



1021 W. Bastanchury Road  
Suite 120

Fullerton, CA 92833

(714) 738-0220

[www.eclecticassociates.com](http://www.eclecticassociates.com)

## **Form ADV, Part 2A Brochure**

August 19, 2021

This brochure provides information about the qualifications and business practices of Eclectic Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (714) 738-0220 [info@eclecticassociates.com](mailto:info@eclecticassociates.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Eclectic Associates, Inc. or any person associated with Eclectic Associates, Inc. has achieved a certain level of skill or training. Additional information about Eclectic Associates, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 - MATERIAL CHANGES

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

Eclectic Associates, Inc. (“Eclectic”) reviews and updates our brochure at least annually to make sure that it remains current. Eclectic has not made any material changes since the previous annual update to our brochure, dated February 23, 2021.

## ITEM 3 - TABLE OF CONTENTS

<b>ITEM 1 - COVER PAGE .....</b>	<b>1</b>
<b>ITEM 2 - MATERIAL CHANGES .....</b>	<b>2</b>
<b>ITEM 3 - TABLE OF CONTENTS .....</b>	<b>3</b>
<b>ITEM 4 - ADVISORY BUSINESS.....</b>	<b>6</b>
Description of Advisory Firm .....	6
Fiduciary Duty .....	6
Advisory Services Offered .....	7
Investment Management Services .....	7
Financial Planning Services.....	8
Consulting Services.....	9
Limitations on Investments.....	9
Non-Managed Assets .....	10
Tailored Services and Client Imposed Restrictions.....	10
Wrap Fee Programs .....	11
Assets Under Management.....	11
<b>ITEM 5 - FEES AND COMPENSATION .....</b>	<b>11</b>
Fee Schedule .....	11
Investment Management Services .....	11
Billing Method .....	12
Investment Management Services .....	12
Consulting Services.....	13
Other Fees and Expenses.....	13
Termination .....	13
Investment Management Services .....	13
Other Compensation .....	14
<b>ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>14</b>
<b>ITEM 7 - TYPES OF CLIENTS.....</b>	<b>14</b>
Account Requirements.....	14
<b>ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>15</b>
Methods of Analysis and Investment Strategies .....	15
General Investment Strategies .....	15
Methods of Analysis for Selecting Securities .....	15

Specific Investment Strategies for Managing Portfolios .....	16
Additional Strategies .....	17
Deeds of Trust.....	17
Private Placements .....	17
Investing Involves Risk.....	18
Specific Security Risks.....	18
General Risks of Owning Securities .....	18
Mutual Funds (Open-end Investment Company) .....	18
Different Types of Funds .....	20
Deeds of Trust.....	22
Private Placements .....	23
Investing Outside the U.S. ....	24
Cash and Cash Equivalents.....	24
Other Risks .....	24
Cybersecurity .....	24
Pandemics and Other Public Health Crises .....	25
Financial Planning.....	25
<b>ITEM 9 - DISCIPLINARY INFORMATION.....</b>	<b>25</b>
<b>ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....</b>	<b>26</b>
<b>ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>26</b>
Code of Ethics .....	26
Personal Trading Practices .....	26
Participation or Interest in Client Transactions.....	27
<b>ITEM 12 - BROKERAGE PRACTICES .....</b>	<b>27</b>
The Custodian and Brokers We Use .....	27
How We Select Brokers/Custodians.....	27
Client Brokerage and Custody Costs .....	28
Products and Services Available to Us from Schwab and TD Ameritrade .....	28
Directed Brokerage Transactions .....	31
Aggregation and Allocation of Transactions .....	32
<b>ITEM 13 - REVIEW OF ACCOUNTS .....</b>	<b>32</b>
Managed Account Reviews.....	32
Consulting Reviews .....	33

Account Reporting .....	33
Valuation of illiquid investments .....	33
<b>ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION .....</b>	<b>33</b>
Schwab/TD Ameritrade Support Products and Services .....	33
Outside Compensation.....	33
<b>ITEM 15 - CUSTODY .....</b>	<b>34</b>
<b>ITEM 16 - INVESTMENT DISCRETION .....</b>	<b>34</b>
Discretionary Management .....	34
Non-Discretionary Management .....	35
<b>ITEM 17 - VOTING CLIENT SECURITIES .....</b>	<b>35</b>
Proxy Voting .....	35
Class Actions.....	36
<b>ITEM 18 - FINANCIAL INFORMATION.....</b>	<b>37</b>
<b>Form ADV, Part 2B Brochure Supplement .....</b>	<b>i</b>
Description of Professional Designations Used in this Brochure Supplement* .....	ii
<b>David K. Little, CFP®, CFA .....</b>	<b>iii</b>
<b>Scott A. Rojas, CFP® .....</b>	<b>iv</b>
<b>Carl W. R. Lachman, CFP® .....</b>	<b>v</b>
<b>Russell W. Hall, CFP® .....</b>	<b>vi</b>
<b>David K. MacLeod, CFP®, CFA .....</b>	<b>vii</b>
<b>Travis J. McShane, CFP®, CFA.....</b>	<b>viii</b>
<b>Aimee E. Calderon, CFP® .....</b>	<b>ix</b>
<b>James I. Moore, CFP® .....</b>	<b>x</b>
<b>Amber M. Shrosbree, CFP® .....</b>	<b>xi</b>
<b>Privacy Information .....</b>	<b>A</b>

## ITEM 4 - ADVISORY BUSINESS

### Description of Advisory Firm

Eclectic Associates, Inc. (“Eclectic,” “we,” “our,” or “us”) is a privately owned corporation headquartered in Fullerton, CA. Eclectic is registered as an investment adviser with the U.S. Securities and Exchange Commission. The firm’s principal owners are Carl Camp, Chairman, and David Little, President.

#### Fiduciary Duty

Registered investment advisers are considered fiduciaries under federal law. Our fiduciary duty carries with it an obligation to act in the best interest of our clients pursuant to a relationship of trust and confidence. It encompasses a *duty of care* and a *duty of loyalty*.

#### *Duty of Care*

The duty of care includes, among other things,

1. the duty to provide advice that is in the best interest of the client;
2. the duty to seek best execution of a client’s transactions where the adviser has the responsibility to select broker-dealers to execute client trades; and
3. the duty to provide advice and monitoring over the course of the relationship.

The duty to provide advice suitable to each client based on a reasonable understanding of the client’s objectives is a critical component of the duty of care. Providing suitable advice includes making a reasonable inquiry into the client’s financial situation, investment experience, and financial goals and then updating this information as necessary throughout the course of the relationship to reflect the client’s changing objectives over time and adjusting the advice we provide to reflect any changed circumstances.

When Eclectic has the responsibility to select broker-dealers to execute client trades in discretionary accounts, we seek to trade such that the client’s total cost or proceeds in each transaction are the most favorable under the circumstances. In doing so, we consider the full range and quality of a broker’s services and so the determinative factor is not necessarily the lowest possible commission cost but whether the transaction represents the best qualitative execution. Moreover, we periodically and systematically evaluate the execution we receive on behalf of our clients.

Our duty of care includes an obligation to provide advice and monitoring at a frequency that is in the best interest of the client, taking into account the scope of the agreed relationship. This scope is indicated by the duration and nature of the services as outlined in each client’s advisory arrangement and extends to all personalized advice provided to clients.

### *Duty of Loyalty*

Eclectic adheres to a duty of loyalty where we seek to serve the best interests of our clients and never subordinate the interests of our clients to our own. Simply put, Eclectic cannot place its own interests ahead of the interests of our clients. In observance of this duty, we must make full and fair disclosure to clients of all material facts relating to the advisory relationship. Further, we also seek to eliminate or at least expose through full and fair disclosure all conflicts of interest which might incline Eclectic, consciously or unconsciously, to render advice that is not disinterested. We believe that in order for disclosure to be full and fair, it should be sufficiently specific so that each client is able to understand the material fact or conflict of interest and make an informed decision whether to provide consent. Consequently, we provide this ADV 2A brochure to all prospective clients at or before entering into a contract so that they can use the information within to decide whether or not to enter into an advisory relationship.

### **Advisory Services Offered**

Eclectic offers the following services to advisory clients:

#### *Investment Management Services*

We invite prospective clients to an initial appointment without cost or obligation to enable both parties to determine the benefits of a continuing relationship.

We provide advice to clients regarding asset allocation and the selection of investments. Our investment management services include designing, implementing, and continued monitoring of client accounts. Eclectic will invest the account on a fully discretionary basis, limited only by the client's individual needs and any restrictions imposed on the account. Eclectic also manages some accounts on a non-discretionary basis, but generally does not offer new non-discretionary accounts.

Using a questionnaire, along with in person and telephonic meetings, Eclectic develops a written Investment Plan prior to investing client assets. The plan takes into consideration the client's unique and individual goals, current financial situation including diversification, financial needs, timing of when money is needed, risk tolerance, and taxes.

The plan sets forth analysis and recommendations for overall diversification among investment classes, further diversification within classes, then specific investment recommendations selected for each client. Once we finalize the plan, we assist in implementing the plan.

Eclectic primarily utilizes a diversified portfolio of mutual funds, including money market funds, when making investment recommendations/purchases in client accounts. Additionally, Eclectic's investment recommendations/selections, depending on the individual investment objectives and needs of the client may include:

1. Equity securities, including stocks

2. Fixed income securities, including corporate bonds, and certificates of deposit (CDs)
3. Municipal securities
4. U.S. government securities
5. Variable annuities
6. Deeds of trust held in pooled investment vehicles
7. Private placements investing in real estate, oil and gas interests, or other asset classes

Eclectic may also occasionally utilize additional types of investments if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry or direction. Eclectic may offer investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks for many of the securities that we use under the heading ***Specific Security Risks*** in ***Item 8*** below.

We discuss our discretionary authority below under ***Item 16 - Investment Discretion***. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this item below. We describe the fees charged for investment management services below under ***Item 5 - Fees and Compensation***.

#### *Financial Planning Services*

Eclectic provides financial planning services as part of our investment management services. These services generally involve providing advice to clients regarding the investment/management of financial resources based upon an analysis of their individual needs. These services are generally comprehensive and typically include a written plan.

Financial Planning Services may include but are not limited to:

1. Retirement planning
2. Education funding
3. Insurance issues
4. Estate planning
5. Investment diversification

Our financial planning services do not include preparation of any income tax, gift, or estate tax returns, or preparation of any legal documents. We do not receive separate compensation for the inclusion of financial planning services beyond our standard advisory and setup fee. Further, we do not discount advisory fees based on a client's request to exclude financial planning from the services we provide to them.



### Consulting Services

Eclectic offers other financial consulting as requested by the client for special projects and analysis. This service is “client initiated” and only available on a selected basis and may be discontinued at any time.

We describe the fees charged for consulting services below under ***Item 5 - Fees and Compensation.***

### Limitations on Investments

In some circumstances, Eclectic’s advice may be limited to certain types of securities.

#### *Limitation by Plan Sponsor/Employer*

In the event Eclectic is managing assets within a retirement plan such as 401(k), 403(b), or other employer plan, Eclectic is limited to those investment providers and investment options chosen by the plan administrator. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan’s investment options. Therefore, Eclectic can only make recommendations to the client from among the available options and will not recommend or invest the client’s account in other securities, even if there may be more suitable options elsewhere.

#### *Limitation by Issuer*

In the event Eclectic is managing assets within an annuity, we are limited to those investment options made available by the insurance company.

#### *Limitation by Type of Security*

##### *Limitation on Fixed Income*

Eclectic generally utilizes debt-related mutual funds for the fixed income allocation of a portfolio. With the exception of accounts that do not meet our standard minimum account requirements, we may also hold individual fixed-income securities contained in new accounts or purchase new individual fixed incomes securities, including CD’s and individual bonds. The holding period may be temporary or until maturity based on the individual needs of the client.

##### *Mutual Fund Limitations*

##### *No Load Mutual Funds*

Eclectic generally limits recommendations/selections of mutual funds to no load funds or load-waived equivalents.

##### *Limitation by Custodian*

There may also be limitations on the securities Eclectic may recommend/utilize in a client’s account based on which broker-dealer holds the account. Most clients establish brokerage accounts with Schwab Advisor Services™, a division of Charles Schwab & Co., Inc. (“Schwab”) or TD Ameritrade Institutional, a division of TD Ameritrade, Inc.

("TD Ameritrade"), registered broker-dealers, Members SIPC. Schwab and TD Ameritrade each offer a broad range of investment products, but we may occasionally recommend a security for the client that they do not have available. Generally, we can purchase the securities from another firm and have them transferred to the client's account, but the broker-dealer may charge the client additional fees. Eclectic considers these fees when we recommend outside securities.

#### *Limitation by Client*

Eclectic may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this Item below.

#### *Non-Managed Assets*

Eclectic occasionally offers securities trading activities for non-managed positions in a client's managed account, acting as an intermediary between the client and the custodian. We do not provide investment advice regarding that portion of the client's managed account designated as non-managed assets nor do we provide opinions as to the merits of any non-managed asset held in the account. We also do not make any judgments as to the appropriateness of assumed risk or suitability of any non-managed investment given the client's situation. Eclectic offers this service at no charge and at our discretion, in consideration of other accounts that we manage for the client.

For client-directed trades, it is the client's responsibility to notify Eclectic of their instructions, to ensure that we receive the instructions, and to review custodial statements to confirm that trades were placed according to the client's instructions. Eclectic will not be liable for failure to place client-directed trades, if we do not receive the client's instructions or if the client fails to notify us within 30 days of providing instructions that the transaction was not executed.

### **Tailored Services and Client Imposed Restrictions**

Eclectic manages client accounts based on the investment strategy discussed below under ***Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss***. Eclectic applies the strategy for each client, based on the client's individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our recommendations/investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep Eclectic informed of any changes to their investment objectives or restrictions.

Clients may also request other restrictions on the account, such as when a client needs to keep a minimum level of cash in the account or does not want Eclectic to buy or sell certain specific securities or security types in the account. However, with mutual fund investments, Eclectic cannot influence the underlying assets chosen and held by the funds we recommend and therefore we are very limited in accommodating client

restrictions on certain holdings. Eclectic reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

## Wrap Fee Programs

We do not provide portfolio management services to a wrap fee program.

## Assets Under Management

Eclectic manages client assets in both discretionary and non-discretionary accounts on a continuous and regular basis. As of 12/31/2020, the total amount of assets under our management was:

Discretionary Assets	\$ 774,972,448
Non-Discretionary Assets	\$ 146,021,897
<b>Total Assets</b>	<b>\$ 920,994,345</b>

## ITEM 5 - FEES AND COMPENSATION

### Fee Schedule

#### Investment Management Services

Eclectic charges advisory fees for investment management services. Eclectic's advisory fees are charged based on a percentage of the client's total assets under management, per the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Amounts after and above the first \$5,000,000	0.35%

For individual fixed income investments, such as individual bonds and certificates of deposit, and illiquid investments such as private placements, which are generally held to maturity, the first year's fee is as shown above. Subsequent years' fees are 0.35% of the value of those types of investments. This does not apply to mutual funds since they do not have an expected maturity date. We charge the balance of clients' investments according to the table above.

Some accounts are under different fee schedules honoring prior agreements. At our sole discretion, our standard fee schedule can be negotiated based on a number of factors, which include but are not limited to “grandfathered” accounts, related accounts, and other structures that we may consider in special situations. At our discretion, services are provided without charge to employees and their family members and in other limited circumstances, which sometimes include charities. At our discretion, Eclectic sometimes aggregates client accounts that have family relationships with each other for purposes of calculating the advisory fee rate applicable to each client. We generally make pro-rations for additions or withdrawals greater than \$9,975 made during the client’s billing period. The client’s fee calculation will reflect any pro-rated additions and/or reductions.

See also ***Item 13 - Review of Accounts*** for additional billing methodology relating to illiquid investments held in client accounts.

#### *Setup Charges (One-Time Charge)*

We charge a one-time setup charge of up to \$2,000 at the start of a new investment management services relationship. It partially covers the initial analysis, allocation, selection of appropriate investments and setting up the client’s account(s) in our recordkeeping system. We assess the setup charge when the client’s account(s) is/are opened with Eclectic. At our discretion, we sometimes negotiate or waive the setup charge.

#### *Consulting Services*

At a client’s request, Eclectic will provide financial planning/consulting services on an hourly or fixed rate basis. We base fixed fee consulting on an estimate of the time it will take to complete a project using our hourly rate of \$350. The fixed fee may be negotiable depending on the nature and complexity of each client’s circumstances. Our fixed rate generally ranges between \$350 and \$7,000 but could be higher depending on the scope of the project.

At our discretion, Eclectic provides any of the above services to accounts belonging to our current and former employees and family members (“Proprietary Accounts”), certain legacy clients, and to charities and/or foundations and their associated persons at a reduced rate or free of charge.

## **Billing Method**

#### *Investment Management Services*

Eclectic’s advisory fees are payable in advance at the beginning of each four-month billing period. We generally charge one third of the annual fee each four months based on the market value of the client’s portfolio as of the last day of the prior billing period. The formula used for the calculation is as follows:  $(Annual\ Rate) \times (Total\ Assets\ Under\ Management\ at\ Period-End) / 3$ . Fees billed on assets held in client accounts that

receive valuations less than every four months will be calculated using the most recent pricing data available through the Investment Sponsor and/or the client's custodian.

For new client accounts, the first payment is calculated based on the value of the portfolio on the last day of the month that the client's assets are deposited/transferred into accounts under our management and will be payable the following month.

With client authorization, Eclectic will instruct the custodian to automatically withdraw our advisory fee from the client's account. Typically, we authorize the custodian to withdraw our advisory fee from the client's account during the first month of each billing period. All clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account. In addition, Eclectic sends a receipt to the client after fees are deducted.

### Consulting Services

Eclectic's hourly rate is \$350. For fixed fee arrangements, we will provide a quote at the start of the relationship and charge the client after the work is completed.

## **Other Fees and Expenses**

Eclectic's fees do not include custodian fees. Clients pay all brokerage commissions, stock transfer fees, margin charges, foreign exchange and settlement fees, and/or other charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees a client pays to Eclectic. See **Item 12 - Brokerage Practices** below for more information. Eclectic does not receive any of these fees.

In addition, any mutual fund shares held in a client's account may be subject to 12b-1 fees, early redemption fees, and other fund-related expenses. The fund's prospectus fully describes the fees and expenses. All fees paid to Eclectic for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds. Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares.

## **Termination**

### Investment Management Services

Either party may terminate the agreement upon thirty (30) days written notice to the other party. The client may terminate the agreement by writing to Eclectic at our office. Eclectic will refund any prepaid, unearned advisory fees based on the effective date of termination. If either party terminates the agreement during the first four-month period in the first year of the relationship, the entire amount of advisory fees and setup charges

paid to Eclectic will be returned to client. After the first four-month period, the initial setup charges are non-refundable.

Terminations will not affect liabilities or obligations from transactions initiated in client accounts prior to termination. In the event the client terminates the investment advisory agreement, Eclectic will not liquidate any securities in the account unless instructed by the client to do so. In the event of client's death or disability, Eclectic will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

### Consulting Services

Eclectic considers the consulting phase of our services to be complete, and the consulting agreement terminated upon delivery of the project. In the event that either the client or Eclectic wishes to terminate the consulting agreement before completion of the project, either party may terminate the agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time by writing Eclectic at our office. Upon notice of termination, Eclectic will provide the client with an invoice for services provided through the date of termination.

### **Other Compensation**

Eclectic is a fee-only investment advisory and financial planning firm. We do not have any products for sale, or accept commissions or bonuses, directly or indirectly.

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

Eclectic does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **ITEM 7 - TYPES OF CLIENTS**

Eclectic provides discretionary and non-discretionary investment advisory and financial planning services to individuals, high net worth individuals, trusts and estates, and individual participants of retirement plans. In addition, we provide advisory services to pension and profit sharing plans, charitable organizations, and businesses.

### **Account Requirements**

Generally, Eclectic requires clients to maintain a minimum account size of \$400,000. Eclectic also offers limited investment management services to clients with a minimum account size of \$200,000. The limitations include restrictions on the types of assets managed, choice of custodian, and on the reporting we provide. We describe the account provisions for each service within the advisory agreement.

On rare occasions and at Eclectic's discretion, significant fund withdrawal may result in a request for additional deposits to continue with management of accounts. We also

may choose to combine family accounts to meet the account size minimum. Eclectic may reduce or waive the account minimum requirements at our discretion.

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

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

#### *General Investment Strategies*

Eclectic generally uses diversification in an effort to minimize risk and optimize the potential return of a portfolio. More specifically, we utilize multiple investment styles, market capitalizations, sectors, and regions to provide diversification among our mutual fund portfolios. Each portfolio composition is determined in accordance with the clients' investment objectives, risk tolerance, and time horizon.

Eclectic's general investment strategy is to seek real capital growth proportionate with the level of risk the client is willing to take. We treat each client account uniquely. Eclectic assists our clients to develop a Financial and Investment Plan designed in an effort to help clients attain their financial goals (See ***Advisory Services Offered in Item 4***, above). Eclectic will then recommend/utilize investments that we feel are consistent with the client's Financial and Investment Plan.

Since Eclectic treats each client account uniquely, client portfolios with a similar investment objectives and asset allocation goals often own different securities. Timing and tax factors also influence Eclectic's investment decisions. Clients who buy or sell exchange-listed securities on the same day may receive different prices.

For discretionary clients, Eclectic will implement changes whenever it appears changes are needed in order to better meet the client's investment objectives. Stocks and mutual funds owned by clients are reviewed at least monthly; other investments are reviewed less frequently. Each portfolio maintains a target asset allocation. Generally, Eclectic reviews each portfolio semi-annually to evaluate the extent to which the actual allocation matches the target allocation. Where we consider the variance excessive, Eclectic takes appropriate actions (buys and sells) in order to bring the actual allocation within acceptable range of the target allocation. We refer to this process as "re-balancing." Since we believe that all investments are subject to cycles, this process of re-balancing offers a systematic process to help us sell when investment categories have been in favor and to buy when they have been out of favor.

Recommendations are given to non-discretionary clients whenever it appears changes should be made to better meet the client's investment objectives.

#### *Methods of Analysis for Selecting Securities*

Eclectic primarily uses fundamental analysis in the selection of individual mutual funds, including the analysis of fund managers, annual reports, and any competitive



advantages. Additionally, in analyzing and selecting mutual funds, we use public and private research sources (e.g. Morningstar), fund reporting, and fund conference calls. We review key characteristics including historical performance, consistency of returns, risk level, and size of fund. Expense ratio and other costs are also significant factors in fund selection. We also access additional information from other sources that inform our general macro-economic view. Eclectic may also consider cyclical conditions, which is an analysis of business cycles to find favorable conditions for buying and/or selling a security.

### *Specific Investment Strategies for Managing Portfolios*

Eclectic may use Modern Portfolio Theory, cash as a strategic asset, long-term holding, and dollar-cost-averaging strategies in the construction and management of client portfolios. There is no guarantee that any of the following strategies will be successful and we make no promises or warranties as to the accuracy of our market analysis.

#### *Modern Portfolio Theory (MPT)*

Eclectic uses the Modern Portfolio Theory, which has a basic concept of using diversification in an effort to help minimize risk and optimize the potential return of a portfolio.

#### *Cash as a Strategic Asset*

Eclectic may use cash as a strategic asset and may at times move or keep client's assets in cash or cash equivalents. While high cash levels can help protect a client's assets during periods of market decline, there is a risk that our timing in moving to cash is less than optimal upon either exit or reentry into the market, potentially resulting in missed opportunities during positive market moves. Eclectic does not attempt to time the market by using cash strategies.

#### *Long-term Holding*

Eclectic's strategy consists of purchasing, holding, and rebalancing a diversified portfolio of securities. Eclectic typically intends to hold these investments for the long term except when sales are necessary to rebalance the portfolio or to fund replacement acquisitions. When selecting equity securities, Eclectic may focus on the potential for income and/or growth, depending on the client's investment objectives.

Eclectic does not attempt to time short-term market swings. Short-term buying and selling of securities is typically limited to those cases where a purchase has resulted in an unanticipated gain or loss in which we believe that a subsequent sale is in the best interest of the client.

#### *Dollar-Cost-Averaging*

Dollar cost averaging involves investing money in multiple installments over time to take advantage of price fluctuations in the attempt to get a lower average cost per share.



### Additional Strategies

While Eclectic does not specifically use the investment strategies listed below, Eclectic may recommend mutual funds that use these strategies in their management of the funds or accounts. These may include but are not limited to the following:

1. Tactical asset allocation
2. Short-term trading
3. Short-selling
4. Option strategies
5. Market timing
6. Trend methodology
7. Defensive strategies
8. Hedging
9. Leverage
10. Margin
11. Inverse/enhanced market strategies

Clients interested in learning more about any of the above strategies should contact us for more information and/or refer to the prospectus of the mutual fund. We may also consider additional strategies by specific client request.

### Deeds of Trust

Eclectic may recommend pooled investments of trust deeds to clients based on factors that include but are not limited to accreditation status, the level of interest clients express during meetings with Eclectic, and whether the program would offer diversification to the client. A trust deed is a document recorded with a county recorder's office creating a secured lien on real property, which provides collateral for lenders and trust deed holders. Some states use a mortgage instrument rather than a trust deed. The borrower executes a promissory note wherein the borrower promises to repay the lender. The recorded trust deed creates the secured interest attached to the borrower's real property.

If the borrower does not pay as promised, the lender/trust deed Investor can look to the real property for repayment and/or recovery of their invested capital. A trust deed investment occurs when an investor purchases all or part of the note and deed of trust. The difference between a first and second trust deed is the priority of the lien based on the recording date of the trust deed. The earlier recording date would have priority (i.e. first position). If an investor has a second trust deed and the borrower fails to pay the first, the investor would be responsible to make the first trust deed payments or suffer the risk of foreclosure and loss of invested capital.

### Private Placements

Eclectic may recommend limited partnerships and/or private offerings to clients based on factors that include but are not limited to accreditation status, the level of interest

clients express during meetings with Eclectic, and whether the program would offer diversification to the client. We consider these types of investments to carry a higher degree of risk than mutual funds. These securities are only available to accredited investors. Investments in such limited offerings will only occur after conducting additional consultation with the client and after the client has approved of the investment and strategy for his/her portfolio.

## **Investing Involves Risk**

Prior to entering into an agreement with Eclectic, the client should carefully consider:

1. That investing in securities involves risk of loss which clients should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time the client's assets will fluctuate and at any time be worth more or less than the amount invested; and
4. That clients should only commit assets that they feel are available for investment on a long-term basis. This is typically a minimum of five to seven years.

## **Specific Security Risks**

### *General Risks of Owning Securities*

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

### *Mutual Funds (Open-end Investment Company)*

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase.

The benefits of investing through mutual funds include:

### Professionally Managed

Mutual funds are professionally managed by investment advisers who research, select, and monitor the performance of the securities the fund purchases.

### Diversification

Mutual funds typically have the benefit of diversification, which is an investing strategy that generally sums up as “Don’t put all your eggs in one basket.” Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.

### Affordability

Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.

### Liquidity

Usually, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption. Less frequently, some mutual funds have the option to redeem shares using the underlying stocks in the fund’s portfolio or may delay redemption for a defined period.

Mutual funds also have features that some investors might view as disadvantages:

### Costs Despite Potential for Negative Returns

Investors must pay annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

### Lack of Control

Investors typically cannot ascertain the exact make-up of a fund’s portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

### Price Uncertainty

With an individual stock, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling a broker or investment adviser. Investors can also monitor how a stock’s price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund’s NAV, which the fund might not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

## *Different Types of Funds*

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories; money market funds, bond funds (also called “fixed income” funds), and stock funds (also called “equity” funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

### *Money Market Funds*

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. and foreign corporations, state and local governments, and bank issued certificates of deposit. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund’s investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds.

### *Bond Funds*

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC’s rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards.

Some of the risks associated with bond funds include:

#### *Credit Risk*

There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

#### *Interest Rate Risk*

There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.

#### *Prepayment Risk*

Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to “retire” its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

### *Stock Funds*

A stock fund's value can rise and fall quickly (and dramatically) over the short term but may demonstrate more stability over the long-term. Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same.

For example:

#### Growth Funds

Growth funds focus on stocks that generally do not pay a regular dividend but that have the potential for large capital gains. These funds favor companies expected to grow earnings, which could result in stock prices rising faster than the economy and may be smaller and less seasoned companies. The smaller and less seasoned companies that may be in a growth fund have a greater risk of price volatility. Growth stocks, sometimes priced on future expectations rather than current results, may decline substantially from unmet expectations general weakened market conditions.

#### Equity Income Funds

Equity income funds stress current income over growth and may invest in stocks that pay regular dividends. These funds are subject to dividend payout risk, which is the possibility that a number of the companies in which the fund invests will reduce or eliminate the dividend on the securities held by the fund.

#### Small Cap Funds

Funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure than larger, well-established blue chip companies do. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.

#### Mid Cap Funds

Funds that invest in companies with mid-range market capitalizations involve additional risks. The securities of these companies may be more volatile than the securities of larger companies and contain less liquidity in securities markets.

#### Index Funds

Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, by investing in all or a representative sample of the companies included in an index.

#### International Funds

International investments are subject to additional risks, including currency fluctuation, political instability, and potential illiquid markets.

#### Emerging Market Funds

Funds that invest in foreign securities of smaller, less-developed countries involve special additional risks. These risks include, but are not limited to currency risk, political

risk and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

#### *Real Estate Investment Trust (REIT) Funds*

REIT Funds include individual REIT shares within the underlying fund holdings. REITs primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development, and/or long-term mortgage loans. REIT investments include illiquidity and interest rate risk.

#### *Absolute Return Funds*

Absolute return looks at the appreciation or depreciation (expressed as a percentage) that a fund achieves over a given period. Absolute return differs from relative return because it is concerned with the return of a particular asset and does not compare it to any other measure or benchmark. In general, a mutual fund seeks to produce returns that are better than its peers, its fund category, and/or the market as a whole. As an investment vehicle, an absolute return fund seeks to make positive returns by employing investment management techniques that differ from traditional funds, such as short selling, futures, options, derivatives, arbitrage, leverage, and unconventional assets.

#### *Alternative Investment Funds*

Alternative investments fall outside the three traditional asset types (stocks, bonds, and cash), and include hedge funds, managed futures, real estate, commodities and derivatives contracts. Alternative investment funds generally provide returns with a low correlation to returns of standard asset classes. Consequently, many large institutional funds such as pensions and private endowments have begun to allocate a small portion of their portfolios to alternative investments such as hedge funds. Each fund is subject to specific and often enhanced risks, depending on the nature of the fund.

#### *Tax Consequences of Mutual Funds*

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit that cannot be offset by a loss.

#### *Deeds of Trust*

There are risks associated with Trust Deed Investments that investors should understand:

1. Neither the FDIC nor any other government agencies insure Trust Deed Investments. The investments involve certain risks and are suitable only for persons of adequate means who anticipate no need for immediate liquidity.
2. An appraiser assesses the value of property reflecting his/her opinion of the value at a specific date. There is no assurance that the appraised value will reflect a fair market value, as general and local economic conditions may change.
3. Although the investor makes the investment decision, the success of the investment will depend, in part, upon the experience and quality of the management of the mortgage broker. Investors should not entrust all aspects of the investment decision and subsequent servicing to the broker without full understanding of the delegated responsibilities and rights.
4. The borrower's ability to repay the loan will depend upon the borrower's financial condition, which could change over time.
5. There are general risks associated with real estate investments including general or local economic conditions, neighborhood values, interest rates, real estate tax rates, the supply of and demand for properties of the type involved, the ability of the borrower to obtain necessary alternative financing, governmental rules and acts of nature.
6. Default by the borrower could interrupt the investor's monthly payments. Under extreme cases, it may be necessary to foreclose or take other actions to protect the investment. It is possible for the total amount recovered upon foreclosure to be less than the amount of the total investment, resulting in loss of capital to the investor.
7. The foreclosure process could stall if a borrower files a reorganization or full insolvency bankruptcy. Trust deed investors could incur significant legal fees and costs in attempting to obtain relief from the automatic freeze on collection proceedings provided by the Bankruptcy Code. Relief consists of obtaining court approval to release the property out of the bankruptcy so that the property can be foreclosed. Furthermore, the court could modify the terms of the loan by extending the due date, changing the interest rate and payment structure, or causing the priority of the loan to be subordinated to a bankruptcy court-approved financing plan.

Trust deeds are not liquid, not transferable and involve risk, including possible loss of principal.

### Private Placements

Generally, there is no ready market for private placement purchases and sales. Therefore, private placements are less liquid than market-based securities and considered risky investments. Consequently, investments in private placements are



limited to persons who meet certain income and/or net worth requirements. Eclectic will recommend such securities only to clients who meet the necessary income and/or net worth requirements and where Eclectic believes the investment is appropriate for the client based on the client's ability to accept the risk. At the time of recommendation, Eclectic will disclose to the client any proprietary interest in the company.

### Investing Outside the U.S.

Although we limit foreign investments to mutual funds that hold foreign securities, the risks of foreign investing still apply to the underlying portfolios of funds. Investing outside the United States involve additional risks of foreign investing. These risks may include currency controls and fluctuating currency values, and different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices. Additional factors may include changing local, regional, and global economic, political, and social conditions. Further, expropriation, changes in tax policy, greater market volatility, different securities market structures, and higher transaction costs can be contributors. Finally, various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends can also lead to additional risk.

### Cash and Cash Equivalents

Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments meaning, there is little risk of losing the principal investment. Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investing vehicles.

## **Other Risks**

### Cybersecurity

Information and technology systems can be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltrations by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although we have implemented various measures to manage risks relating to these types of events, if these systems are compromised, or become inoperable for extended periods of time, or cease to function properly, we may have to make a significant investment to fix or replace them. The failure of these systems can cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to clients. Such a failure could potentially harm our reputation, subject us to legal claims, and otherwise have an adverse impact on our ability to perform advisory functions.



### *Pandemics and Other Public Health Crises*

Pandemics and other health crises, such as the outbreak of an infectious disease such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and COVID-19 or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the areas in which client investments may be located. Such disruption, or the fear of such disruption, could have a significant and adverse impact on the securities markets, lead to increased short-term market volatility or a significant market downturn, and can have adverse long-term effects on world economies and markets generally.

### **Financial Planning**

The financial planning tools Eclectic uses to create financial plans for clients rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use asset class returns, not returns of actual investments, and do not include fees or expenses that clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide Eclectic and the client in developing an appropriate plan, and we cannot guarantee that clients will achieve the results shown in the plan. Results will vary based on the information provided by the client regarding the client's assets, risk tolerance, and personal information. Changes to the program's underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports and should discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

We do not recommend individual securities to clients. However, we may make a general recommendation in the financial plan about investing a portion of your financial assets in individual securities. If the financial plan includes recommendations for investing in individual securities, you should understand that investing in all securities involves risk of loss, and you should be prepared to bear that risk.

### **ITEM 9 - DISCIPLINARY INFORMATION**

Eclectic and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Eclectic does not have any disciplinary information to disclose.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Eclectic does not offer any other services or have any affiliates in the financial industry. Some associated persons of Eclectic serve on boards of directors for various companies. In all such instances, either the company is not a client of Eclectic or if also a client, Eclectic has no business dealings with the company other than the provision of investment advisory services. A conflict arises when an affiliated person of Eclectic exercises his or her vote as a member of a company's board to hire Eclectic to manage company assets. Similarly, a vote to retain Eclectic as the money manager for the company where an advisory relationship already exists also creates a conflict. To address these conflicts, Eclectic's employees will recuse themselves from votes involving decisions to hire or retain Eclectic as an investment adviser, when applicable. Eclectic does not conduct shared operations or have shared premises with any company where an associated person serves on a board.

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

### Code of Ethics

Eclectic believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Eclectic's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Eclectic's Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Eclectic's personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and adherence to applicable federal securities laws. Additionally, individuals who formulate investment advice for clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities, are subject to personal trading policies governed by the Code of Ethics (see below).

Eclectic will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

### Personal Trading Practices

Eclectic's personnel are subject to personal trading policies governed by the Code of Ethics. Eclectic and our personnel often invest in securities that we also recommend to clients. However, the securities we trade in our own accounts sometimes trade at different frequencies or include securities that we feel do not meet the criteria of our investment process, and/or that we do not feel are appropriate for clients. This could potentially lead to profits in personal accounts that would not also be earned by clients holding both like and/or different positions.

Securities transactions on behalf of clients primarily consist of mutual funds, which do not trade but are issued and redeemed once daily at the fund's net asset value ("NAV"). Therefore, we believe that personal transactions in mutual funds do not present a conflict of interest to our clients. The Code of Ethics includes additional restrictions for our personnel in the rare event that we make non-mutual fund purchases or sales in our personal accounts.

## Participation or Interest in Client Transactions

The following items represent situations where a conflict of interest may exist between the client and Eclectic.

## ITEM 12 - BROKERAGE PRACTICES

### The Custodian and Brokers We Use

Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab) or TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), registered broker-dealers, members SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab and TD Ameritrade. Schwab and TD Ameritrade will hold client assets in a brokerage account and buy and sell securities when we instruct them to.

While we require that clients use Schwab or TD Ameritrade as custodian/broker, the client must decide whether to do so and open accounts with Schwab or TD Ameritrade by entering into account agreements directly with them. We do not open accounts for clients, although we may assist them in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though clients maintain accounts at Schwab and TD Ameritrade, we can still use other brokers to execute trades for client accounts (see ***Client Brokerage and Custody Costs***, below).

#### How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to Eclectic and our other clients
10. Availability of other products and services that benefit us, as discussed below (see ***Products and Services Available to Us from Schwab and TD Ameritrade***)

#### *Client Brokerage and Custody Costs*

For our clients' accounts that Schwab and TD Ameritrade maintain, Schwab and TD Ameritrade generally do not charge separately for custody services. However, Schwab and TD Ameritrade receive compensation by charging commissions or other fees on trades that they execute or that settle into clients' Schwab and TD Ameritrade accounts.

In addition to commissions, Schwab and TD Ameritrade charge a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab or TD Ameritrade account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab and TD Ameritrade execute most trades for client accounts. We have determined that having Schwab and TD Ameritrade execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see ***How We Select Brokers/Custodians***).

#### *Products and Services Available to Us from Schwab and TD Ameritrade*

Schwab and TD Ameritrade provide Eclectic and our clients with access to their institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab and TD Ameritrade retail customers. Schwab and TD Ameritrade also make available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's and TD Ameritrade's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us.

The following applies to TD Ameritrade's platform:

1. Eclectic participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member

FINRA/ SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer.

2. TD Ameritrade offers to independently registered investment advisers services, which include custody of securities, trade execution, and clearance and settlement of transactions. Eclectic receives some benefits from TD Ameritrade through its participation in the program.
3. Eclectic may recommend TD Ameritrade to clients for custody and brokerage services
4. There is no direct link between Advisor's participation in the program and the investment advice it gives to its clients, although Advisor receives economic benefits through its participation in the program.
5. Eclectic receives economic benefits through its participation in the program which may include any one or more of the following: receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors.
6. These benefits received by Eclectic, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade.
7. Eclectic considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided.

The following is a more detailed description of Schwab's and TD Ameritrade's support services:

#### *Services That Benefit Our Clients*

Schwab's and TD Ameritrade's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and TD Ameritrade include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's and TD Ameritrade's services described in this paragraph generally benefit our clients and their accounts.

### *Services That May Not Directly Benefit Our Clients*

Schwab and TD Ameritrade also make available to us other products and services that benefit us but may not directly benefit our clients or their accounts. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's and TD Ameritrade's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab and TD Ameritrade. In addition to investment research, Schwab and TD Ameritrade also make available software and other technology that:

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

### *Services That Generally Benefit Only Us*

In recommending TD Ameritrade as the broker and custodian for certain of its current and future client accounts, Eclectic takes into consideration our arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade's automatic portfolio rebalancing service for advisors known as "iRebal." In 2020, the standard iRebal annual license fee applicable to Eclectic was \$32,000, which is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. Specified taxable client assets either maintained on or committed to the TD Ameritrade platform will bring fee reductions of up to \$32,000 per year (i.e. a complete waiver).

Although Eclectic believes that the products and services offered by TD Ameritrade are competitive in the marketplace for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect Eclectic's independent judgment in selecting or maintaining TD Ameritrade as the broker or custodian for client accounts. As part of its fiduciary duties to clients, Eclectic endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the economic benefits we receive in and of itself creates a potential conflict of interest.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute "plan assets" of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974 (ERISA), amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs). If Eclectic does not maintain the relevant level of taxable assets on the TD Ameritrade platform, Eclectic may be required to make a penalty fee payment to TD Ameritrade calculated on the basis of the shortfall.



Schwab and TD Ameritrade offer services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

Schwab and TD Ameritrade may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. Schwab and TD Ameritrade may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Schwab and TD Ameritrade may also provide us with other benefits, such as occasional business entertainment of our personnel.

Although Eclectic believes that the products and services offered by Schwab and TD Ameritrade are competitive in the marketplace for similar services offered by other broker-dealers or custodians, they can affect Eclectic's independent judgment in selecting or maintaining Schwab and TD Ameritrade as the broker or custodian for client accounts. As part of its fiduciary duties to clients, Eclectic endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the economic benefits we receive in and of itself creates a potential conflict of interest.

#### *Our Interest in Schwab's and TD Ameritrade's Services*

The availability of these services from Schwab and TD Ameritrade benefits us because we do not have to produce or purchase them. Eclectic primarily supports our selection of Schwab and TD Ameritrade by the scope, quality, and price of Schwab's and TD Ameritrade's services (see ***How We Select Brokers/Custodians***, above) and not Schwab's and TD Ameritrade's services that benefit only us.

#### *Directed Brokerage Transactions*

Eclectic will not allow clients to direct Eclectic to use a specific broker-dealer to execute transactions. Clients must use the broker-dealers that Eclectic recommends. Not all investment advisers require their clients to trade through specific brokerage firms. Since we require most of our clients to maintain their accounts with Schwab or TD Ameritrade, it is also important for clients to consider and compare the significant differences between having assets custodied at another broker-dealer, bank or other custodian prior to opening an account with us. Some of these differences include, but are not limited to; total account costs, trading freedom, transaction fees/commission rates, and security and technology services. By requiring clients to use Schwab or TD Ameritrade, Eclectic believes we may be able to more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

Clients with 401K or annuity accounts are not required to use Schwab or TD Ameritrade and may appoint a custodian of their choosing.

## **Aggregation and Allocation of Transactions**

Eclectic enters transactions for each client independently and does not aggregate (combine) client orders. Aggregating trades may benefit clients by purchasing or selling in larger blocks in an attempt to take advantage of better pricing or lower trading costs. We do not feel that clients are at a disadvantage because we do not aggregate client orders. Eclectic primarily uses mutual funds to manage client accounts. Mutual funds are priced once daily. As the daily price is the same for each investor, we have no opportunity to obtain better pricing through aggregating even if we place trades of the same fund for multiple clients within a single order. Additionally, the broker-dealer/custodians charge each account an individual transaction fee regardless of whether we aggregate or not. This prevents us from lowering trading costs through aggregation.

Eclectic's investment recommendations for clients may include certain private placements, including oil and gas investments and private REITs. Generally, these types of investments are only available to clients that meet certain income and net worth requirements. Additionally, these investments typically have a minimum investment requirement. In some cases, the investments are limited in size, so that participation by all of our clients for whom the investment is suitable and who meet the qualification requirements to purchase these investments is not possible.

When the offering is limited in size, Eclectic allocates the offering to all eligible clients according to the following policy:

1. To clients whose portfolio is sufficient in size such that the client meets the minimum required investment of the offering; and
2. To clients, in order of when the investment was recommended to them, based on the current cash available in their portfolio to participate in the offering.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Managed Account Reviews**

Eclectic seeks to meet client objectives by monitoring accounts regularly and rebalancing clients' investment portfolios, as Eclectic deems appropriate. Clients with accounts that fall below our minimum portfolio size of \$400,000 may receive rebalancing reviews less frequently, typically annually. All of Eclectic's Financial Planners perform reviews of client accounts. Eclectic is available to clients for discussion and advice anytime during normal business hours.



## Consulting Reviews

We conduct consulting services reviews at our hourly rate of \$350 and only at the request of the client.

## Account Reporting

Investment management clients receive a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. In addition, Eclectic provides written reports detailing performance in investment management client accounts on a quarterly basis. Managed accounts that do not meet our standard minimum account requirements and consulting services clients do not receive reports from Eclectic.

### Valuation of illiquid investments

In the event that Eclectic references private placements or other illiquid investments owned by the client on any account report we prepare, the value(s) for all such assets owned by the client will reflect the most recent valuation provided by the investment sponsor/issuer. If no subsequent valuation post-purchase is provided by the investment sponsor/issuer, then the valuation will reflect the initial purchase price (and/or an issuer-provided value as of a previous date). If the valuation reflects initial purchase price (and/or an issuer-provided value as of a previous date), the current value(s), to the extent ascertainable, could be significantly more or less than original purchase price. The client's advisory fee will be based upon the most recent known value(s) using the above methodology.

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

### Schwab/TD Ameritrade Support Products and Services

We receive an economic benefit from Schwab/TD Ameritrade in the form of the support products and services they make available to us and other independent investment advisers whose clients maintain their accounts at Schwab/TD Ameritrade. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab's/TD Ameritrade's products and services to us.

### Outside Compensation

Eclectic may refer clients to unaffiliated professionals for specific needs, such as insurance, mortgage brokerage, real estate sales, and estate planning, legal, and/or tax/accounting services. In turn, these professionals may refer clients to Eclectic for investment management/financial planning needs. We do not have any agreements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. However, it could be concluded that Eclectic is receiving an indirect economic benefit from the arrangement, as the relationships are

mutually beneficial. For example, there could be an incentive for us to recommend services of firms who refer clients to Eclectic.

Eclectic only refers clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and solely the client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and Eclectic has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by Eclectic. Eclectic does not receive any portion of fees paid to outside professionals.

If the client desires, Eclectic will work with these professionals or the client's other advisers (such as an accountant, attorney, or other investment adviser) to help ensure that the provider understands the client's financial plan/investments and to coordinate services for the client. Eclectic does not share information with an unaffiliated professional unless first authorized by the client.

## **ITEM 15 - CUSTODY**

Eclectic has limited custody of our clients' funds or securities when the client authorizes us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from Eclectic as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

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

## **ITEM 16 - INVESTMENT DISCRETION**

### *Discretionary Management*

For the majority of existing client accounts and for all new advisory account relationships, Eclectic has full discretion to decide the specific security to trade, the

quantity, and the timing of transactions for client accounts. Eclectic will not contact clients before placing trades in their account, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority within their accounts when they sign the custodian paperwork.

Certain client-imposed conditions may limit our discretionary authority, such as where the client prohibits transactions in specific security types. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4***, above.

#### Non-Discretionary Management

For non-discretionary accounts honoring prior agreements, Eclectic makes recommendations to clients on what securities or products to buy or sell, and it is up to the client to approve our recommendations. Once we receive approval from the client to go forward, we will place the trades in the client's account. Non-discretionary trades are typically placed after trades in discretionary accounts due to the time lapse in receiving client approval of non-discretionary investment recommendations. Clients give us trading authority over their accounts when they sign the custodian paperwork.

## ITEM 17 - VOTING CLIENT SECURITIES

#### Proxy Voting

Eclectic generally votes securities (proxies) for accounts which the client grants us with the authority to vote on their behalf. Absent special circumstances, which we describe in our Proxy Voting Policies and Procedures, we will vote all proxies within the guidelines we established and describe in our Proxy Voting Policies and Procedures, as we may amend from time-to-time. At any time, clients may contact us to request information about how we voted proxies for their securities or to get a copy of our Proxy Voting Policies and Procedures. A brief summary of Eclectic's Proxy Voting Policies and Procedures is as follows:

We generally cast proxy votes in favor of proposals that:

1. Maintain or strengthen the shared interests of shareholders and management;
2. Increase shareholder value;
3. Maintain or increase shareholder influence over the issuer's board of directors and management;
4. Minimize cost of ownership; and
5. Maintain or increase the rights of shareholders.

We generally cast proxy votes against proposals having the opposite effect.

In the absence of specific voting guidelines from a client, Eclectic will vote proxies in a manner that is in the best interest of the client, which may result in different voting results for proxies for the same issuer. We will consider those factors that relate to the

client's investment or that are dictated by the client's written instructions, including how our vote will economically impact and affect the value of the client's investment. Sometimes, not voting at all on a presented proposal may be in the best interest of the client. Generally, we do not allow clients to direct our vote in a particular solicitation; however, we reserve the right to make exceptions in rare circumstances at a client's request.

Occasionally, we may have a conflict of interest in voting proxies due to a business or personal relationship that we maintain with persons who have an interest in the outcome of certain votes. In those cases, we will take steps to ensure that proxy voting decisions are in the best interest of clients and are not the product of such conflict. Our policies to address conflicts of interest include the following:

If an actual or potential conflict is found to exist, we will provide written notification of the conflict (the "Conflict Notice") to the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) in sufficient detail and with sufficient time to reasonably inform the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) of the actual or potential conflict involved.

Specifically, the Conflict Notice describes:

1. The proposal to be voted upon;
2. The actual or potential conflict of interest involved;
3. Eclectic's vote recommendation (with a summary of material factors supporting the recommended vote); and
4. If applicable, the relationship between Eclectic and any Interested Person.

The Conflict Notice either will request the client's consent to Eclectic's vote recommendation or may request the client to vote the proxy directly or through another designee of the client.

### Class Actions

Eclectic does not generally elect to participate in class action lawsuits on behalf of its clients on an unsolicited basis. Rather, such decisions remain with the client or an entity designated by the client. At our discretion, we may assist in determining whether the client should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any related documentation generally rests with the client. Upon any client request, we will provide the client with the transaction information we have pertaining to the client's account needed to file a proof of claim in a class action.

## ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition.

Eclectic does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, and does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients and has not been the subject of a bankruptcy proceeding.

# **Form ADV, Part 2B Brochure Supplement**

**David K. Little, CFP<sup>®</sup>, CFA**  
**Scott A. Rojas, CFP<sup>®</sup>**  
**Carl W. R. Lachman, CFP<sup>®</sup>**  
**Russell W. Hall, CFP<sup>®</sup>**  
**David K. MacLeod, CFP<sup>®</sup>, CFA**  
**Travis J. McShane, CFP<sup>®</sup>, CFA**  
**Aimee E. Calderon, CFP<sup>®</sup>**  
**James I. Moore, CFP<sup>®</sup>**  
**Amber M. Shrosbree, CFP<sup>®</sup>**

## **Eclectic Associates, Inc.**

1021 W. Bastanchury Road  
Suite 120  
Fullerton, CA 92833  
(714) 738-0220

August 19, 2021

This brochure supplement provides information about David Little, Scott Rojas, Carl Lachman, Russell Hall, David MacLeod, Travis McShane, Aimee Calderon, James Moore, and Amber Shrosbree that supplements the Eclectic Associates, Inc. brochure. You should have already received a copy of that brochure. Please contact our Client Services Department if you did not receive our brochure or if you have any questions about the contents of this supplement. Additional information about the above individuals is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Description of Professional Designations Used in this Brochure Supplement\*

### <sup>1</sup>*Chartered Financial Analyst*<sup>®</sup>

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

### <sup>2</sup>*CERTIFIED FINANCIAL PLANNER*<sup>™</sup>

The CERTIFIED FINANCIAL PLANNER<sup>™</sup> and CFP<sup>®</sup> (collectively, the “CFP<sup>®</sup> marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP<sup>®</sup> Board”). The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. The CFP<sup>®</sup> is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP<sup>®</sup> candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP<sup>®</sup> Certification examination and complete a CFP<sup>®</sup> board- registered program or hold an accepted designation, degree, or license. Every two years, CFP<sup>®</sup> certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP<sup>®</sup> is available at <http://www.cfp.net/default.asp>.

## **David K. Little, CFP®, CFA**

### **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**David K. Little**, President & Director, b. 1970

#### *Education:*

CFA®; Chartered Financial Analyst®<sup>1</sup>, CFA® Institute, 1997

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 1995

B.S.; Business, Finance, Biola University, 1993

#### *Business Background:*

Eclectic Associates, Inc., President, 06/2016 to present

Eclectic Associates, Inc., Director, 12/1992 to present

Eclectic Associates, Inc., Vice President, 12/1992 to 06/2016

#### *\*Professional Designations:*

David Little holds the following professional designations:

- Chartered Financial Analyst®<sup>1</sup>
- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

### **ITEM 3 - DISCIPLINARY INFORMATION**

David Little has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

In addition to providing investment advice through Eclectic, Dave Little serves on the Board of Directors for La Habra Community Support Foundation and La Habra Boys & Girls Club. Eclectic has no business dealings with these entities other than the provision of investment advisory services. Eclectic does not conduct shared operations or have shared premises with these entities.

### **ITEM 5 - ADDITIONAL COMPENSATION**

David Little's only compensation comes from his regular salary and ownership of Eclectic.

### **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising the advisory activities of Eclectic's Supervised Persons. He can be reached by calling (714) 738-0220.



## **Scott A. Rojas, CFP®**

### **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Scott A. Rojas**, Financial Planner, b. 1970

*Education:*

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2008  
MBA, California State Polytechnic University, 2004  
B.S.; Business, Finance, Biola University, 1993

*Business Background:*

Eclectic Associates, Inc., Vice President, 06/2016 to present  
Eclectic Associates, Inc., Financial Planner, 08/2004 to present  
Beckman Coulter, Financial Analyst, 03/2001 to 08/2004  
American Funds Service Co., Team Leader, 03/1996 to 03/2001

*\*Professional Designations:*

Scott Rojas holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

### **ITEM 3 - DISCIPLINARY INFORMATION**

Scott Rojas has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Scott Rojas's only business is providing investment advice through Eclectic.

### **ITEM 5 - ADDITIONAL COMPENSATION**

Scott Rojas's only compensation comes from his regular salary and ownership of Eclectic.

### **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising Scott Rojas's activities. David Little monitors the advice provided by Scott Rojas for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

## **Carl W. R. Lachman, CFP®**

### **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Carl W. R. Lachman**, Financial Planner, b. 1968

#### *Education:*

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2006  
MBA; Management with an Emphasis in Finance, University of California, Los Angeles, 2003

ThM; Church History, Dallas Theological Seminary, 1999

AB; Economics, Mathematics Minor, Occidental College, 1990

#### *Business Background:*

Eclectic Associates, Inc., Vice President, 06/2016 to present

Eclectic Associates, Inc., Financial Planner, 11/2003 to present

First Evangelical Free Church, Financial Manager, 05/1999 to 10/2003

#### *\*Professional Designations:*

Carl Lachman holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

### **ITEM 3 - DISCIPLINARY INFORMATION**

Carl Lachman has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Carl Lachman's only business is providing investment advice through Eclectic.

### **ITEM 5 - ADDITIONAL COMPENSATION**

Carl Lachman's only compensation comes from his regular salary and ownership of Eclectic.

### **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising Carl Lachman's activities. David Little monitors the advice provided by Carl Lachman for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

**Russell W. Hall, CFP®**

## **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Russell W. Hall**, Financial Planner, b. 1976

*Education:*

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2007  
PFP; Personal Financial Planning, University of California, Irvine, 2006  
B.A.; Communication, Biola University, 2003

*Business Background:*

Eclectic Associates, Inc., Financial Planner, 09/2007 to present  
Eclectic Associates, Inc., Paraplanner, 12/2001 to 09/2007

*\*Professional Designations:*

Russell Hall holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

## **ITEM 3 - DISCIPLINARY INFORMATION**

Russell Hall has no disciplinary history to disclose.

## **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Russell Hall's only business is providing investment advice through Eclectic.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Russell Hall's only compensation comes from his regular salary and ownership of Eclectic.

## **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising Russell Hall's activities. David Little monitors the advice provided by Russell Hall for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

## **David K. MacLeod, CFP®, CFA**

### **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**David K. MacLeod**, Chief Investment Officer, Financial Planner, b. 1985

#### *Education:*

CFA®; Chartered Financial Analyst®<sup>1</sup>, CFA® Institute, 2013

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2009

PFP; Personal Financial Planning, University of California, Irvine, 2008

B.S.; Business, Biola University, 2006

#### *Business Background:*

Eclectic Associates, Inc., Chief Investment Officer, 07/2019 to present

Eclectic Associates, Inc., Financial Planner, 08/2010 to present

Eclectic Associates, Inc., Paraplanner, 06/2006 to 08/2010

#### *\*Professional Designations:*

David MacLeod holds the following professional designations:

- Chartered Financial Analyst®<sup>1</sup>
- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

### **ITEM 3 - DISCIPLINARY INFORMATION**

David MacLeod has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

David MacLeod's only business is providing investment advice through Eclectic.

### **ITEM 5 - ADDITIONAL COMPENSATION**

David MacLeod's only compensation comes from his regular salary and ownership of Eclectic.

### **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising David MacLeod's activities. David Little monitors the advice provided by David MacLeod for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

## **Travis J. McShane, CFP®, CFA**

### **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Travis J. McShane**, Financial Planner, b. 1988

#### *Education:*

CFA®; Chartered Financial Analyst®<sup>1</sup>, CFA® Institute, 2017

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2013

B.A.; Business Administration - Finance, California State University, Fullerton, 2010

#### *Business Background:*

Eclectic Associates, Inc., Financial Planner, 03/2013 to present

Eclectic Associates, Inc., Paraplanner, 09/2010 to 03/2013

JP Morgan Chase, Sales and Service Associate, 06/2009 to 09/2010

#### *\*Professional Designations:*

Travis McShane holds the following professional designations:

- Chartered Financial Analyst®<sup>1</sup>
- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

### **ITEM 3 - DISCIPLINARY INFORMATION**

Travis McShane has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Travis McShane's only business is providing investment advice through Eclectic.

### **ITEM 5 - ADDITIONAL COMPENSATION**

Travis McShane's only compensation comes from his regular salary and ownership of Eclectic.

### **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising Travis McShane's activities. David Little monitors the advice provided by Travis McShane for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

**Aimee E. Calderon, CFP®**

## **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Aimee E. Calderon**, Financial Planner, b. 1977

### *Education:*

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2001  
B.A.; Business, Finance, Biola University, 1999

### *Business Background:*

Eclectic Associates, Inc., Financial Planner, 10/2015 to present  
For His Glory Community Church, Bookkeeper, 05/2014 to 12/2016  
Peanut Pop, Owner, 08/2010 to 12/2014  
Unemployed, 01/2009 to 07/2010  
Eclectic Associates, Inc., Financial Planner, 01/1998 to 12/2008

### *\*Professional Designations:*

Aimee Calderon holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

## **ITEM 3 - DISCIPLINARY INFORMATION**

Aimee Calderon has no disciplinary history to disclose.

## **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Aimee Calderon's only business is providing investment advice through Eclectic.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Aimee Calderon's only compensation comes from her regular salary and ownership of Eclectic.

## **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising Aimee Calderon's activities. David Little monitors the advice provided by Aimee Calderon for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

**James I. Moore, CFP®**

## **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**James I. Moore**, Financial Planner, b. 1985

### *Education:*

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2016  
B.S.; Business Administration, Biola University, 2007

### *Business Background:*

Eclectic Associates, Inc., Financial Planner, 05/2016 to present  
Eclectic Associates, Inc., Paraplanner, 10/2013 to 05/2016  
Evangelical Christian Credit Union, 08/2008 to 10/2013

### *\*Professional Designations:*

James Moore holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

## **ITEM 3 - DISCIPLINARY INFORMATION**

James Moore has no disciplinary history to disclose.

## **ITEM 4 - OTHER BUSINESS ACTIVITIES**

James Moore's only business is providing investment advice through Eclectic.

## **ITEM 5 - ADDITIONAL COMPENSATION**

James Moore's only compensation comes from his regular salary at Eclectic.

## **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising James Moore's activities. David Little monitors the advice provided by James Moore for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.



## **Amber M. Shrosbree, CFP®**

### **ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

**Amber M. Shrosbree**, Financial Planner, b. 1996

*Education:*

CFP®; CERTIFIED FINANCIAL PLANNER™<sup>2</sup>, College for Financial Planning, 2021  
B.A.; Economics and Business, Westmont College, 2017

*Business Background:*

Eclectic Associates, Inc., Financial Planner, 08/2021 to present  
Eclectic Associates, Inc., Paraplanner, 09/2018 to 08/2021  
Integrated Procurement Technologies, 01/2018 to 09/2018  
Westmont College, Student, 09/2014 to 12/2017

*\*Professional Designations:*

Amber M. Shrosbree holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™<sup>2</sup>

### **ITEM 3 - DISCIPLINARY INFORMATION**

Amber M. Shrosbree has no disciplinary history to disclose.

### **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Amber M. Shrosbree's only business is providing investment advice through Eclectic.

### **ITEM 5 - ADDITIONAL COMPENSATION**

Amber M. Shrosbree's only compensation comes from her regular salary at Eclectic.

### **ITEM 6 - SUPERVISION**

David Little, President, is responsible for supervising Amber M. Shrosbree's activities. David Little monitors the advice provided by Amber M. Shrosbree for consistency with client objectives and Eclectic's policies. David Little can be reached by calling (714) 738-0220.

## FACTS

### WHAT DOES ECLECTIC ASSOCIATES, INC. DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and transaction history
- assets and risk tolerance

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Eclectic Associates, Inc. chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Eclectic Associates, Inc. share?	Can you limit this sharing?
<b>For our everyday business purposes -</b> as permitted by law	YES	NO
<b>For our marketing purposes -</b> to offer our products and services to you	NO	We Don't Share
<b>For joint marketing with other financial companies</b>	NO	We Don't Share
<b>For our affiliates' everyday business purposes -</b> information about your transactions and experiences	NO	We Don't Share
<b>For our affiliates' everyday business purposes -</b> information about your creditworthiness	NO	We Don't Share
<b>For nonaffiliates to market to you</b>	NO	We Don't Share

#### Questions?

Call (714) 738-0220 or go to [www.eclecticassociates.com](http://www.eclecticassociates.com)

## WHO WE ARE

**Who is providing this notice?**

**Eclectic Associates, Inc.**

## WHAT WE DO

**How does Eclectic Associates, Inc. protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does Eclectic Associates, Inc. collect my personal information?**

We collect your personal information, for example, when you

- seek advice about your investments
- enter into an investment advisory contract
- tell us about your investment or retirement portfolio
- tell us about your investment or retirement earnings
- give us your contact information

We also collect your personal information from other companies.

**Why can't I limit all sharing?**

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes - information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

## DEFINITIONS

**Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Eclectic Associates, Inc. has no affiliates*

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and non-financial companies.

- *Eclectic Associates, Inc. does not share with nonaffiliates so they can market to you*

**Joint Marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Eclectic Associates, Inc. doesn't jointly market*