



There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. This document provides a summary of the types of services we provide and how you will pay for them. Please feel free to reach out to us for additional information. Questions you might consider asking us are noted (→) throughout this Summary.

## Introduction

Spectrum Financial Management is a SEC registered investment adviser ("RIA") that provides investment management services to retail investors. We do not provide services as a broker-dealer. There are differences between investment advisers and broker-dealers, and it is important for you to understand them as you decide what kind of account is right for you. You can learn more about the differences between investment advisers and broker-dealers at the websites provided by the SEC like <https://www.investor.gov> and <https://www.investor.gov/crs>.

## What Investment Services and Advice Can You Provide Me?

Investment Management Services: If you request investment management services, we will:

- Tailor an investment approach for you that reflects your age, income, family circumstances, financial condition, retirement goals, investment goals, and your risk tolerance.
- Conduct periodic reviews of your goals and asset allocation, and reviews in response to life changes.
- Provide ongoing monitoring of your investment accounts.
- Monitor market, economic, and geo-political trends.
- Review relevant financial industry research on a routine basis.
- Buy and sell securities for your accounts that are consistent with your financial goals and risk tolerance.
- We will do so on a "discretionary" basis that authorizes us to trade without your approval of each trade. We may make an exception and advise you on a "non-discretionary" basis for designated assets where we would make investment recommendations to you and you would decide which securities to buy or sell.

We require a minimum account size of \$500,000 and a minimum annual management fee of \$5,000.

Tax Analysis, Planning and Preparation Services: We provide coordinated tax-analysis and planning services as an integrated part of our investment management process. If requested, tax preparation is provided under a separate annual written agreement.

Financial Planning & Analysis: Upon request, we provide financial planning and analysis services as an integrated part of our investment management process. Depending on your needs, our analyses may include, but is not limited to, the following: retirement projections, cash flow planning, rental real estate analysis, education funding, charitable giving, estate planning and employer stock options.

Additional detail about our services is provided in our Form ADV Part 2A, Item 4.

- Given my financial situation, should I choose an investment advisory service and why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications?
- What do your professional qualifications mean?

## What Fees Will I Pay?

**These are the principal types of fees you will pay to us in connection with our services:**

- Asset-Based Fees: Investment management fees charged as a percentage of the value of the assets under our management. These are paid quarterly.
- Fixed Fees: Tax preparation fees are paid at the time the services are provided.

Our fees are negotiable and may vary amongst clients.

### **Other fees & costs you will pay to others in relation to your investments include:**

- Custodian fees. If charged, these are paid to your custodian directly, on an annual or a monthly basis.
- Maintenance fees. If charged, these are paid to your custodian directly.
- Transactional and product-level fees (commissions). If charged, these are paid to your executing broker-dealer directly, at the time of each transaction.
- Fees related to funds and variable annuities. Mutual funds, exchange traded funds (ETFs) and variable annuity products may impose ongoing management fees, administrative fees and redemption or surrender fees. These are paid directly to the issuer of the fund/ETF or the insurer that issues the annuity.

The fee any investment adviser charges reduces the value of your account when it is deducted each billing period. Please make sure you understand what fees and costs you are paying. You will pay the asset-based fee each period even if no securities are bought or sold in your account. You will pay fees and costs whether you make or lose money on your investments. More detail about our fees is in our Form ADV Part 2A, Item 5.

➔ Help me understand how fees and costs might affect my investments – If I give you \$10,000 to invest, how much will go to fees and costs, and how much will remain in investment positions?

### **What Are Your Legal Obligations to Me When Acting as My Investment Adviser?**

We have adopted an internal Code of Ethics. When we act as your investment adviser, we must act in your best interest and not put our interests ahead of yours. Where the interests of our Firm or staff conflict with our duties to you, we must work to eliminate the conflict or inform you of it in clear terms. You should understand these conflicts because they can affect the investment advice we provide you.

### **How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

We are a fee only advisor. The following examples will help you understand a RIA's general conflicts:

- We charge fees for our services based on assets under management, the more assets there are in your investment account, the more you will pay in fees. A conflict of interest arises when we encourage you to increase the assets in your account, such as when we recommend you invest in securities rather than non-managed assets or that you rollover a 401K retirement account to an IRA managed by our Firm.
- We advise you to custody your investment accounts with Charles Schwab because it provides us with essential trading, reporting, compliance, education and back office services and investment research.
- Our employees may invest in the same, or different securities than you based upon their personal financial situations. Their investments may perform as well as, better or worse than your investments.

➔ How might your conflicts of interest affect me, and how will you address them?

### **How Do Your Financial Professionals Make Money?**

Our financial professionals are paid a salary based upon their education, professional training, work background and the level of skill and dedication they exhibit in conducting their work. Financial professionals who are owners of the Firm share in the profits of the business. Non-owner financial professionals receive salaries and are entitled to participate in the Firm's bonus program in years in which bonuses are awarded.

### **Do You or Your Financial Professionals Have Legal or Disciplinary Histories?**

No. We recommend that you visit <https://www.adviserinfo.sec.gov/> for a free and simple search tool to research our Firm and our financial professionals.

- ➔ As a financial professional, do you have any disciplinary history? For which type of conduct?
- ➔ Who is my primary contact person?
- ➔ Is she or he an Investment Adviser Representative or a Broker-Dealer Representative?
- ➔ Who can I speak with if I have concerns about how this person is treating me?

### **We encourage you to seek out additional information.**

Visit <https://www.investor.gov/> that provides helpful educational materials to learn more about investing. For additional information on our advisory services, fees, conflicts and personnel, see our Form ADV Parts 1 and 2 on <https://www.adviserinfo.sec.gov/>. If you have any concerns or questions, or to obtain copies of our Form ADV Part 2 or Form CRS, contact Brenda S. Friedlander, at 415-472-7300.