

Needelman Asset Management, Inc.
1301 Dove Street, Suite 970
Newport Beach, CA 92660-2453
Phone: 949-717-3400
Fax: 949-717-3410

This brochure provides information about the qualifications and business practices of Needelman 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 Needelman Asset Management, Inc. or any person associated with Needelman Asset Management, Inc. has achieved a certain level of skill or training.

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

Firm Brochure
(Part 2A of Form ADV)

May 16, 2018

Item 2: Material Changes

The purpose of this page is to inform you, when amending our brochure for the annual update, of material changes since the previous annual update to this brochure. Since this is not an annual updating amendment, this section is not applicable at this time.

Item 3: Table of Contents

ITEM 1: Cover Page

ITEM 2: Material Changes

ITEM 3: Table of Contents

ITEM 4: Advisory Business.....Page 1 – 2

Item 2: Material Changes	ii
Item 4: Advisory Business	1
Item 5: Fees and Compensation	2
Item 6: Performance-Based Fees.....	3
Item 7: Types of Clients	3
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9: Disciplinary Information.....	6
Item 10: Other Financial Industry Activities and Affiliations	6
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
Item 12: Brokerage Practices	7
Item 13: Review of Accounts.....	8
Item 14: Client Referrals and Other Compensation.....	9
Item 15: Custody	9
Item 16: Investment Discretion	9
Item 17: Voting Client Securities.....	10
Item 18: Business and Financial Information	10

Item 4: Advisory Business

Firm Description and Principal Owners

Needelman Asset Management, Inc. generally provides investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, tax and estate issues and investment advisory management.

Needelman Asset Management, Inc. is strictly a fee-only financial advisory and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is provided with Needelman Asset Management, Inc. making the final decision on investment selection. Needelman Asset Management, Inc. does not act as a custodian of client assets. The client always maintains asset control. Needelman Asset Management, Inc. places trades for clients under a limited power of attorney.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial advice and investment management may be beneficial to the client.

Needelman Asset Management, Inc.'s founding dates to 1973 as Inland Financial Corporation. The company's name and management changed in 1985 to Palley-Needelman Asset Management, Inc. and again in 2002 to Needelman Asset Management, Inc.

The sole shareholder of Needelman Asset Management, Inc. is Spectrum Asset Management, Inc., an SEC-registered investment adviser, whose principal owner is Ryan L. Kelly.

The goals and objectives for each client are documented in our client relationship management system. Investment policy is created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Needelman Asset Management, Inc. provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues market letters.

On an occasional basis, Needelman Asset Management, Inc. furnishes advice to clients on matters not involving securities, such as financial matters and taxation issues.

As of March 31, 2018, Needelman Asset Management, Inc. managed on a discretionary basis \$112,497,723 in assets for 38 accounts.

Item 5: Fees and Compensation

The minimum annual fee for an Investment Management Agreement is \$2,500.00 and is not negotiable.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

Equity and Balanced Accounts

1.00% on the first \$3 million of portfolio value.

3/4 of 1% on the next \$7 million of portfolio value.

1/2 of 1% on the remaining balance

\$5,000 minimum annual fee.

\$2,500 minimum annual fee for related second accounts.

Fixed Income Accounts

1/2 of 1% on the first \$10 million of portfolio value.

Negotiable rate over \$10 million.

\$5,000 minimum annual fee.

\$2,500 minimum annual fee for related second accounts.

Fee schedules are subject to change upon 30-day notice. Services are continuous, but may be canceled by either party at any time by written notice. Fees paid in advance will be refunded on a pro rata basis to the date of termination. Existing accounts may be paying fees at a rate higher or lower than current posted rates. The factors considered in negotiating a fee higher or lower than our standard fee schedule are geography, type of account, size of account, client servicing, administrative requirements, competition and market conditions. Fees charged may be higher or lower than other investment advisors. On occasion, Needelman Asset Management works with brokers who charge their clients a fee rather than a commission. Exceptions to the above may be made depending on the circumstances. Needelman Asset Management, Inc. bases its fees on a percentage of assets under management. Minimum fees are not negotiable.

Needelman Asset Management, Inc. reserves the right to stop work on any account that is more than 60 days overdue. In addition, Needelman Asset Management, Inc. reserves the right to terminate any financial advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Needelman Asset Management, Inc.'s judgment, to providing proper financial advice.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client

account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee the custodian charges to buy or sell the security.

Needelman Asset Management, Inc., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Needelman Asset Management, Inc.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Pre-Payment of Fees

Needelman Asset Management, Inc. does not serve as a custodian for client funds or securities and does not require pre-payment of fees of more than \$500.00 per client and 6 months in advance. Any unused portion of fees collected in advance will be refunded within 7 days of termination.

Other Compensation

Needelman Asset Management, Inc. or any of its supervised persons do not accept compensation from 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

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Needelman Asset Management, Inc. does not use a performance-based fee structure.

Item 7: Types of Clients

Description and Account Minimums

Needelman Asset Management, Inc. generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities.

Client relationships vary in scope and length of service.

The minimum account size is \$500,000.00 of assets under management, which equates to an annual fee of \$5,000.00.

Needelman Asset Management, Inc. has the discretion to waive the account minimum. Accounts of less than \$500,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000.00 within a reasonable time. Other exceptions will apply to employees of Needelman Asset Management, Inc. and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$2,500.00 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis and technical analysis. The primary method of security analysis used is fundamental analysis. We purchase securities that are undervalued on the basis of income statement and balance sheet analysis, historical perspective, industry position and consistency of performance. Particular attention is paid to understated asset values and changing industry economics. Some application is made of stock market cycles to serial economic forecasting. The main sources of information include financial databases, newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other principal sources of investment information include the internal analysis of the company, Federal Reserve and other governmental agency reports and publications, general media information, press releases and company shareholder material.

All investment programs involving equities and fixed income have certain risks that clients should be prepared to take.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client may execute an Investment Policy Statement or letter that documents their objectives and their desired investment strategy.

The intent of each security purchase or sale is to meet the objectives of the client as outlined in our management agreement. A client may impose limits on our discretionary authority as to industry or security selection at any time.

We are a risk-averse manager investing primarily in large, well known companies that tend to pay above average dividends, have good balance sheets and income statements. Our primary considerations are preservation of capital, growth of principal and current income.

The magnitude of each purchase is determined by the size and objective of the client's account. Each account is diversified by industry and security, and extreme

concentration of positions is discouraged. No time constraints are placed on portfolio holdings. However, a security is usually held for at least one year.

Where there are no restrictions against them, foreign issues may be purchased for accounts. These are usually purchased as American Depositary Receipts (ADRs), which trade on U.S. exchanges or may be purchased as "ordinary" shares (ORDs), which trade on foreign exchanges.

Investments in securities of foreign issuers involve greater risks and have considerations not generally associated with securities of U.S. issuers. These risks include, but are not limited to, currency fluctuations, political and economic risks (including nationalization and expropriation), less-stringent or absence of generally accepted accounting standards, reduced levels of publicly available information concerning issuers, and reduced levels of government regulation of foreign markets. Also, in certain emerging markets, concerns such as limited liquidity and small market capitalization of issuers, as well as currency devaluation, high inflation, and repatriation restrictions should be considered.

Trades on foreign exchanges may incur greater charges than trades on U.S. exchanges. Foreign equities may be subject to withholding taxes on dividends from the country of origin. These taxes typically range from 15-25% and under some circumstances may not be refundable.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its

income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Legal and Disciplinary

Neither Needelman Asset Management, Inc. nor its employees have ever been involved in any criminal or civil action related to past or present clients.

Neither Needelman Asset Management, Inc. nor its employees have ever been involved in any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority related to past or present clients.

Neither Needelman Asset Management, Inc. or its employees have ever been involved in any Self Regulatory Organization proceedings related to past or present clients.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Needelman Asset Management, Inc. is related to Spectrum Asset Management, Inc. ("Spectrum"). Spectrum is the sole owner of Needelman Asset Management, Inc., and certain individuals split their time between the firms as needed. Needelman Asset Management, Inc. and Spectrum have no other relationships or agreements with each other.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

As an SEC-registered adviser, Needelman Asset Management, Inc. is required by rule 204A-1 to have adopted a Code of Ethics acknowledged by all persons associated with the firm that clearly states the firm'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 Needelman Asset Management, Inc. and its Clients and establishes policies and procedures that require the firm and all employees to place the interest(s) of the client(s) first.

The Code of Ethics provides a very strict framework for all employees 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 employee of Needelman Asset Management, Inc. shall be at the detriment of any client. A copy of the Code of Ethics is available to any client or prospective client upon request.

Participation or Interest in Client Transactions

Needelman Asset Management, Inc. and its employees do not buy, sell or recommend to clients securities in which it has a significant material financial interest.

Personal Trading

Needelman Asset Management, Inc. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

Item 12: Brokerage Practices

Brokerage for client referrals

Needelman Asset Management, Inc. does not choose brokers on the basis of client referrals.

Directed Brokerage

Needelman Asset Management, Inc. does not have formal commission arrangements or affiliations with any brokerage firm. The client may choose any broker to handle their securities transactions at a rate which the client has negotiated with the broker. However, if Needelman Asset Management selects the broker to handle transactions, the selection is based on the overall reasonableness of brokerage commissions, taking into consideration research, execution, account maintenance, and back office proficiency. Brokerage commissions paid are evaluated against an industry standard charged by institutional and full-service retail brokerage houses. Allowances are made for superior research product as to the adequacy of commissions paid. Therefore, clients of Needelman Asset Management may pay a brokerage commission in excess of that which another broker may charge for effecting the same transaction in recognition of the value of various services provided by the broker. Initial commission rates may be negotiated with the client depending on size of the account, market conditions, account objectives and client wishes. Clients may be able to execute trades at lower rates than their negotiated rates.

When we are directed by a client to use a specified broker, we will not generally attempt to negotiate commissions with the broker on the client's behalf. A client that restricts brokerage to a particular broker or dealer should consider that such a designation may result in higher commissions or less favorable execution of its transactions than would be the case if we were free to use other brokers or negotiate commissions with the designated broker. The client should also take into consideration that, if the client were referred to us by the broker, we have a potential conflict of interest between obtaining best execution of the client's transactions by negotiating for lower commissions and receiving future referrals from the broker.

Best Execution

Needelman Asset Management, Inc. reviews the execution of trades at each custodian. Trading fees charged by the custodians are also reviewed. Needelman Asset Management, Inc. does not receive any portion of the trading fees.

Order Aggregation

To achieve optimal execution and lower transaction costs, we may aggregate orders for groups of accounts in order to trade sizable blocks of securities. In some instances, such aggregate orders are done with a single broker and “stepped out” to the directed brokers for each account. “Step Outs” mean grouping orders together, executing the trade with a firm who is controlling the activity in a particular stock and “stepping out” (handing over the trade) to the directed brokers who issue the confirms. Clients’ directed brokerage firms meet the executing broker in an electronic comparison system where the trade is passed to the directed brokerage firm by the executing broker. In such circumstances, each client account involved participates in the aggregate order at the average price per share. This process allows more stock to be traded at an average price shared by all accounts involved. The names of the executing broker-dealers are available upon request. The executing broker-dealers may or may not be a market maker in the particular stock traded. In instances where we execute principal trades in over-the-counter (OTC) securities through a step-out arrangement, it is possible the execution may result in the client paying both a mark-up and a commission on their transaction. Any mark-up is usually minimal and the price is the same as if the trade was done on an agency basis. Every effort is made to find a “natural” buyer/seller for OTC trades where mark-ups should not be charged. Trade commissions generated from clients who have not directed us to use a particular broker may be used to pay for research-related services qualified under Section 28(e) of the Securities and Exchange Act of 1934 and will be the sole source of funding for these research-related services.

Item 13: Review of Accounts

Periodic Reviews

Besides a daily transaction register, account reviews are performed monthly or quarterly by Mitchel Needelman, President. Account reviews are performed more frequently when dictated by market conditions, new industry and security information or by client request.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive economic/market commentary on at least a quarterly basis. Advisory Service Agreement clients and Investment Management clients receive written

quarterly updates. The written updates may include a portfolio statement, and the progress towards meeting client objectives.

Item 14: Client Referrals and Other Compensation

Incoming Referrals

Needelman Asset Management, Inc. has been fortunate to receive many client referrals over the years. The referrals may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Needelman Asset Management, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15: Custody

Clients will engage an independent broker-dealer/custodian to maintain their account(s) and, as such, Needelman Asset Management, Inc. will not have physical custody of client assets, monies or securities. However, since Needelman Asset Management, Inc. may withdraw investment advisory fees directly from clients' accounts, Needelman Asset Management, Inc. 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.

Needelman Asset Management, Inc. 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

Discretionary Authority for Trading

Needelman Asset Management, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Needelman Asset Management, Inc. has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. Needelman Asset Management, Inc. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Item 17: Voting Client Securities

Proxy Votes

Unless the client designates otherwise, Needelman Asset Management, Inc. votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. Our proxy voting policy generally focuses on five types of management proposals.

In matters of capital structure Needelman Asset Management, Inc. will vote in favor of proposals that serve legitimate business purposes and promote the shareholder's best interest. Needelman Asset Management will vote against proposals that diminish shareholder rights without fair compensation and grant management and boards open discretion to change the capital structure without shareholder approval.

Needelman Asset Management's policy of anti-takeover measures is as follows: Needelman Asset Management believes shareholders should have the right to make decisions regarding changes in corporate control. Needelman Asset Management normally will vote against proposals that make it more difficult for shareholders to approve mergers, acquisitions and related corporate restructurings.

Needelman Asset Management's policy concerning management compensation is as follows: Needelman Asset Management believes the purpose of executive compensation plans should be to reward and motivate eligible executives. Needelman Asset Management normally will vote against proposals for executive stock plan options, severance agreements (golden parachutes) and other compensation proposals deemed to be excessive.

Needelman Asset Management believes corporate social responsibility is good business and normally will vote in favor of proposals that encourage corporations to act in a socially responsible way.

Clients may contact our office should they wish to direct their vote in a particular solicitation. Clients may obtain information with respect to how we voted their securities by contacting our office.

A copy of Needelman Asset Management, Inc.'s proxy voting policy is available upon request.

Item 18: Business and Financial Information

Financial Condition

Needelman Asset Management, Inc. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200.00 per client and six months or more in advance.