

Item 1 - Cover Page



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NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of SPI Strategies, LLC. If you have any questions about the contents of this Brochure, please contact us at (510) 268-4850. In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. 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. Registration of a registered investment adviser does not imply any level of skill or training. Additional information about SPI Strategies, LLC (CRD No. 130295) is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

There are no material changes to this document since the last update on February 07, 2019. However, SPI Strategies is no eligible for SEC registration based on assets under management under \$100 Million as of this filing and will convert to a state registered investment advisor. This conversion will have no affect on the services or fee structure.

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (510) 268-4850 or by email at management@spistrategies.com.

Item 3**Table of Contents**

Item		Page
1	Cover Page	1
2	Material Changes	2
3	Table of Contents	3
4	Advisory Business	4
5	Fees and Compensation	5
6	Performance Based Fees and Side-by-Side Management	6
7	Types of Clients	6
8	Methods of Analysis, Investment Strategies and Risk of Loss	6
9	Disciplinary Information	8
10	Other Financial Industry Activities and Affiliations	8
11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
12	Brokerage Practices	10
13	Review of Accounts	13
14	Client Referrals and Other Compensation	14
15	Custody.....	14
16	Investment Discretion	14
17	Voting Client Securities	14
18	Financial Information	15
19	Requirements for State Registered Advisers.....	15
	Privacy Policy	16

Item 4 - Advisory Business

SPI Strategies, LLC (SPI) was founded in 2004 and is a registered investment adviser. SPI provides investment management services through separately managed accounts for its clients. SPI is a fee-only investment management firm and does not sell securities on a commission basis. However, some associated persons who work for SPI affiliates where they receive commissions as compensation. SPI does not act as a custodian of client assets, and the client always maintains asset control. SPI has discretion of client accounts and 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. Any conflicts of interest arising SPI's activities or those of our associated persons are disclosed and discussed fully in this brochure.

SPI considers high ethical standards to be central to its character. In this regard, it embraces its status as a fiduciary to the clients it serves and takes its obligations to uphold fiduciary standards seriously. For SPI, our fiduciary status entails considering our clients' interests higher than our own and keeping a careful watch for conflicts of interest that exist in our business operations and structure.

Principal Owners

SPI is currently owned by Blaylock Van, LLC ("BV"), Carlton Martin, and Steve Singleton. Each of Messrs. Martin and Singleton are currently employed by BV. The relationship between BV and SPI, and the conflicts of interest that it presents, will be more thoroughly discussed in Item 10. Messrs. Martin and Singleton, along with Eric Van Standifer, Chief Administrative and Chief Compliance Officer of SPI, have been in the securities business for over 30 years. Most notably, they have recently worked together at BV. At BV they have successfully run a complex, full service investment banking and financial services company. We believe that this level of experience and expertise at operating in the securities marketplace plays an important role in our understanding of how markets function, but also in our ability to successfully run a business in the financial services sector.

Types of Advisory Services

The Adviser provides investment supervisory services, also known as asset management services, to primarily institutional investors, with limited high net worth and "friends and family" participants.

- As of December 31, 2019, the Adviser manages approximately \$2,860,720 of discretionary assets.

SPI offers separately managed accounts according to 12 investment strategies, including: ELROI Long Alpha Plus, ELROI Russell 3000 Core Active, ELROI Russell TOP 200 Core, ELROI Enhanced RMID, ELROI R2000 Core, ELROI Russell 3000 Enhanced, ELROI Russell 1000 Value, ELROI RMID Growth, ELROI SP400 Enhanced, ELROI R2000 Value, ELROI SP600 and ELROI International. ELROI is a proprietary research analytics platform used to examine the key factors effecting stock price and portfolio performance. At this point, our primary two strategies are:

ELROI Long Alpha Plus is an equity long/short model vehicle designed to deliver absolute returns comparable to the S&P 500 on a consistent annual basis through the deployment of a "two alphas with no (or limited) beta" approach that is designed to capture equity market excess return and similarly avoid downside participation.

ELROI Enhanced Russell 3000 is an equity model that seeks to be an active representation of the Russell 3000 benchmark but also deliver consistent outperformance.

Pursuant to Section 205(a) of the Investment Advisers Act of 1940, as amended (the *Advisers Act*), client agreements may not be assigned without client consent.

Investments may include equities (stocks) which may be exchange listed securities, and over-the-counter securities. Stocks may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades, which will reduce net returns for the client. Initial public offerings (IPOs) are not available through the Adviser.

- We do not currently participate in any wrap fee programs.

A client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, SPI will refund any unearned portion of the advance payment.

SPI may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

Item 5 - Fees and Compensation

General Fee Information

SPI bases its fees on a percentage of assets under management and will not exceed 2% per annum based on the portfolio value at the previous quarter's end. Although the investment management agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Investment management fees are calculated at the appropriate annual rate and the pro-rata portion (1/4) will be paid quarterly, in *arrears* meaning that we invoice you *after* the three-month billing period has *ended*. Payment in full is expected upon invoice presentation. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement.

The client will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by SPI.

If it is determined that a client portfolio shall contain over the counter securities, the client typically pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

Account Valuation Practices

SPI uses account market values to calculate investment performance and client fees, so it is important that these values are as accurate as possible. Our account valuation practices are based upon a daily net asset value calculation on a mark to market basis. We regularly review accounts to confirm that this has been done accurately.

There are inherent conflicts of interest when SPI values client accounts, as higher security prices increase market values, thereby enhancing performance results and increasing fees. SPI maintains investment, trade allocation and account valuation (including fair valuation) policies and procedures to address such conflicts of interest. SPI offers several different services detailed in this brochure that compensate SPI differently depending on the service selected and the number of assets invested. There is a conflict of interest for SPI and its associated personnel to recommend the services that offer a higher level of compensation to SPI Strategies through either higher management fees or reduced administrative expenses. SPI mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, we are committed to its obligation to ensure associated persons adhere to SPI Strategies's Code of Ethics and to ensure that SPI Strategies and its associated persons fulfill their fiduciary duty to clients or investors.

Item 6 - Performance Based Fees and Side-by-Side Management

Fees are not based on a share of the capital gains or capital appreciation of managed securities. However, SPI employs certain types of investments that do charge a performance fee in which we do not participate. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees.

Item 7 - Types of Clients

SPI makes its advisory services available to a wide variety of clients, primarily institutional clients including government and private pension plans, charitable organizations, corporations and government entities, as well as high net worth and other individuals. Client relationships vary in scope and length of service. SPI also has a limited number of accounts held by "friends and family" of SPI Strategies, which it will continue to manage for the foreseeable future.

SPI has a stated minimum account value of \$50,000. Account minimums may be subject to negotiation and the discretion of SPI Strategies.

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

Investment Strategies and Methods of Analysis

Security analysis methods include fundamental analysis, technical analysis, or quantitative (risk/reward) analysis.

Strategies include long-term purchases, short-term purchases, trading and short sales. The main sources of information include a proprietary fundamental, quantitative and technical valuation model designed to assess relative attractiveness of stocks and construct optimal portfolio weights. SPI's strategies do not involve frequent trading.

Equity Investment Strategies

Below is a list of SPI's investment strategies, including material risks of investing. Each strategy consists of utilizing a return/risk metric that employs a blend of fundamental and quantitative characteristics to select an active portfolio with regular (monthly, quarterly or semi-annual) trading patterns. Each strategy further employs a robust multi-conditional model that intends to mimic the requisite benchmark through risk profile and sector/factor exposures while providing downside protection. Our strategies are as follows:

- *ELROI Long Alpha Plus* – SPI's core strategy, Long Alpha Plus, is an equity long/short portfolio targeted for a liquid alternatives allocation, but designed with a return/risk metric that allows it to serve as a core equity product;
- *ELROI Russell 3000 Core Active* – Based on the Russell 3000;
- *ELROI Russell TOP 200 Core* – Based on the Russell TOP 200;
- *ELROI Enhanced RMID* – Based on the Russell Mid-Cap using a portfolio of 120 stocks;
- *ELROI R2000 Core* – Based on the Russell 2000;
- *ELROI Russell 3000 Enhanced* – Based on the Russell 3000;
- *ELROI Russell 1000 Value* – Based on the Russell 1000;
- *ELROI RMID Growth* – Based on the Russell Mid-Cap Growth;
- *ELROI SP400 Enhanced* – Based on the S&P 400;
- *ELROI R2000 Value* – Based on the Russell 2000 Value;
- *ELROI SP600* – Based on the S&P 600; and
- *ELROI International* – Based on the ACWX.

Risk of Loss

Client accounts are subject to general market risk and the value of the securities held in client accounts will tend to increase or decrease in response to movements in the market. Any investment with the Adviser involves significant risk, including a complete loss of capital. Individual stocks may decline in value or fail to increase in value, even when stock markets in general are rising. All investment programs have certain risks that are borne by the investor which are described below:

Client accounts are also subject to investment style risk. A client account invested in one of SPI's investment strategies, as described above, involves the risk that the investment strategy may underperform other investment strategies or the overall market. Investing in securities involves risk of loss that clients should be prepared to bear and SPI does not guarantee rates of returns for any time period for any client.

Market Risks

The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some

cases, complete and accurate information is not available.

The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Regulatory Risks

Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest that are described elsewhere in this brochure in greater detail. Generally, the Adviser mitigates these conflicts through its Code of Ethics, which provides that the client's interest is always held above that of SPI Strategies and its associated persons.

The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Security Specific Risks

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation. Under certain circumstances, the Advisor may encounter certain liquidity concerns, though these will usually be temporary.

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.

Large cap companies tend to exhibit less price volatility than small companies; however, historically they have not recovered as fast from a market decline. Large cap companies' growth rates may not be as high as successful smaller companies.

Small cap companies are often more volatile, less liquid and more susceptible to market pressures than

large capitalization companies.

Other Information

Certain equity securities overlap across strategies which may create an opportunity for SPI to favor one strategy over another when allocating investment opportunities across client accounts. SPI may invest in securities of issuers that are SPI clients which could cause it to not follow its investment strategy and/or favor these accounts over other client accounts. SPI maintains portfolio management, investment and trade allocation and proxy voting policies and procedures designed to address such conflicts of interest. Further, SPI's Investment Committee approves all purchases and sales for each strategy's investment model which is then implemented across client accounts.

SPI will give advice and take action in the performance of its duties to a client which may differ from advice given, or the timing and nature of the action taken, with respect to other client accounts.

Item 9 - Disciplinary Information

Blaylock Van LLC, a 50% owner of SPI Strategies, LLC and "management person" was fined \$15,000 by FINRA for allegedly omitting information on documents submitted to the Municipal Securities Rulemaking Board in 2016.

Item 10 - Other Financial Industry Activities and Affiliations**Brokerage Affiliations**

An affiliate of the Adviser, Blaylock Van, LLC is registered as a securities broker-dealer/investment adviser with the Financial Industry Regulatory Authority (FINRA). Several of the associated persons with the Adviser are registered representatives of the broker/dealer as well. In order to mitigate conflicts of interest, SPI has intentionally segregated, to the extent possible, the business and financial functions of BV and SPI. Accordingly, the leadership of both SPI and BV, which share common ownership and leadership, are committed to regularly examining any and all conflicts of interest, including seeking the assistance of outside advisors in certain instances.

- Trades for client accounts are directed to our affiliated broker/dealer, Blaylock Van, LLC.

Affiliated Investment Adviser

Affiliated personnel of SPI own approximately 55% of BV, which is a state registered investment adviser. As noted in Item 4, BV owns a substantial piece of SPI. BV provides financial planning services and investment advisory services to separately managed client accounts. The client accounts for both advisers may invest in issuers and/or securities that also are included in client portfolio accounts of the Adviser. There is a conflict of interest in the allocation of common securities between the accounts of each adviser regarding the price and number of securities accounts of the different advisers may realize. Client accounts of SPI may receive the same security at different prices or with more favorable terms due to the difference between the Adviser's and the other Adviser's operations and current trading objectives. Both SPI and BV hold foremost its fiduciary responsibilities to treat all clients fairly when determining price and quantity executions of common securities between advisers. Both entities are committed to running separate organizations, to the extent possible, in order to limit real and perceived conflicts of interest.

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

Code of Ethics

SPI has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's CCO and requires the CCO to review those reports. The CCO is Eric Van Standifer. It also requires supervised persons to report any violations of the Code of Ethics promptly to the CCO. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the CCO.).

- A copy of the Code of Ethics is available upon request.

Participation or Interest in Client Transactions

Employees and owners of SPI may take positions in securities recommended to Clients. However, they may not take positions contrary to those recommended to Clients (i.e., selling an investment product while recommending that a Client buy the product). All transactions will be placed with the client's best interest in mind and in accordance with the SEC, FINRA and state requirements.

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Personal Trading

The CCO reviews all employee trades each quarter (except for his/her own trading activity that is reviewed by another principal or officer of SPI Strategies). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of SPI Strategies receive preferential treatment.

Item 12 - Brokerage Practices

Selection of Brokers and Soft Dollars

SPI has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. SPI may recommend brokerage firms as qualified custodians and for trade execution.

In selecting brokers or dealers to execute transactions, SPI will seek to achieve the best execution possible

but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. SPI is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of SPI to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that SPI may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark- ups or mark-downs, SPI will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. SPI has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

Order Aggregation

SPI may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, SPI may also aggregate the same transaction in the same securities for many Clients for whom SPI has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If SPI is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, SPI will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- SPI must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in written agreements.
- Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-

lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.

- Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No Client/investor, account or fund will be favored over any other Client/investor, account or fund as a result of the allocation.
- Pre-allocation statement(s) specifying the participating Client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of SPI.

In cases where the Client has negotiated the commission-rate directly with the broker, SPI will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any, possible commission discounts that might otherwise be available as a result of the aggregated trade.

Directing Brokerage for Client Referrals

SPI and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

Directed Brokerage

SPI allows clients to direct brokerage but does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct SPI to use a particular broker or dealer and other clients who do not direct SPI to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. SPI may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit SPI to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit SPI to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, SPI may be precluded from aggregating that Client's transaction with other accounts which

may result in less favorable security prices and/or higher transaction costs.

Allocation of Investment Opportunities

SPI manages equity client accounts through model portfolios. As the securities in a strategy are adjusted, as weights are adjusted or when contributions or withdrawals occur in an account(s), actions are taken to bring the related accounts in-line with the strategy. In general, investment opportunities shall be made available to all clients: 1) that are eligible to participate and 2) where such investment opportunities are deemed to be appropriate for the specific client. SPI has established investment and trade aggregation and allocation policies to provide reasonable assurance that each client is treated fairly over the long-term and or actual conflicts of interest are adequately mitigated. SPI senior management provides oversight of the investment, trading and brokerage practices and policies. SPI trades as a firm without preference or partiality to individual investors.

Trade Aggregation and Allocation

It is SPI's policy to trade as a firm – to trade in such a manner that its clients are not competing against one another in the marketplace. When practical, client equity trades in individual accounts will be bunched in a single order (a "block") in an effort to obtain best execution at the best security price available.

SPI has a long-term investment philosophy and, therefore, believes the timing of each client's participation in an equity trade is not essential in obtaining best execution and trade order does not dictate the best or worst price. In an effort to treat all clients fairly, SPI aggregates accounts where SPI has full investment discretion and there are no unique economical or operational conditions that must be addressed prior to executing a trade ("Non-Restricted Accounts") based on the trading characteristics or trading requirements of the group and systematically rotates the order in which those blocks trade. SPI's proprietary accounts are traded after all Non-Restricted Accounts in order to ensure that clients' interests are placed before the economic interests of SPI. SPI will use its best effort to trade Restricted Accounts, which are accounts that have unique economical or operational considerations that must be addressed prior to executing a trade in that account, as soon as practically possible after the unique characteristic of the account has been addressed. Accounts in which SPI is required to obtain client permission prior to executing a trade ("Non-Discretionary Investment Authority Accounts") are traded as soon as practically possible after obtaining this permission.

As fixed income trades are determined based on individual client needs and investment objectives and are primarily mutual funds, exchange-traded funds and government securities, they are not blocked.

Generally, each trade is recorded using an order management system ("OMS") and applied to all accounts in the model, absent any restrictions. The OMS creates pre-allocation schedules of shares for each account based upon the account value, target weight and current price. Once the aggregated trade is executed the shares are allocated in-line with the pre-allocation schedule.

If a block order is filled (full or partial fill) at several prices through multiple trades, an average price will be calculated for all trades executed by the broker for the block, and all participants in the block trade will receive the average price. Only trades executed within the block on the single day may be combined for purposes of calculating the average price.

In general, SPI attempts to fill client orders by the end of a trading day. While partial fills are not specifically prohibited, SPI attempts to keep day-end open orders to a minimum in an effort to reduce client transaction costs and to simplify operations and client reporting. In cases where the order is only partially completed, the trade shall be allocated on a pro-rata basis subject to minimal rounding.

Under certain circumstances SPI's policies permit it to deviate from the practices described above. Examples of such circumstances may include: pro-rata allocation results in a de minimis number of shares; extreme market volatility; client specific investment restrictions; tax status; or common sense and equitable adjustments.

SPI has established trade aggregation and allocation policies to provide reasonable assurance that each client is treated fairly over the long-term and conflicts of interest are adequately mitigated. SPI Senior Management provides oversight of the investment, trading and brokerage practices and policies.

Cross Transactions

Currently, SPI does not execute cross transactions between client accounts, however under specific circumstances it may consider such transactions at some future date. If SPI ever executes a cross transaction, it will only do so when it is in the best interest of each client participating in the transaction, best execution can be achieved and no client is disadvantaged by the trade. However, SPI will not engage in cross trades with its ERISA clients, or its proprietary accounts. Future cross trades, if any, will be executed with strict oversight from SPI senior management.

Trade Errors

It is SPI's policy for clients to be made whole following a trade error. When SPI causes a trade error to occur in a client account that results in a loss, SPI will reimburse the client. Absent a contrary understanding with a financial intermediary, if the trade error results in a gain, the client will keep the gain. SPI maintains trade error policies and procedures.

Item 13 - Review of Accounts

Periodic Reviews

Account reviewers are members of SPI Strategies's Investment Committee or are registered Investment Adviser Representatives. Account reviews are performed quarterly by advisors Eric Van Standifer, Chief Administrative and Chief Compliance Officer, Carlton Martin, Chairman and Steve Singleton, Chief Investment Officer, who review all accounts. They 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.

Review Triggers

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

Regular Reports

Clients receive statements of account positions no less than quarterly from the account custodian. Additional reports may be prepared at the request of the client.

Item 14 - Client Referrals and Other Compensation

Incoming Client Referrals

Currently SPI does not pay compensation for client referrals but at some future date it may. Any such compensation arrangements would be based on a fraction of the advisory fee received by SPI from the referred client. The arrangement, would be fully disclosed and not increase the total advisory fee.

Referrals from Third Parties

SPI 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

SPI does not accept or permit SPI Strategies or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

Account Statements and Performance Reports

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the SEC now requires advisers to urge clients to compare the information set forth in their statement from SPI with the statements received directly from the custodian to ensure accuracy of all account transactions.

Item 16 - Investment Discretion

SPI contracts for limited discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted either by the investment management agreement and/or by a separate limited power of attorney where such document is required. SPI 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. SPI Strategies's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

SPI will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used and the commission rates paid to SPI. SPI does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Item 17 - Voting Client Securities

SPI will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. SPI does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the

Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

Item 18 - Financial Information

SPI does not have any financial impairment that will preclude SPI Strategies from meeting contractual commitments to clients. SPI meets all net capital requirements that it is subject to and SPI has not been the subject of a bankruptcy petition in the last 10 years.

SPI is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, and six months or more in advance.

Item 19 – Requirements for State Registered Advisors

Information regarding the formal education, background and additional business activities of the principal officers are included in their ADV 2B.

SPI Strategies, LLC does not charge performance-based fees for its investment advisory services. The fees charged by SPI Strategies, LLC are as described in “Item 5 – Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities held by any Client.

Disciplinary Information

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices.

- Beyond what is already disclosed in Item 9, there are no legal, civil or disciplinary events to disclose regarding SPI Strategies, LLC or the principal officers.

Material Relationships with Issuers of Securities

Neither SPI Strategies, LLC nor any of the principals has any relationships or arrangements with issuers of securities.

Privacy Notice

Our Commitment to You

SPI Strategies is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. SPI Strategies (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

SPI Strategies does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below. Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

Why you need to know?

SPI Strategies must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

What information do we collect from you?

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

How do we share your information?

SPI Strategies shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
Servicing our Clients We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, consultants other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
Marketing Purposes SPI Strategies does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Shadow Wealth Management or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
Authorized Users Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
Information About Former Clients SPI Strategies does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

Other Important Information
Information for California, North Dakota, and Vermont Customers: In response to applicable state law, if the mailing address provided for your account is in California, North Dakota, or Vermont, we will automatically treat your account as if you do not want us to disclose your personal information to non-affiliated third parties for purposes of them marketing to you, except as permitted by the applicable state law.
Massachusetts In response to a Massachusetts law, clients must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.

Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (510) 268-4850.