual securities held in Spotlight's investment strategy unless it is through an Employee Account managed by Spotlight, or in limited circumstances, if the transaction is pre-cleared by the CCO. The CCO monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients, but the CCO might not allow the security to be purchased for client accounts in order to avoid even the appearance of employees trading ahead of clients. In Spotlight's experience, it is rare for an employee's personal trading to limit clients' investment opportunities, but such a situation may arise from time to time.

Review of Accounts

We monitor and review client portfolios on an ongoing basis. In addition, the Firm reviews all trade transactions to ensure such transactions have been executed properly and correctly recorded into client accounts. Spotlight regularly reviews all client accounts to assess position sizes, the level of cash holdings, portfolio composition, and client specific developments. Client capital contributions, withdrawals, and company or stock specific events may trigger additional reviews of client accounts.

Spotlight expects clients' custodians will provide written custodian statements on at least a quarterly basis, which report investment activity and holdings of their account(s). Additionally, Spotlight will send separate investment reports to clients on a quarterly basis as determined by client and the Firm. Spotlight's Chief Executive Officer is available to clients for consultation and, at least annually, Spotlight will contact each client with a request to notify the firm if their financial situation or investment objectives have changed, and whether the client wishes to request, modify, or eliminate any reasonable investment guidelines, mandates or restrictions on their account(s).

Comprehensive financial planning is included as part of the Spotlight's financial planning services. The financial plan includes a net worth statement, retirement projections, education projections, asset allocation analysis and recommendations, diversification recommendations, a risk tolerance assessment, a risk management review, an estate planning review, as well as additional issues. Spotlight reviews a client's financial situation in detail. Similar to reviews of investment management accounts, your investment adviser representative is the primary person responsible for preparing and updating financial plans, but can seek the assistance of other advisory personnel when needed. You can call, e-mail or schedule in-person meetings with your investment adviser representative as often as needed.

Client Referrals and Other Compensation

At this time, no third-party provides economic benefit to Spotlight in connection with Spotlight's investment advisory services to its clients and Spotlight does not compensate any person who is not a supervised person for client referrals.

Financial Information

There exists no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

Miscellaneous

None.