

Spectrum Asset Management, Inc.

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Form ADV, Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Spectrum Asset Management, Inc. If you have any questions about the contents of this brochure, please contact Tony Jung at 949-717-3400 or tony@myspectrum.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Spectrum Asset Management, Inc. or any person associated with Spectrum Asset Management, Inc. has achieved a certain level of skill or training.

Additional information about Spectrum Asset Management, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

Revised March 14, 2024

The purpose of this page is to inform you of material changes since the previous annual update to the brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

Spectrum Asset Management, Inc. ("Spectrum") reviews and updates the brochure at least annually to confirm that it remains current. There have been no material changes to note since the annual amendment to the brochure was filed on March 15, 2023.

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ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Spectrum Asset Management, Inc. ("Spectrum") is a registered investment adviser with offices in Newport Beach, CA, Paia, HI and Gunter, TX. Spectrum became registered with the Securities and Exchange Commission on 14 September 1987. Spectrum has continued to operate its business in Newport Beach since its founding.

Roland D. Kelly was the sole owner of the company at the time of its founding. Roland continues to work in the business to this date. He serves as the Chief Investment Officer. Ryan L. Kelly is the current President/Chief Executive Officer of Spectrum and is active in the operation of the company on a daily basis. Ryan is considered a "principal owner" as he owns the majority of the outstanding shares of Spectrum stock through a trust. The remaining shares of the company are held by Roland Kelly through a trust, as noted above and Marc D. Kelly, who has not been active in Spectrum's operations since 1999.

Advisory Services Offered

Managed Accounts

Spectrum provides investment advisory services to over 300 Clients. Currently, Spectrum allocates Client investment assets on a discretionary or non-discretionary basis, among various individual equity and fixed income securities, exchange traded funds ("ETFs"), and mutual funds, in accordance with the Client's designated investment objective(s). Spectrum generally recommends that investment advisory accounts are maintained at an independent custodian such as Charles Schwab & Co, Inc. ("Schwab"), but may recommend or utilize other independent custodians. Prior to engaging Spectrum to provide investment advisory services, the Client will be required to enter into a formal Investment Advisory Agreement with Spectrum that sets forth the terms and conditions under which Spectrum shall manage the Client's assets.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Securities Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. The receipt of our advisory fee for making a recommendation may create a conflict of interest under ERISA/IRC with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. For example, if we recommend that you roll over assets from one retirement account to another and we will receive increased compensation as a result of that recommendation, a conflict may be present that requires us to operate under this special rule.

The primary methods of analysis used by Spectrum in performing its investment advisory services are fundamental, technical and cyclical. These are discussed in greater detail in the section titled ***Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.***

Financial Planning Services

Spectrum also provides basic financial planning and consulting services. In the event that the Client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Spectrum), Spectrum may determine to charge for such additional services. The actual dollar amount of the services will be mutually agreed upon. The agreement with respect to the fee amount, as well as the scope and extent of financial planning to be performed, will be set forth in a separate written Financial Planning agreement.

Sub-Advisory Relationships

Clients can also access Spectrum's investment management services through unaffiliated third parties under a sub-advisory relationship. These services are offered as separately managed accounts in Spectrum's investment strategies, as described below under **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**. The fees Spectrum receives under these arrangements are described below under **Item 5 - Fees and Compensation**.

Tailored Services and Client Imposed Restrictions

Prior to engaging Spectrum to perform any services, prospective Clients will spend time with a Spectrum executive to discuss their financial objectives. Spectrum attempts to gain clarity about the Client's vision, values and goals as they specifically relate to their investments. Once hired, Client accounts are placed in one of a number of models Spectrum has created. The model selected attempts to match the goals and objectives that have been communicated by the Client.

Clients may request that Spectrum be restricted from buying or selling certain securities or security types. Such requests must be delivered to Spectrum in writing. In the event there is an investment asset that is currently held by the Client where instructions have been delivered to not sell that asset, Spectrum may consider that investment asset to not be a part of the assets managed by Spectrum. If Spectrum decides they are not to be a part of the managed assets, they will be referred to as "Excluded Assets" or "Special Assets". If the Client wishes for Spectrum to report on the Excluded Assets, the Client will be required to acknowledge that, with respect to the Excluded Assets, Spectrum's service is limited to reporting services only and does not include investment management, review, or monitoring services, nor investment recommendations or advice. As such, the Client, and not Spectrum, shall be exclusively responsible for the investment performance of the Excluded Assets. In the event the Client desires that Spectrum provide investment advisory services with respect to the Excluded Assets, the Client may engage Spectrum to do so for a separate and additional fee in accordance with the fee schedule set forth in the Appendix of the Investment Advisory Agreement.

Assets Under Management

As of December 31, 2023, Spectrum's assets under management were as follows:

Discretionary Assets	\$ 634,788,711
<u>Non-Discretionary Assets</u>	<u>\$ 11,665,972</u>
Total Assets	\$ 646,454,683

ITEM 5 - FEES AND COMPENSATION

Fee Schedule for Investment Advisory Services

Spectrum may provide its Clients with discretionary investment advisory services, investment and non-investment related consulting and financial planning on either a combined or stand-alone basis.

Clients can determine to engage Spectrum to provide discretionary investment advisory services on a fee-only basis. Spectrum generally encourages a minimum asset level of \$1 million to commence an engagement. Spectrum's annual investment advisory fee shall be based upon a percentage (%) of the market value of the account placed under Spectrum's management as follows:

Managed Accounts Fees:

Equity & Balanced / Investment Consulting Services	1.00% first \$5,000,000 0.60% next \$5,000,000 0.40% above \$10,000,000 10% discount for eleemosynary accounts
Fixed Income and Fixed Income Plus	0.60% first \$1,000,000 0.40% next \$7,000,000 0.25% next \$17,000,000 0.20% above \$25,000,000 10% discount for eleemosynary accounts
Cash Management	0.30% first \$3,000,000 0.20% next \$7,000,000 0.15% above \$10,000,000

Emerging Wealth Management (Mutual Fund/ETF Models):

Accounts below \$750,000 are encouraged to use Spectrum's Emerging Wealth Management.

\$0 - \$750,000	1.65% Maximum
\$750,001 - \$5,000,000	1.00%
Next \$5,000,000	0.60%
Above \$10,000,000	0.40%

Spectrum's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the account (including cash and cash-equivalents which are an asset class utilized within all Spectrum models) on the last business day of the previous quarter. Clients should note that Spectrum's annual investment advisory fee will at times exceed the return earned on the cash and cash-equivalent holdings within the client's account, particularly in low-interest rate environments. For certain alternative investments, market values may be provided by the security sponsor less frequently than quarterly, and Spectrum will generally use the most recent reported value for purposes of calculating the advisory fee. In addition, if a client determines to use margin to purchase assets that Spectrum will manage, Spectrum would include the entire market value of the margined assets when computing its advisory fee. See *ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS* for additional information on the use of margin. Spectrum generally encourages a minimum asset level of \$1million to commence an engagement. However, Spectrum, in its sole discretion, may modify this encouraged minimum asset level and/or charge a different (higher or lower) annual investment advisory fee based upon certain criteria (including but not limited to historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with Client, etc.). At its sole discretion, Spectrum may choose to "grandfather" certain fee arrangements in the event of a fee increase; therefore, newer Clients may pay a higher or different fee than certain older Clients.

Additionally, Spectrum's investment advisory fee for Clients obtained as part of any asset purchase agreement and subsequently repapered with Spectrum, may differ from Spectrum's managed accounts fee schedule outlined above.

Sub-Advisory Relationships

Spectrum receives annual fees for our services through third party sub-advisory relationships. Fee amounts vary based upon the program, minimum investment requirements, and asset levels. The fees we receive for providing investment management services do not include other fees charged by the third-party adviser to the client. Fees under these programs may be billed in arrears or advance, and Spectrum may be paid by the third-party adviser or directly by the client, depending on the program. Clients using Spectrum as a sub-adviser through third party adviser may terminate our management services per the terms in the agreement, which vary by program.

Financial Planning Fees

In the event a Client requires extraordinary planning and/or consultation services (to be determined at the sole discretion of Spectrum), Spectrum may charge for such additional services. Spectrum's Financial Planning fee is based on the nature of the services being provided and the complexity of each client's circumstances. Financial Planning fees are agreed upon prior to entering into a contract with any client.

Billing Method

Spectrum offers each Client the option of having their investment advisory fees automatically deducted from their custodial account or being invoiced for their fees directly and remitting an acceptable form of payment upon receipt of the invoice. Under either method, Clients are provided with a copy of the invoice

clearly showing the calculation of the fee as well as the time period their fee covers. Fees are normally deducted (or individually billed) once a quarter. This generally occurs around the fifteenth calendar day after the end of a given quarter. In the instance where Spectrum accepts a new investment advisory services agreement in the middle of a quarter, the Client account will be billed once for the prorated share of the fee based on the number of days remaining until the end of the quarter.

Other Fees and Expenses

Unless the Client directs otherwise, or an individual Client's circumstances require it, Spectrum shall generally recommend that Schwab serve as the broker-dealer/custodian for the actual custody of the Client's investment advisory assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (e.g., transaction fees are charged for certain no-load mutual funds, and commissions may be charged for individual equity and fixed income securities transactions). In addition, a bank custodian, such as Comerica, will typically charge a custodial fee. When beneficial to the Client, individual debt or equity transactions may be affected through broker-dealers with whom Spectrum or the Client has entered into arrangements for prime brokerage clearing services (in which event, the Client shall incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the custodian). Clients also pay all margin interest and fees, and/or other similar charges incurred in connection with transactions in accounts, from the assets in the account. In addition to Spectrum's investment advisory fee, brokerage commissions and/or transaction fees, the Client will also incur, relative to all mutual fund and exchange traded fund purchases, charges that are imposed at the fund level (e.g., management fees and other fund expenses). Consequently, Clients with mutual funds in their portfolios are effectively paying both Spectrum and the mutual fund manager for the management of their assets.

Termination

As mentioned above, Spectrum's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Either party may terminate the agreement upon thirty (30) days' written notice to the other party. Client agreements in place prior to February 8, 2014, may not be subject to the 30-day notice period. Should an account terminate during a quarter for which fees have been paid in advance, a refund of the prorated fees will be processed. The effective termination date used to calculate the refund will be 30 days after we receive written notice of termination from the client, as noted above, or such other date as agreed upon with the client. Once the date is determined, all fees will be refunded on a prorated basis. The refund will be calculated based on the number of calendar days remaining in the quarter divided by the number of calendar days in the quarter itself. To the extent possible, refunds will be returned in the same form as received. If the fees were automatically deducted from a Client account, they will be returned to the Client account at the custodian. If the fees were paid directly by the Client to Spectrum, they will be refunded directly to the Client at their address of record.

Other Compensation

No employees, owners or supervised persons of Spectrum receive any form of compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Spectrum does not charge nor receive any performance-based fees from its Clients.

ITEM 7 - TYPES OF CLIENTS

Types of Clients & Account Requirements

The types of accounts Spectrum serves are as follows: trusts, individual, other investment advisers, foundations, corporations, and company retirement plans. Spectrum generally encourages a minimum asset level of \$1 million to commence an engagement. However, Spectrum, in its sole discretion, may modify this encouraged minimum asset level and/or charge a lesser annual investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with Client, etc.).

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

The various methods of analysis are listed and described as follows:

- Fundamental Analysis - The analysis of the general financial health of companies
- Macro-Economic Analysis - The analysis of business cycles to find favorable conditions for buying and/or selling a security
- Charting/Technical Analysis - The use of patterns in performance charts. Spectrum uses this technique to identify the relative strength of securities and economic sectors
- Interest Rate Analysis - The assessment of inflation expectations and real rate of return for interest rate trends
- Long-Term Trend Analysis - 2 to 5-year economic viewpoint
- Intermediate-Term Trend Analysis - 6 months to 2-year cyclical viewpoint
- Short-Term Trend Technical Analysis

In Spectrum's fixed income research, we focus on the major trends in world interest rates. Spectrum assesses certain global forces which influence interest rate expectations such as: inflation expectations, credit demand during a business cycle, and competitive, demographic and structural factors that affect world GDP.

In selecting equity securities, Spectrum utilizes a variety of fundamental and technical indicators to assess the strength of the market's conviction and sentiment toward a stock.

In selecting mutual funds, Spectrum performs a quantitative screening process by compiling statistical information on a fund, such as: returns, investment style, median market capitalization, sector weightings, turnover, and fees. From this information Spectrum determines which funds are the most attractive on a historical risk-adjusted basis in each asset-class category in our models.

Investment Strategies

Spectrum believes that each Client's objectives and risk parameters are unique. It is important to clarify those issues and translate them into an investment portfolio. By considering factors such as: growth goals, current income requirements, time horizons, distribution commitments and the prevailing investment environment, Spectrum creates an allocation that considers stocks, bonds, ETF's, mutual funds and cash.

Client portfolios with similar investment objectives and asset allocation goals may own different securities. Timing and tax factors may influence our investment decisions. Clients for whom we buy or sell securities on the same day may receive different prices. Furthermore, Spectrum uses cash equivalents as a strategic asset. At any time, client accounts may hold significant levels of cash and/or cash equivalents. While high cash levels can help protect client's assets during periods of market decline, there is a risk that our timing in moving to cash is less than optimal upon either exit or reentry into the market, potentially resulting in missed opportunities during positive market moves. As noted in *ITEM 5 FEES AND COMPENSATION*, assets held in cash or cash equivalents are charged the same investment advisory fee as other assets within the client portfolio.

Fixed Income Strategy

Client portfolios are actively managed to follow interest rate trends. The average maturity of the bond portfolios is adjusted in anticipation of interest rate movements. This strategy seeks to be more defensive in a rising interest rate market by lowering duration and more aggressive in a declining interest rate market by increasing duration. Using a "barbell" strategy, which is a bond investment strategy that focuses on the balance between short and long maturities, Spectrum seeks to limit interest rate risk from rising rates and take advantage of declining rates. Average portfolio maturity may range from 0-20 years with an average duration of 1-12 years. This technique attempts to generate an attractive total return which includes current income. Certain high-yielding equity securities, ETFs, and mutual funds may also be held in fixed income accounts to generate income.

Core Equity Strategy

Spectrum's Core Equity Strategy uses a Growth at a Reasonable Price fundamental approach, coupled with a Sector Rotation Philosophy strongly influenced by Relative Strength and a Sell Discipline to protect principal. This strategy uses a sector rotation philosophy, in which we slowly rotate from one strong economic sector into what we believe is the next strong economic sector. In addition to fundamental analysis, Spectrum focuses on the Price Strength of a stock relative to the S&P 500. Our core equity composite is flexible in terms of market capitalization (though generally above \$500 million) and domestic/foreign exposure, as well as the use of ETFs. Spectrum traditionally focuses in mid to large cap stocks with minor allocation in small caps. Spectrum adapts to the market conditions and at any given

time may be over/underweighted in certain market cap, domestic or foreign stocks, and/or certain economic sectors. This underweight and overweight can lead to over-performance or under-performance relative to the S&P 500.

Mutual Fund/Exchange Traded Funds (ETFs) Model Strategy

As an alternative to our strategies that generally consist of individual stocks, bonds and cash, Spectrum also offers a variety of investment models using mutual funds and ETFs. Our goal is to construct portfolios using funds that complement one another in various market conditions. We offer a number of models designed to achieve Client objectives.

Investing Involves Risk

Though we attempt to mitigate risk, investing in securities involves risk of loss that Clients should be prepared to bear.

The following information is provided to illustrate some of the risks inherent in each of the investment strategies shown above:

Fixed Income

Spectrum's primary focus is to build a core investment position of assets in fixed income instruments including U.S. Treasury bills, notes or bonds, and instruments that are guaranteed by the U.S. government or its agencies, augmented by bonds of U.S. Corporations. In portfolios with the need for tax-free income, Municipal bonds are used. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality and maturity.

Interest Rate Risk - Fixed income securities increase or decrease in value based on changes in interest rates. If rates increase, the value of fixed income securities generally declines. Conversely, if rates fall, the value of the fixed income securities generally increases. If we fail to sell long maturity in a rising rate environment, bond values will decline.

Credit Risk - There is a risk that issuers will not make payments on the securities they issue. In addition, the credit quality of securities may be lowered if an issuer's financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and lead to lower prices.

Equities

The following information is provided to illustrate some of the risks inherent in investments in equities:

Market Risk - Overall stock market declines may affect the value of the investments in equity strategies. Factors such as U.S. and world economic growth and market conditions, interest rates, and political events affect the prices of equity securities. While our fundamental research will help Spectrum buy stocks at the right price, using Relative Strength assists us to identify the correct stock and sector at the "right time". When we are wrong, or the market changes course, our sell discipline helps to protect principal. However, market conditions can change more quickly than our selling of securities which may lead to loss of

principal. Our equity strategy at times involves active trading which may lead to short-term taxable gains and additional transaction fees.

Though we are generally patient, long-term investors, we have very strong convictions about selling assets when conditions deteriorate. Spectrum establishes predetermined price points or triggers that would cause us to sell all or a portion of an equity holding when one of the following sell disciplines are triggered:

- Appraisals for all stocks become rich
- Our original investment thesis changes
- An individual stock becomes overvalued
- A security price declines below our sell alert

We may fail to properly execute our sell discipline which could lead to loss of principal. In addition, we may fail to invest cash at times when stocks are rising which may lead to underperformance.

Mutual Funds/ Exchange Traded Funds (ETFs)

Mutual funds and ETFs have internal costs such as management and distribution fees which will lower the net performance of an investment model. These internal fund fees are in addition to Spectrum's management fee. While we apply a sell discipline to our mutual fund models, Spectrum generally sells funds less quickly than our fixed income and equity income accounts. This may lead to greater losses than other Spectrum strategies and the market.

Specific Security Risks

Spectrum generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity and fixed income markets. Other strategies such as using margin or leverage can be used when Spectrum deems it appropriate for a particular account or given market condition. While the use of margin borrowing or leveraged funds can increase returns, it can also magnify losses in the event of a significant downturn in the market. Clients are responsible for the payment of any margin charges. These specific strategies can increase risks independent of the many risks inherent to investing. For risks related to equity, fixed income and mutual fund/ETF strategies, see section above. Investing in securities involves risk of loss that Clients should be prepared to bear. Securities markets experience significant degrees of volatility. Over time, a Client's assets may fluctuate and at any time be worth more or less than the amount invested.

Use of Inverse Equity ETFs

At times, Spectrum may include the use of inverse equity exchange traded funds (ETFs) in investment strategies as a protective tactic against stock market decline. Inverse ETFs seek to deliver inverse returns of underlying indexes, generally through the use of derivative securities, such as swap agreements, forwards, futures contracts, and options. Inverse ETFs are generally considered to be a higher risk investment.

Risk of Margin as an Investment Strategy and Associated Conflict of Interest

Although Spectrum does not recommend the use of margin as an investment strategy, in which the client would borrow money leveraged against securities it holds to purchase additional securities, clients choosing to do so would be subjected to the risks described above. In addition, if a client determines to use margin to purchase assets that Spectrum will manage, Spectrum would include the entire market value of the margined assets when computing its advisory fee, which would present a conflict of interest because it would result in an increased advisory fee. Another conflict of interest would arise if Spectrum has an economic disincentive to recommend that the client terminate the use of margin. For example, if Spectrum recommends that a client apply for a mortgage or bank loan instead of selling securities that Spectrum manages for a fee to meet liquidity purposes, the recommendation presents a conflict of interest because selling those securities (instead of leveraging those securities to access a bank loan) would decrease Spectrum's investment advisory fee.

Other Business Risks

Cybersecurity Risk

Investment advisers and their service providers may be prone to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally (including, for example, through cyber-attacks known as "phishing" and "spear-phishing"), denial-of-service attacks on websites, the unauthorized release of confidential information and causing operational disruption. Cyber-attacks may interfere with the processing of transactions, cause the release of private information or confidential information of Spectrum, cause reputational damage, and subject Spectrum to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. While Spectrum has established business continuity plans and systems designed to prevent such cyber-attacks, there are limitations in such plans including the possibility that certain risks have not been identified or mitigated.

Coronavirus or Pandemic Risk

The global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economy. A pandemic such as COVID-19 may impact the ability of Spectrum to operate effectively, including the ability of its personnel or its service providers and other contractors to function, communicate and travel to the extent necessary. The spread of any contagious and debilitating health condition among Spectrum's personnel and its service providers may also affect Spectrum's ability to properly perform our duties.

ITEM 9 - DISCIPLINARY INFORMATION

There have been no disciplinary actions brought against any employee, owner or supervised person of Spectrum in or by any of the following:

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction
- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority
- C. A self-regulatory organization (SRO) proceeding

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Spectrum, on occasion as part of its investment consulting services to the Client, may recommend or select other investment advisers for its Clients without any additional fees.

While certain of its supervised persons who are licensed insurance agents may be compensated via commissions from the sale of an insurance product, Spectrum does not receive any commissions (either directly or indirectly).

Other Business Activities

A licensed insurance agent may pursue opportunities that arise through which they could participate in an insurance transaction and receive related compensation, recommend to both Spectrum and non-Spectrum clients a variety of insurance products, and may from time to time make referrals of both Spectrum and non-Spectrum clients to outside insurance professionals and/or receive an insurance “commission split” in the form of one-time payments or insurance trailers.

Though Spectrum will not participate directly in the commission, a conflict of interest exists due to the licensed insurance agent being compensated via full or partial commissions from the sale of an insurance product either directly or through another firm. The insurance commissions are separate from and in addition to any fees that Spectrum receives for advisory services. Clients are under no obligation to act on any insurance recommendations or place any transactions through the recommended insurance professionals if they decide to follow their recommendations.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

As an SEC-registered adviser, Spectrum is required by rule 204A-1 to have adopted a Code of Ethics acknowledged by all persons associated with Spectrum that clearly states Spectrum’s position as it relates to business ethics and personal trading. The Code of Ethics articulates the importance of trust as a foundation to the relationship between Spectrum and its Clients and establishes policies and procedures that require Spectrum and all Associates to place the interest(s) of the Client(s) first.

Spectrum's Code of Ethics provides a very strict framework for all Associates to have the highest business ethics both in dealing with Clients and also how they handle their own financial investments. Each has acknowledged that the basic underlying important fact is that no action undertaken by an Associate of Spectrum shall be at the detriment of any Spectrum Client. A copy of Spectrum's Code of Ethics is available to any Client or prospective Client upon request.

Participation or Interest in Client Transactions

Spectrum or any related person does not recommend to Clients, or buy or sell for Client accounts, securities in which Spectrum or a related person has a material financial interest.

Personal Trading

If and when Spectrum or a related person invests in the same securities or related securities (e.g., warrants, options or futures) that Spectrum or a related person recommends to Clients, that investment will occur with (or after) all other trades have been made for Client accounts. No advantage in price or execution is granted to such investment.

ITEM 12 - BROKERAGE PRACTICES

Factors Considered in Selecting Broker-Dealers for Client Transactions

In the event that the Client requests that Spectrum recommend a broker-dealer/ custodian for execution and/or custodial services (exclusive of those Clients that may direct Spectrum to use a specific broker-dealer/custodian), Spectrum generally recommends that investment management accounts be maintained at Schwab, however the Client ultimately decides whether to use Schwab as the custodian/broker. Prior to engaging Spectrum to provide investment management services, the Client will be required to enter into a formal Investment Advisory Agreement with Spectrum setting forth the terms and conditions under which Spectrum shall manage the Client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Spectrum considers in recommending Schwab (or any other broker-dealer/custodian) to Clients include historical relationship with Spectrum, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Spectrum's Clients shall comply with Spectrum's duty to obtain best execution, a Client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Spectrum determines, in good faith, that the commission/transaction fee 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 Spectrum will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client account transactions. As discussed in ***Other Fees and Expenses in Item 5***, above, Spectrum or the Client may also enter into prime brokerage arrangements. For smaller accounts, the Client's custodian may limit the ability to enter into prime brokerage arrangements and trade with outside broker-dealers; in these cases,

Spectrum will place all trades for those accounts through the Client's custodian. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Spectrum's investment management fee. Spectrum's best execution responsibility is qualified if securities that it purchases for Client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Sub-Advisory Relationships

Generally, the third-party manager will determine the custodian to be used when clients are introduced to us through sub-advisory relationships.

Research and Other Benefits

Although not a material consideration when determining whether to recommend that a Client utilize the services of a particular broker-dealer/ custodian, Spectrum may receive from Schwab (or another broker-dealer/ custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Spectrum to better monitor and service Client accounts maintained at such institutions. Included within the support services that may be obtained by Spectrum may be investment-related research, pricing information and market data, software and other technology that provide access to Client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Spectrum in furtherance of its investment advisory business operations.

Additionally, Ryan L. Kelly, the President/Chief Executive Officer of Spectrum serves on the Schwab Advisor Services Advisory Board (the "Advisory Board"). As described above in Item 12 of this Form ADV, Spectrum may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab") and/or its affiliates to maintain custody of the clients' assets and effect trades for their accounts. The Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. Generally, Board members serve for two-year terms with Mr. Kelly's term anticipated to end January 4th, 2026. Advisory Board members enter into a nondisclosure agreement with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (symbol SCHW). The Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Advisory Board members' travel, lodging, meals, and other incidental expenses incurred in attending Advisory Board meetings. Schwab may also provide members of the Advisory Board a fee waiver for attendance at Schwab conferences such as IMPACT.

As indicated above, certain of the support services and/or products that may be received may assist Spectrum in managing and administering Client accounts. Others do not directly provide such assistance,

but rather assist Spectrum to manage and further develop its business enterprise. Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Spectrum's Clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Spectrum to Schwab or any other entity to invest any specific amount or percentage of Client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Brokerage for Client Referrals

Neither Spectrum, any related person, nor any of its employees receives Client referrals from a broker-dealer or third party as a result of having selected a certain broker-dealer or third party to execute Client trades.

Directed Brokerage

A Client may direct Spectrum to use a particular broker-dealer (subject to Spectrum'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 Spectrum will not negotiate commissions on the Client's behalf, 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 Spectrum (which might allow Spectrum to negotiate volume commission discounts). As a result, the 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 the Client directs Spectrum to effect securities transactions for the Client's accounts through a specific broker-dealer, the Client correspondingly acknowledges that such direction may cause the account(s) to incur higher commissions or transaction costs than the accounts would otherwise incur had the Client determined to effect account transactions through alternative clearing arrangements that may be available through Spectrum. Additionally, Spectrum has a potential conflict between the Client's interest in obtaining best execution and its receiving future referrals from the designated brokers. For the reasons described above, Spectrum may not be obtaining best execution in directed brokerage transactions.

Aggregation and Allocation of Transactions

Spectrum may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for its Clients and is consistent with the disclosures made to Clients and terms defined in the Client's investment advisory agreement. Spectrum may aggregate trades in like securities among Client accounts as well as with accounts of Spectrum and our personnel. No Client will be favored over any other Client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day. At Spectrum's

discretion, all accounts will pay their individual transaction costs or will share in the aggregate transaction costs on a pro-rata basis.

Spectrum believes that by combining orders in this way, it will be advantageous to all participants. However, the average price could be less advantageous to a particular Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants.

Before entering an aggregated order for equities (or fixed income if the following procedure is feasible), Spectrum will generally create a pre-trade order specifying how we intend to allocate the order among the participating accounts. For other types of fixed income, it will establish an order for aggregation based on such factors as the prospective effect on Client accounts' average duration and credit quality, as well as the available cash in Client accounts. If the aggregated order is filled entirely, Spectrum will allocate shares among Clients according to the pre-trade order; if the order is partially filled, we will allocate it pro-rata according to the pre-trade order or on a different basis so long as all Client accounts receive fair and equitable treatment.

ITEM 13 - REVIEW OF ACCOUNTS

Managed Account Reviews

For those Clients for whom Spectrum provides investment advisory services, account reviews are conducted on an ongoing basis by Spectrum's Principals and/or its Associated Persons. All Clients are advised that it remains their responsibility to advise Spectrum of any changes in their investment objectives and/or financial situation. All Clients are encouraged to review financial planning issues, investment objectives and account performance with Spectrum on an annual basis.

Account Reporting

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for their account(s) at least quarterly. For those Clients for whom Spectrum provides investment advisory services, Clients may elect to access their account information through an online portal that reflects current account positions and balances and provides an electronic report summarizing account performance for each quarter-end. For Clients who do not elect to use the online portal, Spectrum provides a written summary of account performance along with reports summarizing account positions and balances at the end of each quarter. Clients are encouraged to compare the account statements they receive from Spectrum or provided through the portal with the account statements they receive from the custodian. Please contact Tony Jung at 949-717-3400 or the custodian if you have any questions about either of the account statements that you receive.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under **Item 12 – Brokerage Practices**. The availability to us of Schwab's products and

services is not based on us giving particular investment advice, such as buying particular securities for our clients.

If an unaffiliated person introduces a client to Spectrum, we may compensate that promoter through direct or indirect compensation in accordance with the requirements of Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Spectrum pays any referral fee to the promoter from our standard investment advisory fee.

The promoter will disclose at the time of the solicitation whether they are or are not a current client of the firm; whether they will receive any cash or non-cash compensation for the referral; and a statement that the receipt of compensation for a referral creates a conflict of interest. In addition, the promoter will provide each prospective client with a copy of a written disclosure statement disclosing the terms and conditions of the arrangement between Spectrum and the promoter, including the compensation the promoter will receive from Spectrum and any material conflicts of interest on the part of the promoter as a result of the referral arrangement.

Spectrum may refer clients to unaffiliated professionals for specific needs, such as accountants, attorneys, or real estate brokers. In turn, these professionals may refer clients to Spectrum for investment management and financial planning needs. We do not have any formal arrangements with individuals or companies that we refer clients to, and we do not receive or offer compensation for these referrals. However, it could be concluded that Spectrum is receiving an indirect economic benefit from this practice, as the relationships may be mutually beneficial.

ITEM 15 - CUSTODY

Clients will engage an independent broker-dealer/custodian to maintain their account(s) and, as such, Spectrum will not have physical custody of Client assets, monies or securities. However, since Spectrum may withdraw investment advisory fees directly from Clients' accounts, as described in **Item 5 - Fees and Compensation**, above, Spectrum is considered to have custody in a limited capacity. Again, this custody is due solely to the direct withdrawal of fees and does not entail all of the same legal and regulatory requirements as an independent investment adviser with physical custody of Clients' assets, monies or securities. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement. How statements are sent by both the broker-dealer/custodian and Spectrum are also discussed in **Item 13 – Review of Accounts**, above.

Spectrum is also deemed to have custody of clients' funds or securities when clients have standing written authorizations with their custodian to move money from a client's account to a third-party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers to those specifically authorized account(s) with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow.

ITEM 16 - INVESTMENT DISCRETION

Currently, Spectrum allocates Client investment assets on a discretionary or non-discretionary basis among various individual equity and fixed income securities and mutual funds, in accordance with the Client's designated investment objective(s). In the event that the Client requests that Spectrum recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those Clients that may direct Spectrum to use a specific broker-dealer/custodian), Spectrum generally recommends that investment advisory accounts be maintained at Schwab. Prior to engaging Spectrum to provide investment advisory services, the Client will be required to enter into a formal Investment Advisory Agreement with Spectrum setting forth the terms and conditions under which Spectrum shall manage the Client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian that provides the necessary power of attorney agreeing to allow Spectrum to execute certain transactions in Client accounts.

Certain Client-imposed conditions may limit our discretionary authority, such as where the Client prohibits transactions in specific security types or directs Spectrum to execute transactions through specific broker-dealers. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4*** and ***Item 12 – Brokerage Practices***, above.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Voting

Unless a Client directs otherwise, in writing, Spectrum shall be responsible for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the assets. Spectrum and/or the Client shall correspondingly instruct each custodian of the assets to forward to Spectrum copies of all proxies and shareholder communications relating to the assets. Spectrum maintains written proxy voting guidelines in an effort to confirm that shares are voted in the best interest of Clients and the value of the investment. It may, in some cases, vote a proxy contrary to our guidelines if it determines that such action is in the best interests of Clients. To the extent any conflict of interest is presented, if ever, Spectrum will maintain information pertaining to how it addressed the conflict. Spectrum shall monitor corporate actions of individual issuers and investment companies consistent with Spectrum's fiduciary duty to vote proxies in the best interests of its Clients. With respect to individual issuers, Spectrum may be solicited to vote on matters including corporate governance and adoption or amendments to compensation plans (including stock options) and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Spectrum may be solicited to vote on matters including the approval of advisory contracts, distribution plans and mergers. Spectrum shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c)(2) under the Advisers Act. In addition, a copy of Spectrum's proxy voting policies and procedures or information pertaining to how Spectrum voted on any specific proxy issue is also available upon written request to Tony Jung at the address on the cover page of this brochure.

Class Actions

Spectrum does not instruct or give advice to Clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the Client's behalf. Spectrum will not proactively monitor class actions or file on behalf of Clients. However, if a Client notifies Spectrum that they wish to participate in a class action, it will assist the Client with filing a proof of claim in the class action.

ITEM 18 - FINANCIAL INFORMATION

Spectrum does not require or solicit the prepayment of more than \$1,200.00 in fees per Client, six months or more in advance, and therefore Spectrum is not required to provide a copy of its Balance Sheet in this section.

Spectrum has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Form ADV, Part 2B Brochure Supplement

Individuals covered by this supplement:

Ryan Kelly
Tony Jung
Nancy Howard
Michael Ottman
Roland Kelly
Mitchel Needelman
Lisa Sharp
Ty Neubauer
Chester Needelman

Spectrum Asset Management, Inc.

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Newport Beach, CA 92660-2453
Phone: 949-717-3400 Facsimile: 949-717-3410
www.myspectrum.com

March 14, 2024

This brochure supplement provides information about the individuals listed above that supplements the Spectrum Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Tony Jung at 949-717-3400 or tony@myspectrum.com if you did not receive Spectrum Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement. Additional information about the individuals listed above is available on the SEC's website at www.adviserinfo.sec.gov.

Ryan Kelly

Ryan Kelly, Chief Executive Officer, President, Investment Counselor, Principal, Director, Portfolio Strategist, Marketing Director, b. 1968

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- University of California, BA Political Science, 1990

Business Background:

- Spectrum Asset Management, Inc., Chief Executive Officer, President, Investment Counselor, Principal, Director, Portfolio Strategist, Marketing Director, 1/1999 – present
- Spectrum Asset Management, Inc., Marketing Director, Vice President, Investment Counselor, Portfolio Strategist, Principal, Director, 11/90 – 1/1999

ITEM 3 - DISCIPLINARY INFORMATION

Ryan Kelly has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Ryan Kelly's only investment-related business is providing investment advice through Spectrum Asset Management, Inc. He is the sole owner of Spartan Strategies, Inc., a company that provides consulting services to and earns compensation from Spectrum Asset Management, Inc. Spartan Strategies, Inc. does not solicit or provide services to Spectrum Asset Management clients.

Additionally, Ryan Kelly also serves on the Schwab Advisor Services Advisory Board (the "Advisory Board"). The Advisory Board consists of representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients with board members generally serving for two-year terms. The Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Advisory Board members' travel, lodging, meals, and other incidental expenses incurred in attending Advisory Board meetings. Schwab may also provide members of the Advisory Board a fee waiver for attendance at Schwab conferences such as IMPACT.

ITEM 5 - ADDITIONAL COMPENSATION

Ryan Kelly does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. To the extent required by Spectrum Asset Management, Inc.'s Code of Ethics, Tony Jung, Chief Compliance Officer, reviews Ryan Kelly's personal trading. Tony Jung can be reached at 949-717-3400.

Tony Jung

Tony Jung, COO, CCO, Senior Vice President-Research, b. 1972

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- UC Santa Barbara, BA Law & Society, 1995

Business Background:

- Spectrum Asset Management, Inc., COO & CCO, 1/13 to present
- Spectrum Asset Management, Inc., Senior Vice President-Research, 2/01 to present
- Prudential Securities, Financial Advisor, 5/99 – 1/01

ITEM 3 - DISCIPLINARY INFORMATION

Tony Jung has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Tony Jung's only business is providing investment advice through Spectrum Asset Management, Inc.

ITEM 5 - ADDITIONAL COMPENSATION

Tony Jung does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. Ryan Kelly can be reached at 949-717-3400.

Nancy Howard

Nancy Howard, Executive Vice President, b. 1945

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- California State University, BS Business/Accounting, 1966
- CERTIFIED FINANCIAL PLANNER™ (CFP®), 1987
- College for Financial Planning, Denver, CO
- Certified Public Accountant (CPA) (inactive), 1968
- CA Life Insurance License, 1988-Present

Business Background:

- Spectrum Asset Management, Inc., Executive Vice President, 2012 to present
- Harrigan & Howard Financial Advisors, LLC, Principal, 1997 – 2011
- Howard Financial Advisory, Certified Financial Planner (CFP®), 1993 – 1996
- Innovative Financial Planning, Certified Financial Planner (CFP®), 1987 – 1993

Professional Designations:

Nancy Howard has earned the following certifications and credentials:

CERTIFIED FINANCIAL PLANNER™ (CFP®)

Certified Financial Planners are licensed by the CFP Board to use the CFP mark®. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct.

Nancy Howard passed the CPA examination in 1968; however, she is not currently licensed as a CPA.

Certified Public Accountant (CPA)

Certified Public Accountants are licensed in the state of California by the California Board of Accountancy.

CPA certification requirements:

- Bachelor's degree from an accredited college or university
- 24 semester units in accounting-related subjects
- 24 semester units in business-related subjects
- Passing the Uniform CPA Exam
- Two years of general accounting experience supervised by a CPA with an active license
- Passing an ethics course

ITEM 3 - DISCIPLINARY INFORMATION

Nancy Howard has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Nancy Howard's only business is providing investment advice through Spectrum Asset Management, Inc. Ms. Howard has an active insurance license, but does not actively pursue insurance business.

ITEM 5 - ADDITIONAL COMPENSATION

In connection with the closing of Harrigan & Howard Financial Advisors, LLC, Nancy Howard receives solicitor payments for referring a small number of former clients to an independent investment advisory firm. The amount of the referral payments is minimal, and Ms. Howard is not currently involved in any solicitation activities.

While Ms. Howard does not actively pursue insurance business, opportunities may arise through which she could participate in an insurance transaction and receive related compensation. Though Spectrum will not participate directly in the commission, a conflict of interest exists due to Ms. Howard being compensated via commissions from the sale of an insurance product. The insurance commissions are separate from and in addition to any fees that Spectrum receives for advisory services. Clients are under no obligation to act on any insurance recommendations or place any transactions if they decide to follow her recommendations.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. Ryan Kelly can be reached at 949-717-3400.

Michael Ottman

Michael Ottman, Executive Vice President, b. 1962

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- California State University, BS Business Finance, 1986
- CERTIFIED FINANCIAL PLANNER™ (CFP®), 1994
- College for Financial Planning, Denver, CO
- CA Life Insurance License
- HI Life Insurance License

Business Background:

- Spectrum Asset Management, Inc., Executive Vice President, 2013 to present
- Ottman Financial Group, Inc., Principal, 2009 – 2013
- Jeanco Financial, Inc., Investment Adviser Representative, 2006 – 2009
- Royal Alliance, Registered Representative, 1996 – 2009
- Ottman Financial Services, Principal, 1986 – 2006
- Transamerica Financial Resources, Inc., Registered Representative, 1992 – 1996
- IDS Financial Services, Inc., Registered Representative, 1986 – 1992

Professional Designations:

Michael Ottman has earned the following certifications and credentials:

CERTIFIED FINANCIAL PLANNER™ (CFP®)

Certified Financial Planners are licensed by the CFP Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct.

ITEM 3 - DISCIPLINARY INFORMATION

Michael Ottman has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Michael Ottman's only business is providing investment advice through Spectrum Asset Management, Inc. and insurance activities described below.

ITEM 5 - ADDITIONAL COMPENSATION

Mr. Ottman is a licensed insurance agent and may from time to time make referrals of both non-Spectrum clients and Spectrum clients to outside insurance professionals and/or receive an insurance “commission split” in the form of one-time payments or insurance trailers. Though Spectrum will not participate directly in the commission, a conflict of interest exists due to Mr. Ottman being compensated via a partial commission from the sale of an insurance product either directly or thru his former firm. The insurance commissions are separate from and in addition to any fees that Spectrum receives for advisory services. Clients are under no obligation to act on any insurance recommendations or place any transactions through the recommended insurance professionals if they decide to follow their recommendations.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. Ryan Kelly can be reached at 949-717-3400.

Roland Kelly

Roland Kelly, Chairman, Investment Counselor, Principal, Director, b. 1930

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- East Los Angeles Community College
- California State University, BA Economics, 1956
- Pepperdine University, MBA, 2010

Business Background:

- Spectrum Asset Management, Inc., Chairman, Chief Investment Officer, Investment Counselor, Principal, Director, 1/90 to present
- Spectrum Asset Management, Inc., Director, CEO, President, Investment Counselor, Portfolio Strategist, 9/87 – 1/90
- Argus Investment Management, Inc., Director, CEO, President, Investment Counselor, Portfolio Strategist, 8/76 – 9/87

ITEM 3 - DISCIPLINARY INFORMATION

Roland Kelly has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Roland Kelly's only business is providing investment advice through Spectrum Asset Management, Inc.

ITEM 5 - ADDITIONAL COMPENSATION

Roland Kelly does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. Ryan Kelly can be reached at 949-717-3400.

Mitchel Needelman

Mitchel Needelman, Principal, Chief Investment Officer, and Senior Portfolio Manager, b. 1971

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- San Diego State University, BA, 1996
- CHARTERED FINANCIAL ANALYST™ (CFA®), 2001
- University of California, Irvine, MBA, 2005

Business Background:

- Spectrum Asset Management, Inc., Principal and Senior Portfolio Manager, 2018 to present
- Needelman Asset Management, Inc., President, 2002 to present
- Brandes Investment Partners, L.P., Research Associate, Research Systems Coordinator, 1995 – 2002

Professional Designations:

Mitchel Needelman has earned the following certifications and credentials:

CHARTERED FINANCIAL ANALYST™ (CFA®)

The Chartered Financial Analyst (“CFA”) designation is sponsored by CFA Institute. To earn a CFA charter, candidates must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The three proctored course exams correspond to three 250-hour self-study levels. Completing the Program takes most candidates between two and five years. More information regarding the CFA is available at <https://www.cfainstitute.org>.

ITEM 3 - DISCIPLINARY INFORMATION

Mitchel Needelman has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Mitchel Needelman’s only business is providing investment advice through Spectrum Asset Management, Inc. and Needelman Asset Management, Inc., a wholly owned subsidiary of Spectrum Asset Management, Inc.

ITEM 5 - ADDITIONAL COMPENSATION

Mitchel Needelman does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. Ryan Kelly can be reached at 949-717-3400.

Lisa Sharp

Lisa Sharp, Vice President Client Relations, b. 1969

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- Loyola Marymount, BA Business Finance, 1992
- CERTIFIED FINANCIAL PLANNER™ (CFP®), 2018

Business Background:

- Spectrum Asset Management, Inc., Vice President Client Relations, 05/04 to present

Professional Designations:

Lisa Sharp has earned the following certifications and credentials:

CERTIFIED FINANCIAL PLANNER™ (CFP®)

Certified Financial Planners are licensed by the CFP Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct.

ITEM 3 - DISCIPLINARY INFORMATION

Lisa Sharp has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Lisa Sharp's only business is providing investment advice through Spectrum Asset Management, Inc.

ITEM 5 - ADDITIONAL COMPENSATION

Lisa Sharp does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Tony Jung is the COO, CCO, and Senior Vice President-Research of Spectrum Asset Management, Inc. and is responsible for supervising Lisa Sharp's activities. Tony Jung can be reached at 949-717-3400.

Ty Neubauer

Ty Neubauer, Research and Financial Planning Associate, b. 1993

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- University of California, Riverside, BA Business Economics, 2017

Business Background:

- Spectrum Asset Management, Inc., Research and Financial Planning Associate, 01/12 to present

ITEM 3 - DISCIPLINARY INFORMATION

Ty Neubauer has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Ty Neubauer's only business is providing investment advice through Spectrum Asset Management, Inc.

ITEM 5 - ADDITIONAL COMPENSATION

Ty Neubauer does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Tony Jung is the COO, CCO, and Senior Vice President-Research of Spectrum Asset Management, Inc. and is responsible for supervising Ty Neubauer's activities. Tony Jung can be reached at 949-717-3400.

Chester Needelman

Chester Needelman, Of Counsel, b. 1943

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Education:

- California State University, Northridge, BS Business Administration, 1965

Business Background:

- Spectrum Asset Management, Inc., Of Counsel, 2018 to present
- Needelman Asset Management, Inc., Chief Executive Officer, 2002-2018
- Palley-Needelman Asset Management, Inc., Chief Executive Officer, 1985 – 2002

ITEM 3 - DISCIPLINARY INFORMATION

Chester Needelman has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Chester Needelman's only business is providing investment advice through Spectrum Asset Management, Inc. and Needelman Asset Management, Inc., a wholly owned subsidiary of Spectrum Asset Management, Inc.

ITEM 5 - ADDITIONAL COMPENSATION

Chester Needelman does not receive an economic benefit from anyone who is not a Client for providing advisory services.

ITEM 6 - SUPERVISION

Ryan Kelly is the CEO of Spectrum Asset Management, Inc. and supervises all employees. Ryan Kelly can be reached at 949-717-3400.