



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

ITEM 1. COVER PAGE

Spotlight Asset Group, Inc.

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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

None.

ITEM 3. TABLE OF CONTENTS

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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 a wrap 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 recommend to clients. **However, our wrap fee does not cover all fees and costs.** As detailed in Other Fees and Expenses, below, clients are responsible for, among other things, 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 (“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.

Because Spotlight absorbs certain transaction costs through the wrap fee, Spotlight may have a financial incentive not to place transaction orders in those accounts since doing so increases our transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades.

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

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. Clients also are responsible for administrative and other fees

charged by our third-party custodians, including, but not limited to, wire fees, account closeout fees, check reorders, and other fees and taxes on brokerage accounts and securities transactions. To the extent that clients' accounts are invested in index funds, mutual funds, or exchange traded funds (ETFs,) those funds typically 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). Our wrap fee also does not include mark-ups and mark-downs, spreads paid to market makers, or fees (such as a commission or markup) for trades executed away from a client's custodian and at another broker-dealer.

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.

Brokerage Practices

Spotlight requests that clients establish brokerage accounts with Fidelity Brokerage Services, LLC ("Fidelity"), TD Ameritrade, Inc. ("TDA"), or the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab") for brokerage services and direct the Firm to execute securities transactions through Fidelity, TDA, and/or Schwab (collectively, Fidelity, TDA, and Schwab are referred to as the "Recommended Brokers"). Although Spotlight requests that clients establish accounts at the Recommended Brokers, it is the client's decision to custody assets at, and have the client's trades executed through, the Recommended Brokers. Spotlight has a limited number of clients that custody their assets at a broker other than the Recommended Brokers (collectively, the Recommended Brokers and such other brokers (if any) are referred to as "Brokers" and each a "Broker"). In the event a client is unable or unwilling to select the Recommended Brokers as their Broker, Spotlight may, in its discretion, accommodate a client's request to establish a brokerage account(s) with another Broker. Spotlight advises clients and prospective clients that not all advisers recommend, request, or require their clients to direct brokerage. By directing brokerage, Spotlight may be unable to achieve the most favorable execution of client transactions and this practice may cost clients more money. For example, in a directed brokerage account the client may pay higher brokerage commissions because Spotlight may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices. Spotlight is independently-owned and operated and not affiliated with any Broker, including the Recommended Brokers. Spotlight does not receive any compensation from, or with respect to, the Brokers that clients may choose or that Spotlight may recommend to clients, and it is the Firm's policy not to make any Broker recommendations on the basis of any compensation for client referrals.

Spotlight places trades for client accounts subject to its fiduciary duties, including the duty to seek best execution, where applicable, for clients' securities transactions. In non-directed brokerage accounts, service, execution quality, capabilities, and responsiveness are the primary factors considered in Spotlight's recommendation or selection of a Broker, and in determining the reasonableness of Broker compensation, although other factors may be considered. Spotlight may at times have authority to use broker-dealers other than the Recommended Brokers to execute trades for client accounts maintained at the Recommended Brokers, but this practice may result in additional costs to clients. Therefore, Spotlight is more likely to place trades for accounts custodied at the Recommended Brokers through the Recommended Brokers rather than other broker-dealers.

Spotlight, pursuant to the terms of its Agreements with current clients, has agreed to (but may choose not to do so in the future) pay the brokerage commissions arising out of the securities transactions in its clients' accounts that are recommended or conducted by Spotlight. Spotlight has accepted no obligation to, and typically does not, pay the trading, brokerage, or any other expenses incurred by its clients' accounts relating to transactions that are not recommended or conducted by Spotlight. Spotlight anticipates that client brokerage costs in Spotlight's client accounts will be reconciled with the applicable Broker quarterly, and client accounts will be credited the brokerage commissions arising out of the securities transactions that are advised and conducted by Spotlight on a quarterly basis.

Spotlight does not maintain formal soft dollar arrangements with Brokers. Brokers may provide Spotlight with access to institutional trading and operations services including software and other technology not typically available to their retail customers. In some cases such services may be made available to Spotlight according to a pricing schedule based upon the amount of client assets in accounts at these Brokers within a specified period of time, in other cases such services may be made available at no charge to Spotlight. Access to these services is not based on client commissions paid to the Brokers.

Brokers may also make available to Spotlight other products and services that benefit Spotlight but may not benefit its clients' accounts. These benefits may include national, regional, or Spotlight-specific educational events organized and/or sponsored by certain Brokers. In some cases, other potential benefits may include occasional business entertainment of Spotlight personnel by a Broker's personnel, including meals, invitations to sporting events (including golf tournaments), and other forms of entertainment, some of which may accompany educational opportunities. Spotlight requires its personnel to handle such situations in compliance with the written policies and procedures detailed in its Regulatory Compliance Manual and in its Employee Handbook, including Spotlight's Code of Ethics and its gifts and entertainment reporting policies.

Other products and services may assist Spotlight in managing and administering clients' accounts, including: access to client account data (such as trade confirmations and account statements); facilitation of trade execution (and allocation of aggregated trade orders for multiple client accounts); the provision of research, pricing information, and other market data; facilitating payment of Spotlight's fees from its clients' accounts; and assistance with back-office training and support functions, recordkeeping, and client reporting. Many of these services generally may be used to service all or some substantial number of Spotlight's accounts, including accounts not maintained at the Recommended Brokers. Brokers may also make available to Spotlight certain other services intended to help Spotlight manage and further develop its business enterprise, including professional compliance, legal, and business consulting as well as publications and conferences on practice management, information technology, business succession,

regulatory compliance, employee benefits providers, human capital consultants, insurance, and marketing. In addition, Brokers may make available, arrange, and/or pay vendors for these types of services rendered to Spotlight by independent third parties. Certain Brokers 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 Spotlight.

While, as a fiduciary, Spotlight endeavors to act in its clients' best interests, Spotlight's recommendation that clients maintain their assets in accounts at the Recommended Brokers may be based, in part, on the benefit to Spotlight of the availability of some of the foregoing products and services and other arrangements, and not solely on the nature, cost, or quality of custody and brokerage services provided by the Recommended Brokers, which may create a potential conflict of interest. To mitigate potential conflicts, Spotlight conducts a periodic best execution review that includes an assessment of the pricing and services received from the Brokers.

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.