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**1/28/2011**

**FORM ADV PART 2  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Spectrum Financial Strategies, Inc. If you have any questions about the contents of this brochure, please contact us at 203-248-8587. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about Spectrum Financial Strategies, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Spectrum Financial Strategies, Inc. is 106419.**

**Spectrum Financial Strategies, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>4</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>5</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>5</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss .....</i></b>	<b><i>6</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>8</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>9</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>9</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>10</i></b>
<b><i>Review of Accounts .....</i></b>	<b><i>11</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>11</i></b>
<b><i>Custody .....</i></b>	<b><i>12</i></b>
<b><i>Investment Discretion.....</i></b>	<b><i>12</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>12</i></b>
<b><i>Financial Information.....</i></b>	<b><i>13</i></b>
<b><i>Additional Information.....</i></b>	<b><i>13</i></b>

## Advisory Business

Form ADV Part 2A, Item 4

### **Description of Services and Fees**

Spectrum Financial Strategies, Inc. is a registered investment adviser based in Hamden, Connecticut. We are organized as a Sub-Chapter S Corporation under the laws of the State of Connecticut. We have been providing investment advisory services since 1995. Bryan P. Bogen is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning and Consulting Services**
- **Selection of Other Advisers/Genworth Financial Wealth Management**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words “we”, “our” and “us” refer to Spectrum Financial Strategies, Inc. and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

### **Financial Planning and Consulting Services**

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You may only require advice on a single aspect of the management of your financial resources. In these instances we offer financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern depending on your unique circumstances.

In general, the financial plan will address any or all of the following areas of concern:

- Personal – Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow – Income tax and spending analysis and planning for past, current and future years. We will illustrate the impact of various investments on your current income tax and future tax liability.
- Death & Disability – Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement – Analysis of current strategies and investment plans to help you achieve your retirement goals.
- Investments – Analysis of investment alternatives and their effect on your portfolio.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Typically we charge a fixed fee for financial planning services, which generally ranges between \$450 and \$4,500. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. An estimate of the total fee will be determined at the start of the advisory relationship depending upon the scope and complexity of the financial planning services requested. Generally we require

you to pay an initial retainer of 20% of the estimated financial planning fee in advance of any services rendered. The remaining balance is invoiced and payable upon completion of the written plan. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

Hourly consulting services are offered at a negotiable hourly rate ranging from \$125 to \$185. Hourly consulting fees are due upon conclusion of the consulting services. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

#### **Selection of Other Advisors/Genworth Financial Wealth Management**

We offer an asset allocation system through Genworth Financial Wealth Management, Inc. ("Genworth Program").

#### **Advisory Services**

Based on information provided by you in an Investor Profile Worksheet, we will assist you in making a determination to open an account. We will assist you in completing the Genworth Program application and agreement as well as any other documents provided by Genworth. As set forth in the Genworth Program application, we will assist you in investing in the Genworth Program, using model portfolios of mutual funds, exchange-traded funds ("ETFs") and variable annuity sub-accounts provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology, and investment strategists. For your investments, we will introduce you to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities.

We do not take any independent discretionary authority over your accounts. We do, however, offer you participation in the Genworth Program, which is more fully described in the Genworth Program Schedule H disclosure document. Model Portfolios composed by a group of independent investment strategists are offered under the Genworth Program, with the different models designed to satisfy a gradient of risk/return assumptions. The independent investment strategists have no direct relationship with either you or our firm, make no analysis of your circumstances or objectives, and do not tailor the models to any of your specific needs.

We assist you in selecting the model portfolio that best suits your objectives. You will then specifically direct the account to be invested in accordance with the chosen model portfolio. When you select the model portfolio, you further direct that the account be automatically adjusted to reflect any allocation changes in the model portfolio by the investment strategist. Your authorization would result in the purchase and sale of certain mutual funds or ETFs (or transfers between variable annuity sub-accounts) without further authorization by you at such time as the investment strategist changes the composition of the selected model portfolio.

#### **Reporting**

You will receive monthly account statements (quarterly for variable annuity accounts) as well as transaction ledgers and quarterly reports showing the performance of your account.

#### **Advisory Fees**

The Genworth program fees charged include the advisory fees due to us as disclosed below in the tiered fee schedule plus program fees and expenses separate and distinct from the advisory fee charged by us. The Genworth Program fees are payable quarterly in advance based on the assets under management and are debited directly from your accounts. We will negotiate and contract with you for an overall investment advisory fee that covers your participation in the Genworth Program.

In the event that, due to the transfer of assets from another custodian, the actual amount of assets in the account at the time of the initial investment is more or less than the amount indicated, the fee will be calculated on the actual amount of the initial investment in accordance with the formula described below. The first

quarterly fee is  $\frac{1}{4}$  of the annual fee due for the account.

Either party may terminate the Genworth Program agreement within five days of the date of acceptance without penalty to you. After the five-day period, either party, upon 30 days written notice to the other, may terminate the Genworth Program agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to you.

#### **Mutual Fund Portfolio Fees**

<u>Amount Invested</u>	<u>Maximum Annualized Fee</u>
First \$250,000	1.45%
Next \$250,000	1.30%
Next \$500,000	1.10%
Next \$1,000,000	0.80%
Over \$2,000,000	0.50%

Mutual Fund Portfolios will also incur a \$150 annual account fee charged by the custodian.

#### **Variable Annuity Program Fees**

<u>Amount Invested</u>	<u>Maximum Annualized Fee</u>
First \$250,000	1.65%
Next \$250,000	1.50%
Next \$500,000	1.30%
Next \$1,000,000	1.00%
Over \$2,000,000	0.70%

#### **Exchange Traded Fund (ETF) Portfolio Fees**

<u>Amount Invested</u>	<u>Maximum Annualized Fee</u>
First \$250,000	1.70%
Next \$250,000	1.60%
Next \$500,000	1.40%
Next \$1,000,000	1.10%
Over \$2,000,000	0.75%

#### **Privately Managed Account Solutions Fees**

##### **Individually Managed Accounts**

<u>Amount Invested</u>	<u>Maximum Annualized Fee</u>
First \$250,000	1.70%
Next \$250,000	1.60%
Next \$500,000	1.40%
Next \$1,000,000	1.10%
Over \$2,000,000	0.75%

##### **Privately Managed Account Solutions Fees**

##### **Consolidated Managed Accounts**

<u>Amount Invested</u>	<u>Maximum Annualized Fee</u>
First \$250,000	1.95%
Next \$250,000	1.90%
Next \$500,000	1.85%
Next \$1,000,000	1.80%
Over \$2,000,000	0.80%

For Privately Managed Accounts using Individually Managed Accounts, the Investment Manager Fee, estimated at 0.50% for equity managers, is not part of the Advisory Fee and is billed separately and disclosed separately in Program documents. In addition, custody and trading fees are not included above, and are billed separately by the Custodian, pursuant to the Custodian's fee schedule. For Privately Managed Accounts using Consolidated Managed Accounts, the Advisory Fee is inclusive of Investment Manager Fee but exclusive of the

custody and trading fee

### **Types of Investments**

We primarily offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, and interest in partnerships investing in real estate and oil and gas interests.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

### **Assets Under Management**

As of December 31, 2010, we manage approximately \$62,000,000 in client assets on a non-discretionary basis. We currently do not have any assets under management on a discretionary basis.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through which your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Disclosure Brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Nutmeg Securities, LLC ("Nutmeg"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of Nutmeg. If these persons earn commission on the sale of variable annuities recommended to you, we will not include the annuity accounts in the total value used for our advisory billing/fee computation for 2 years after the annuity contract is sold. After the two-year

period, the value of the annuity sub accounts will be added to the value of your total assets for billing purposes. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm.

Spectrum Financial Strategies, Inc. is a licensed independent insurance agency registered in the State of Connecticut offering life, disability, medical, fixed annuities, and long-term care insurance from a variety of product sponsors. Further, persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

### ***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### ***Types of Clients***

Form ADV Part 2A, Item 7

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

The minimum investment required to open a Genworth Program account is generally \$50,000 for Mutual Fund and Variable Annuity accounts and \$100,000 for ETF and Privately Managed Accounts. Accounts below these minimums may be accepted on an individual basis at our discretion.



## ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information may be analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis – a type of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an



indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we primarily provide advice on all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Commercial Paper (CP) is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default. There is a less risk in asset based commercial paper (ABCP). The difference between ABCP and CP is that instead of being an unsecured promissory note representing an obligation of the issuing company, ABCP is backed by securities. Therefore, the perceived quality of the ABCP depends on the underlying securities.

Certificates of deposit are generally the safest type of investment since they are insured by the federal government. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, more well established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

A real estate investment trust or REIT is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held.

Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012 the IRS will stop permitting stock dividends. Most REITs must refinance or erase large balloon debts this year and next. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point the contract will terminate and the remainder of the fund accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as: mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds, and mutual funds do. Some variable annuities offer "bonus credits". These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges) the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

### ***Disciplinary Information***

Form ADV Part 2A, Item 9

Spectrum Financial Strategies, Inc. has been registered and providing investment advisory services since 1995. Neither our firm nor any of our associated persons has any reportable disciplinary information.

## ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

We have not provided information on any of the other financial industry activities and affiliations listed below because we do not have any relationship or arrangement that is material to our advisory business or to our clients.

1. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
2. other investment adviser or financial planner
3. futures commission merchant, commodity pool operator, or commodity trading advisor
4. banking or thrift institution
5. accountant or accounting firm
6. lawyer or law firm
7. pension consultant
8. real estate broker or dealer
9. sponsor or syndicator of limited partnerships

### **Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Nutmeg, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

### **Arrangements with Affiliated Entities**

In addition to being registered as an investment adviser, our firm is also licensed as an insurance agency. Therefore, persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

As a licensed insurance agency our firm is otherwise regulated by insurance regulators in the jurisdictions in which we do business and as such we must comply with the rules of those agencies. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

### **Recommendation of Other Advisers**

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

Form ADV Part 2A, Item 11

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our

Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Bryan Bogen at 203-248-8587.

#### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

#### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

### ***Brokerage Practices***

Form ADV Part 2A, Item 12

We recommend the brokerage and custodial services of Nutmeg Securities, LLC, and ("Nutmeg") a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that Nutmeg provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by Nutmeg, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services Nutmeg provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

#### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Directed Brokerage**

Persons providing investment advice on behalf of our firm who are registered representatives of Nutmeg will recommend Nutmeg to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from Nutmeg unless Nutmeg provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through Nutmeg. It may be the case that Nutmeg charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Nutmeg, these individuals (in their separate capacities as registered representatives of Nutmeg) may earn commission-based compensation as result of placing the recommended securities transactions through Nutmeg. This practice presents a conflict of interest because these registered representatives have an

incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use Nutmeg, we may not be able to accept your account. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Review of Accounts**

Form ADV Part 2A, Item 13

Bryan Bogen, President of Spectrum Financial Strategies, Inc will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly and upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your current investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with additional or regular written reports as contracted for with the client. The frequency of reports will vary according to your needs and updated reports will generate new tax, cash flow and retirement planning projections, and emphasize uncompleted prior recommendations. Clients participating in the Genworth Program will receive monthly account statements (quarterly in Variable Annuity accounts) and quarterly reports showing the investment performance of their accounts.

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with Nutmeg.

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Nutmeg a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor

Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

### ***Custody***

Form ADV Part 2A, Item 15

If you are in the Genworth Program your fee will be directly debited from your account(s) for the payment of our advisory fees. This ability to deduct advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

We do not take discretion over your account(s). If you are in the Genworth Program you may be granting discretionary authority to manage your assets according to the agreement for this service. For any advice we provide, we will obtain your approval prior to the execution of any transactions for your account(s).

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

#### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## ***Financial Information***

Form ADV Part 2A, Item 18

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## ***Additional Information***

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Bryan Bogen at 203-248-8587, if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.