



# SPECTRUM

WEALTH MANAGEMENT

## Item 1 – Cover Page

### PART 2A OF FORM ADV: FIRM BROCHURE

March 31, 2022

600 East 96<sup>th</sup> Street, Suite 130

Indianapolis, Indiana 46240

Tel: 317.663.5600

Fax: 317.663.5610

[www.spectrum-mgmt.com](http://www.spectrum-mgmt.com)

This Brochure provides information about the qualifications and business practices of Spectrum Management Group, LLC (“SMG”), doing business as Spectrum Wealth Management (“SWM”). If you have any questions about this Brochure's contents, please contact Leslie D. Thompson at 317.663.5600 or [www.spectrum-mgmt.com](http://www.spectrum-mgmt.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Spectrum Management Group, LLC, is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 154532. Registration does not imply any specific level of skill or training.

## **Item 2 – Material Changes**

**Current Document Date: March 31, 2022**

**Last Update: August 30, 2021**

Spectrum Management Group, LLC (“SMG”), doing business as Spectrum Wealth Management (“SWM”), will notify clients of material changes annually. However, where SWM’s management determines that an interim notification is either meaningful or required, SWM will notify its clients promptly and provide them with a summary of such changes. This Item 2, Material Changes disclosure, will also be provided to clients when material changes occur in our firm’s Client Relationship Summary (“Form CRS”).

Our firm’s *Form CRS*, this *Firm Brochure*, your financial professional’s brochure supplements, our Privacy Policy, or Code of Ethics may be requested by contacting Leslie D. Thompson, Chief Compliance Officer (“CCO”), at 317.663.5600 or lthompson@spectrum-mgmt.com. Regardless of the request or delivery mechanism, *Form CRS*, *Firm Brochure*, brochure supplements, and other important disclosures are available free of charge. SWM’s website address is [www.spectrum-mgmt.com](http://www.spectrum-mgmt.com).

Since SWM’s last annual amendment update, our firm reports the following material updates:

**Item 14 –Client Referrals and Other Compensation** – Although not a material change to our policies, SWM has disclosed that we do not compensate others for client referrals.

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#### **Item 4 – Advisory Business**

Spectrum Management Group, LLC, (“SMG”), doing business as Spectrum Wealth Management, is an Indiana corporation formed in March 2010 and has conducted business as an SEC-registered investment adviser since October 2010. The owners of SWM are Robert C. Phillips, Managing Member, Chief Executive Officer, and President, and Leslie D. Thompson, Managing Member, Chief Financial Officer, Chief Investment Officer, and Chief Compliance Officer.

SWM endeavors to provide personalized, comprehensive wealth management strategies for growing, preserving, and effectively transferring wealth for high-net-worth individuals and families and providing investment management services to individual and institutional investors.

When we act as your investment adviser, we must act in your best interest, and we do not put our interest ahead of yours. At the same time, the method by which we are compensated creates some conflicts with your interests. The following items outline our activities and address conflicts associated with those activities. You should understand and ask us about these potential conflicts because they can affect the investment advice we provide you.

As of December 31, 2021, SWM had \$ 955,832,371 of discretionary assets under management and \$ 21,286,251 of non-discretionary assets under management.

#### **Wealth Management Services**

SWM's wealth management service, LifeSpectrum Planning™, is designed to build a framework for financial decision-making. LifeSpectrum Planning™ entails an intensive data gathering process of the client's current financial condition (including review of prior tax returns, investment holdings, insurance policies, estate and legal documents, and other relevant information), organizing the data, preparing financial projections, and creating a Plan based on pre-defined goals, reporting the results of the projections, strategies, and scenarios, providing recommendations to fill any gaps that would prevent a client from reaching goals, and assisting a client in implementing the Plan, which includes the discretionary management of investment assets and advisory services related to non-discretionary investments assets outside of our advisory agreement. This service is designed for clients who meet a minimum one-million-dollar (\$1,000,000) investment under management threshold and is an ongoing process of continual monitoring and refinement, as circumstances dictate. As part of these services, clients have access to secure client portals, which allows them to view information about their Plan and their investment assets, including holdings, values, and asset allocation, and provides an electronic vault for valuable wealth-related documents such as wills, trusts, tax returns, insurance documents, and projections. However, it remains the client's responsibility to promptly notify SWM if there is any change in their financial situation or objectives. Implementation of the Plan is inherent in SWM's Wealth Management Service offering. A summary of SWM's investment management services, which are also available on a stand-alone basis, is addressed below.

While SWM has Certified Public Accountants (CPA) on staff, neither SWM nor its representatives serve as an accountant when providing recommendations, and no portion of SWM's services should be construed as the same. Furthermore, other professionals representing a client – attorneys, accountants, insurance agents, and other advisors – may need to implement some of the client's recommendations by SWM. SWM suggests clients work closely with these professionals to implement pertinent aspects of their Plan. SWM is available to make recommendations of trusted professionals and to coordinate with a client's other trusted professionals. The client is under no obligation to

engage the services of any such recommended professional. The client retains discretion over all such planning implementation decisions and is free to accept or reject any recommendation from SWM.

### **Accumulator Wealth Management Services**

Spectrum also offers wealth management to certain clients who do not meet the firm's \$1,000,000 minimum relationship threshold. Spectrum believes that its wealth management and investment portfolios are best structured for those clients who can invest a minimum of \$1,000,000 but understands certain relationships may not qualify for these services. Spectrum now offers the Accumulator Wealth Management service better to serve our client relationships and their family needs. This service is intended for client relationships based on related account relationships and specific client profiles. The service is designed to provide investment management layered with financial planning and consulting to Accumulator clients, who work closely with their designated financial professional. The financial professional assists the client to determine their financial goals, ascertain risk tolerance, structure a foundational financial plan and portfolio strategy. This strategy strives towards moving the client to eventually accruing enough assets to be eligible for regular wealth or investment management services. Once the relationship meets the minimum requirements, it is transitioned to Spectrum's standard platforms. Clients who begin with the Accumulator agreement pay more for these services as Spectrum personnel provides additional guidance and account education not generally required for more established or sophisticated relationships. Find out more about these fees in Item 5 below.

### **Retirement Plan Advice**

Wealth Management and Accumulator Clients may also engage our firm to receive a quarterly review and reporting of their portfolio holdings held away in the client's separate qualified retirement plan by the designated investment advisor representative. The investment advisor representative will recommend asset allocation and investment strategy changes, where applicable, each quarter. SWM's Investment Committee continuously reviews and monitors portfolio strategies and securities from which the investment advisor representative may choose for recommendation to clients. SWM provides advice and recommendation but does not execute this advice. Wealth Management and Accumulator Clients will have the sole responsibility to implement any recommendations or reallocate securities through their retirement plan transaction platform.

Clients should be aware of certain conflicts of interest that exist when we provide advice regarding qualified retirement plans. SWM may recommend that the client withdraw the assets from their employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that SWM (or another adviser) will manage. If the plan participant elects to roll the assets to an IRA managed by our firm, the client will be charged an asset-based fee. This practice presents a conflict of interest because SWM has a financial incentive to recommend the rollover to the client based on the potential revenues rather than solely on the client's needs. Consequently, clients are never obligated to roll over their qualified retirement plan assets, nor are they obligated to transfer the assets to our firm. Your financial professional should perform an analysis of the benefits of the rollover and what services or benefits you will lose, or the additional costs of a rollover. Ask your financial professional to review this analysis before making your final decision.

## **Investment Management Services**

SWM provides discretionary investment management services to clients on a fee-only basis. Clients who do not wish to engage in the comprehensive nature of SWM's Wealth Management offering may hire SWM to manage their investment assets on a stand-alone basis.

SWM's investment approach combines a blend of investment strategies detailed below. All investments made or recommended by SWM under the terms of this agreement are assessed, reviewed, and approved by the SWM Investment Committee. The intent is to delegate investment-related decisions to an experienced investment committee. The Investment Committee includes SWM Advisors who serve clients and is led by staff whose primary duties include investment-related research and recommendations. SWM portfolios consist of various building blocks available to Advisors to create portfolios for each client they serve. The result is a variety of customized portfolios designed to position each client for financial security and wealth accumulation to meet the client's objectives over the long term. The investment strategies that form the building blocks of the client portfolio consist of the strategies noted below. SWM may also create customized portfolio solutions to meet a specific need or investment theme of a particular client mandate.

### **Individual Equity Portfolios**

***SWM All Cap*** - Our focus is to invest in quality companies with competitive advantages and the potential for sustained superior growth, focusing on high returns on capital and earnings growth. We seek to invest in companies with a durable earnings profile driven by a sustainable competitive advantage, superior financial strength, and proven management teams.

Rooted in fundamental analysis and confirmed through technical analysis, our focus is on selecting approximately thirty portfolio holdings that meet our objective. Because of the technical analysis overlay that we employ, the portfolio may increase its cash allocation during periods of heightened volatility or what we define as protect mode. Technical analysis and quantitative strategies often involve more frequent trading than a buy and hold strategy, which could increase brokerage costs.

***SWM Dividend Growth*** – Our focus is to invest in quality companies with competitive brand positioning, solid balance sheets, consistent dividend, cash flow, and earnings growth. Our goal is to produce an attractive and rising income stream and capital appreciation. Rooted in fundamental analysis and confirmed through technical analysis, our focus is on selecting approximately thirty portfolio holdings that meet our objective. Because of the technical analysis overlay that we employ, the portfolio may increase its cash allocation during periods of heightened volatility or what we define as protect mode.

Over time, dividends have made up a substantial portion of the total return of the S&P 500. We feel that dividend income provides a distinct advantage when fixed-income yields are low, the inflation outlook is uncertain, and the broader market is volatile. In addition, dividend-payers tend to be less volatile and outperform non-dividend-paying stocks over the long term.

***SWM Growth and Income*** – Our dual mandate focuses on investing in quality growth and dividend-paying companies. We seek companies with a proven track record and strong potential for sustainable future growth in revenue, earnings, and free cash flow. Attractive dividends are an essential part of the portfolio, but we will also invest in companies that choose to reinvest cash flow into growth opportunities or share repurchase activity. Rooted in fundamental analysis

and confirmed through technical analysis, our focus is on selecting approximately thirty portfolio holdings that meet our objective. Because of the technical analysis overlay that we employ, the portfolio may increase its cash allocation during periods of heightened volatility or what we define as protect mode.

**Custom Equity Portfolio** – If required by a specific client mandate, we can create custom portfolios that align with issues of low basis stock, ESG parameters or specific security inclusion or exclusion from a portfolio. We employ the same focused research in developing custom solutions.

### **Tactical Focused Portfolios**

**Core** - The Core portfolio invests in cost-efficient Exchange Traded Funds (ETFs) to complement our stock portfolios by providing broader diversification of assets classes and sectors.

#### *Investment Philosophy*

We study macroeconomic factors and technical analysis, which focuses on evaluating trend, price, and relative strength to identify what we believe to be favorable investment opportunities. We evaluate market activities and rotate the portfolio to specific investment themes, which we believe offer the strongest potential for price appreciation. We attempt to control risk by underweighting or removing exposure to markets exhibiting negative price trends and evaluated risk. As a result, the Tactical Focused Core Portfolio can hold most of its investments in a single asset such as U.S. Equities, Foreign Equities, or Cash. It could also concentrate on certain broad or micro-sectors such as Technology or S&P Oil & Gas Exploration & Producers, as an example. The Tactical Focused Core portfolio can be less diversified than a traditional allocation portfolio.

The Core portfolio is rebalanced monthly or opportunistically.

### **Sector Rotation**

The Sector Rotation portfolios, which comprises a U.S.-focused and a Global-focused portfolio, invest in cost-efficient Exchanged Traded Funds (ETFs) to gain market exposure to areas of the market that exhibit strong relative strength and trend over the intermediate-term. Sectors tend to perform differently throughout market cycles. The buy and sell discipline is based on relative strength and trends. We believe that attention to risk management, which we define as "protect mode," is as significant as return management, which we define as "advance mode."

The Sector Rotation portfolios are rebalanced monthly or opportunistically.

**SWM Macro Advance and Protect** – The SWM Macro Advance and Protect Strategy is designed to allocate up to five equity funds, four fixed-income funds, and a cash component for a total allocation across ten different asset classes. The top-level macroeconomic model determines the appropriate equity and fixed-income allocation, relying on an analysis of leading economic indicators, relative strength and market breadth indicators, and second-level indicators and ranking system to determine the equity allocation and fixed income baskets. While unlikely, the model could allocate 100% to cash or any single asset class. The strategy is reviewed monthly to determine if any changes should occur. The strategy is actively traded and could lead to less favorable tax treatment of investment gains. As such, this strategy is recommended for tax-deferred accounts.

## **Allocation Focused Portfolios**

The Allocation Focused portfolio invests in cost-effective Exchange Traded Funds (ETFs) to complement our stock portfolios by providing broader diversification of assets classes and sectors.

### *Investment Philosophy*

The Allocation Focused portfolios take a longer-term view of market conditions and drivers, focusing on diversified target allocation among asset classes, but adapt to changing macro conditions. The Allocation Focused portfolios have target allocations ranging from 100 percent equity to 100 percent fixed income. The Allocation Focused portfolios' goal is to focus on investor risk profiles (conservative, moderate, aggressive). Unlike our Tactical Focused portfolios, the Allocation Focused portfolios maintain their target focus within tightly defined constraints.

The Allocation Focused portfolios are rebalanced opportunistically.

Periodically, a client may designate the desire to purchase a specific security. In such an event, SWM will indicate the security as "non-managed" and rely upon the client's further recommendation for the removal or sale of such security from the client's account. SWM is not obligated to provide ongoing monitoring or due diligence of such "non-managed" security.

Before engaging SWM to provide Wealth Management or Investment Management Services, the client will be required to enter into a formal Investment Advisory Agreement with SWM setting forth the terms and conditions under which SWM shall manage the client's assets and the services expected to be performed. A separate custodial/clearing agreement with each designated broker-dealer/custodian will also be required to allow SWM to manage the client's assets effectively.

## **Family Office and Trust Services**

SWM also provides Family Office and Trust services. Family Office Services include wealth management, intergenerational wealth transfer strategies advice and planning, family meeting facilitation and education, guidance towards family governance, philanthropic planning, and investment management of client trust. The Family Office service targets clients with a minimum net worth of \$10 million. SWM may accept clients for this specialized service with less than the minimum who have unique situations that require services provided through this service offering.

Trust Services are provided under the separate name of Spectrum Private Trust ("SPT"). SPT offers individuals and families coordinated legacy planning of client estate plans. SPT acts as a trust representative office of National Advisors Trust Company, FSB ("NATC"). NATC is a federally chartered trust company supervised by the United States Comptroller of the Currency to provide trustee and asset custody services for clients. SPT will meet with the client(s) and refer clients to NATC for trust development. Once established, SPT meets with the client to create an in-depth financial and investment plan. SPT will review the plan on an ongoing basis and coordinate trust services with the Trustee. SWM offers planning and advice while NATC acts as the Trustee of all Trusts and could offer custodial services for clients' assets.



### **Third-Party Money Managers**

SWM provides management services to clients who choose to utilize third-party managers (registered investment advisers). We conduct due diligence on and recommend third-party managers in situations where it is appropriate. We monitor the performance of the selected registered investment adviser(s) for our clients. A client's investment with a third-party manager is made via a contract between the client and the third-party manager. The client provides SWM with the authority to allocate client assets to the manager. If we determine that a particular appointed third-party manager is not providing adequate management services to the client or is not managing the client's portfolio consistent with the client's investment objectives, we will suggest that the client terminate their agreement with the manager. However, any change to a new registered investment adviser is solely at the client's discretion.

You should understand that third-party managers are not affiliated with our firm, and we are not responsible for their services, actions, omissions, or performance. Our responsibility is limited to having the discretion to direct a portion of the client's account to/from the third-party manager. We will initially evaluate and recommend investment advisers and portfolios based upon reasonably available information at the time and periodically report on the third-party manager's investment performance in conjunction with the standard reporting process.

### **Pension Consulting Services**

SWM provides consulting services to plan trustees of ERISA-based plans. SWM acknowledges it is an ERISA investment fiduciary. As requested by the trustees, SWM will assist in developing an Investment Policy Statement for the Plan. SWM assumes the responsibility for the following:

- Providing professionally selected investment alternatives and risk-based models and portfolio alternatives;
- Investment model customization includes ongoing active portfolio management, which also includes monitoring, rebalancing, and adjustments to model portfolios;
- Continuous manager due diligence;
- Conducting enrollment and educational meetings for plan participants; and
- Coordination between the plan sponsor and third-party administrator

### **ERISA Accounts**

When SWM provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. SWM wants you to know that the way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of yours when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services.
- Finally, we must give you basic information about conflicts of interest.

### Limited Consulting Services

While rare, SWM may provide limited-scope consulting engagements, including a one-time financial planning engagement, investment portfolio review, facilitating family meetings, business succession planning, and consulting with personal representatives in estate matters related to financial assets. The fees for this service depend on the complexity of the service provided.

### Item 5 – Fees and Compensation

#### Wealth Management and Investment Management Fees

Wealth Management services are included with the fees charged for Investment Management. SWM is compensated by charging its clients fees based upon a percentage of each client's assets under management. SWM's annual fees for services are based upon a percentage of assets under management. The most typical fee is the following schedule below:

#### Tiered Billing Fee Schedule

Assets Under Management Annual Fee			
First \$1,000,000	1.20%	Next \$5,000,000	.60%
Next \$2,000,000	1.10%	Greater Than \$10,000,000	.50%
Next \$2,000,000	.75%		

Although SWM has established the aforementioned fee schedule, we retain the discretion to negotiate an alternative fee schedule on a client-by-client basis based on the facts and circumstances of the client and the complexity of the service. The specific annual fee schedule is identified in the investment advisory agreement between SWM and each client. It should be noted that while the above fee schedule is our current stated fee schedule, existing clients may have an alternative schedule that was previously negotiated at a rate less than the above schedule.

Spectrum's fees are billed quarterly, in advance. They are based on the custodial value of the client's account at the end of the previous calendar quarter multiplied by one-quarter of the applicable annual percentage rate. Should a client relationship be terminated during the middle of a calendar quarter, a pro-rated refund of prepaid advisory fees shall be returned to the client. Any refund amount is calculated by dividing the most recent advisory fee paid by the total number of days in the current quarter and multiplying that figure by the number of calendar days remaining in the quarter following the date of termination.

#### Accumulator Wealth Management Services

Depending upon the service's scope, Accumulator clients pay a fee for the development and monitoring of a financial plan which is separately negotiated with the client. Clients will also pay a separate fee for investment management. Separate fees for active management of the investment assets are disclosed in the above-stated fee schedule. Fees are billed quarterly, in advance, upon depositing any funds or securities in an account. The first payment is due upon acceptance of the client's agreement and shall be based upon the opening market value of the assets in the client's account(s) on that date. The first payment shall be pro-rated to cover the period from the date the account was opened

through the end of the next full calendar quarter. Thereafter, the fee is calculated based on the account value on the last business day of the preceding calendar quarter.

Accumulator clients generally elect to have fees directly debited by the client's qualified custodian from the client's designated account and paid to our firm. This authority is granted to Spectrum by the client's written authorization obtained in the client's investment management agreement. No fee adjustments shall be made for partial withdrawals or account appreciation or depreciation within a billing period. A pro-rata refund of fees charged shall be made if the relationship is closed within a billing period. SWM firm does not impose start-up, closing, or penalty fees in connection with the account.

### **Retirement Plan Advice Fees**

Wealth Management and Accumulator clients who choose additional advice and reporting connected with their qualified accounts held away are charged an annual asset-based fee negotiated separately, which will not exceed 20 basis points. In lieu of asset-based fees, we may agree to a flat dollar fee structure for consulting services requested by the client.

Fees are billed directly to the client. Fees are payable in advance or in arrears, as separately negotiated with each client.

### **Third-Party Management Fees**

Clients who utilize these services pay management fees to the third-party registered investment adviser, as outlined in the third-party registered investment adviser's separate disclosures. Clients should receive these disclosures when they begin a relationship with the registered investment adviser. Clients will also pay a separate and distinct management fee to SWM for monitoring the registered investment adviser. Our firm's fees for these services are separately negotiated with each client, and the client's total fees will vary by the selected manager. SWM does not receive any compensation from a third-party manager for making a referral.

### **Pension Consulting Services Fees**

Pension consulting fees are separately contracted and negotiated with SWM. Fees are negotiated based on the complexity and size of the Plan.

### **Limited Consulting Services Fees**

Consulting and financial planning fees are charged on an hourly or fixed rate basis and agreed to in writing by the client. Fees are separately negotiated with the client based on the complexity of the services offered. SWM will provide financial planning to certain clients to complement their other services.

## **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of notice. Upon termination of any relationship, any prepaid, unearned fees will be promptly refunded as described above.

**Direct Debiting of Client Fees:** SWM's written agreement with clients allows fees to be directly debited from the client's account held by the qualified custodian. Clients may alternatively choose to be invoiced separately.

**Mutual Fund and ETF Fees:** All fees paid to SWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. It is important to note that a client pays these fees to the fund or broker/dealer holding your assets. SWM does not receive these fees. In addition, SWM does not utilize mutual funds that incur initial or deferred sales charges. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm, which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid and evaluate the advisory services being provided.

#### **ERISA / Pension Protection Act Of 2006 (PPA)**

SWM also manages IRA accounts or other retirement accounts subject to the Pension Protection Act of 2006 (PPA). In all cases, an "eligible investment advice arrangement" or advisory agreement will be executed with the client. We will be considered a "fiduciary advisor" and charge fees to the retirement account based on a level fees basis, which means the fees will not vary based on the investment option selected.

The amount of compensation and other consideration reasonably anticipated to be paid, directly or indirectly, to us, our affiliates, or related entities for their services in connection with the recommendation(s) is not more than reasonable compensation within the meaning of § 4975(d)(2) of the Code and ERISA Section 408(b)(2).

**ERISA Accounts:** SWM is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) according to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, SWM will only charge fees for investment advice about products for which our firm and our related persons do not receive any commissions or 12b-1 fees.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for any exchange fees and any fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transaction for the client's account(s). Please refer to this Form ADV's "Brokerage Practices" section (Item 12) for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees above \$1,200 more than six months in advance of services rendered.

## **Other Commission-Based Sales Activities**

Certain Investment Advisor Representatives are also independently licensed insurance agents with unaffiliated insurance agencies. As such, these individuals receive additional compensation, generally through commission-based sales and ongoing trailing payments, for the sale of insurance products. In 2012, it became SWM's policy that our investment advisor representatives no longer offer insurance products to advisory clients or other persons. Investment Advisor Representatives, acting in their additional role of an insurance agent, will receive both insurance commissions and incentives and advisory fees for products sold. Advisory representatives participating in these activities have provided disclosures on their respective ADV Part 2B Supplements, which clients initially receive upon engaging SWM and when material changes occur.

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

SWM does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets). Additionally, SWM does not manage side-by-side accounts that charge performance-based fees and non-performance-based fees.

## **Item 7 – Types of Clients**

SWM's clients include individuals, high net worth individuals, business entities, qualified retirement plans, foundations, endowments, charitable organizations, and trusts.

SWM has a standard minimum account size of \$1,000,000 for its Wealth Management services and certain investment strategies. Accumulator clients, who do not meet our minimum accounts size, may be accepted based upon related account relationships or target segments. Once an Accumulator client attains our standard minimum account size requirements, they will transition to our standard wealth management agreement.

## **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**

### **Methods of Analysis**

SWM's investment approach combines a blend of investment strategies detailed in Item 4, Investment Management Services. SWM uses various resources and methods to conduct its analyses in connection with providing its advisory services. The following is a description of these resources and processes.

*Macro Analysis* – SWM takes a “top-down” view on the global economy, markets, geopolitics, and long-term asset allocation inputs and drivers and allocates capital across multiple asset classes, based on several factors, including but not limited to valuation, risk, and trend.

*Fundamental Analysis* – SWM attempts to measure the intrinsic value of a security by looking at economic and financial factors, including the overall economy, industry conditions, and the financial condition and management of the company itself to determine if the relevant security is underpriced or overpriced. SWM evaluates many financial metrics focusing on a company's free cash flow, earnings growth, return on capital, and competitive advantage.

*Technical Analysis* – SWM uses various technical indicators analyzing past price movements and applies analysis to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of an asset class, sector, or company. SWM uses technical analysis and a quantitative system with a primary focus on relative strength as the basis for transacting in individual

securities (ETFs, individual stocks, no-load or load-waived mutual funds). Utilizing a quantitative system creates the potential for sudden losses if the anticipated price swing does not materialize. Quantitative strategies often involve more frequent trading than a buy and hold strategy, which increases brokerage costs and the potential for less favorable tax treatment of short-term gains.

*Resources* – SWM purchases and receives various forms of research and data from the following sources – Ned Davis Research, Morningstar, Dorsey Wright, Valueline, YCharts, among others, and market newsletters and information from asset management companies.

*Risks of All Forms of Analysis* – SWM's securities analysis methods assume that the companies in whose securities we invest, the rating agencies that review these securities, and other publicly-available sources of information about these securities provide accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Strategies**

The Investment Committee studies various research sources to assess potential asset class returns and identify specific asset classes and securities intended to perform as needed from a risk and return perspective over a multi-year planning horizon. SWM uses technical analysis and a quantitative system as an overlay strategy to our fundamental top-down and bottom-up research process in most of our investment strategies. Quantitative methods often involve more frequent trading than a buy and hold strategy, which could increase brokerage costs.

Investment Committee approval is required to add investments to the SWM platform and subsequently recommend them for client portfolios. The Investment Committee works closely with SWM Advisors to provide recommendations and oversight of a client's portfolio.

We also consider a client's tax situation in making investment decisions. We attempt to maximize a client's after-tax return by selecting investments and asset classes that could provide a greater after-tax return when weighed against similar alternatives (e.g., taxable versus municipal bonds).

### **Risk Factors**

All investment strategies, including the strategies described above, involve risk. Clients should carefully consider the following risks and uncertainties regarding SWM's investment strategies. Clients should be cautioned that the following is only a summary of some, but not all, of the material risks associated with investing in securities.

*Risk of Loss.* Investing in securities involves the risk of loss that clients should be prepared to bear. Even when the value of the securities sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment. The profitability of SWM recommendations depends much upon correctly assessing the future course of price movements among investments. There can be no assurance that SWM will be able to predict those price movements accurately. Recommendations made by SWM are subject to certain risks, and loss of principal may occur. Past performance is not indicative of future results.

*Stock Market Risk.* Stock market risk involves the possibility that stock prices will decline over short or extended periods. Markets tend to move in cycles, with periods of rising prices and falling prices. Investing in the stocks of small- and medium-sized companies involves greater risk than is customarily associated with companies with large

market capitalizations. The stock of such companies may be subject to more volatility in price than large-cap company securities.

*Foreign Securities Risk.* Foreign securities are subject to the same market risks as U.S. securities, such as general economic conditions and company and industry prospects. However, foreign securities involve the additional risk of loss due to political, economic, legal, regulatory, and operational uncertainties; differing accounting and financial reporting standards, limited availability of information, currency conversion, and pricing factors affecting investments in the securities of foreign business or governments.

*Interest Rate Risk.* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds (including bond mutual funds and bond ETFs) become less attractive relative to newly issued bonds, causing the existing bonds' market values to decline. Alternatively, when interest rates fall, yields on newly issued bonds become less attractive relative to existing bonds, causing the existing bonds' market values to rise. A bond with a longer maturity (or a bond fund or bond ETF with a longer average maturity) typically will fluctuate more in price than a shorter-term bond. Because of their very short-term nature, money market instruments carry less interest rate risk.

*Credit Risk.* Bonds (including bond mutual funds and bond ETFs) also are exposed to credit risk, which is the possibility that the issuer of a bond will default on its obligation to pay interest and/or principal to the bondholder. U.S. Treasury securities, which are backed by the full faith and credit of the U.S. government, have limited credit risk. In contrast, securities issued or guaranteed by U.S. government agencies or government-sponsored enterprises that are not backed by the full faith and credit of the U.S. government may be subject to varying degrees of credit risk. Corporate bonds rated BBB or above by Standard & Poor's generally carry moderate credit risk. Corporate bonds rated lower than BBB are considered to have significant credit risk. Bonds with lower credit ratings typically have higher yields associated with them.

*Liquidity Risk.* Liquidity is the ability to convert an investment into cash readily. Generally, assets are more liquid if many traders are interested in a standardized product. For example, U.S. Treasury Bills are highly liquid, while real estate properties are not. Liquidity risk exists when a particular security is difficult to trade. A mutual fund's or ETF's investment in illiquid securities may reduce the returns of the mutual fund and ETF because the fund may not be able to sell the securities at the desired time for an acceptable price or might not be able to sell the securities at all.

*Call Risk.* Many fixed-income securities have a provision allowing the issuer to repay the debt early, otherwise known as a "call feature." Issuers often exercise this right when interest rates are low. Accordingly, holders of such callable securities may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, after a callable security is repaid early, a mutual fund typically reinvests the proceeds at current interest rates, which would likely be lower than those paid on the called security.

*ETFs and Mutual Funds.* An ETF or mutual fund investment involves risk, including the loss of principal. ETF and mutual fund shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains as ETFs, and mutual funds are required by law to distribute capital gains if they sell securities for a profit.

The trading prices of a mutual fund's and ETF shares may differ significantly from the net asset value (NAV) of the underlying securities during periods of market volatility, which may, among other factors, lead to the shares trading at a premium or discount to NAV. Certain ETFs may be concentrated by a specific industry or sector, which may cause

greater price volatility and thus more significant risk to investment if the securities comprising the ETF decline due to adverse developments in that particular industry or sector.

*Alternative Investments Risk.* Alternative investments, including, but not limited to, investment partnerships, alternative mutual funds, managed futures, and other private investment funds, may present unique risks. These risks may include decreased liquidity, limited transparency, and increased complexity, among others. Investing in alternatives, such as private investment funds, is intended primarily for experienced and sophisticated clients willing to bear the high economic risks of the investment. Alternative investments may use derivative instruments in their investment and trading strategies, such as options, futures, or index-based instruments. The use of derivative instruments involves multiple risks, including counterparty risk (i.e., the risk that the institution on the other side of the trade will default) and the risk that the instrument may not work as intended due to unanticipated developments in market conditions. Also, to the extent that the alternative investment uses commodities (or commodity-based derivatives) as part of its investment and trading strategies, the investment return may vary due to fluctuations in the supply and demand of the underlying commodities.

Further, alternative investments, particularly hedge funds, typically employ leveraging, short-selling, or other speculative practices. These investments also usually involve a lack of liquidity because of redemption terms and conditions, the risk there may not be a secondary market for the fund, volatility of returns, restrictions on transferring interests in the investment, a potential lack of diversification, higher fees than mutual funds, and lack of information regarding valuations and pricing. In particular, private investment funds have liquidity risk, and client investors may not be able to redeem their investments per the offering documents' disclosures.

#### **Item 9 – Disciplinary Information**

Registered investment advisers, including SWM, must disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel. Neither SWM nor any associated persons have any reportable legal or disciplinary actions or events that must be disclosed in response to this item.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

##### **CPA Affiliation**

As disclosed in Item 5, SWM has Certified Public Accountants (CPA) on staff. SWM may recommend the services of affiliated persons or other professionals for specific non-investment implementation purposes (e.g., attorneys, accountants, insurance agents). The client is under no obligation to engage the services of any such recommended professional. The client retains discretion over all such implementation decisions and is free to accept or reject any recommendation made by SWM personnel.

##### **SBO Management, Inc.**

In December 2019, the owners of Spectrum Management Group, LLC formed an Indiana-based corporation, SBO Management, Inc. ("SBO"). This entity serves the parent company as an affiliate to support back-office operations and investment counsel. As SBO provides research and investment committee recommendations to SWM, SBO filed for registration with the state of Indiana. SBO Management, Inc. has put in place a revenue-sharing agreement with Spectrum Management Group, LLC., whereby SWM will pay the operational and business costs of SBO as well as salaries. Control persons of SWM are also compensated through this entity. SBO Management, Inc. is never



recommended to retail clients or prospective retail clients and is meant to provide services to investment advisers and like institutions.

### **Spectrum Private Trust**

SWM also operates under the separate name of Spectrum Private Trust. Advisory clients are referred to National Advisors Trust Company, FSB ("NATC"). NATC is a federally chartered trust company for the provision of trust and asset custody services. Members of the management of SWM also are shareholders of NATC stock. No member of management owns a controlling ownership of any NATC stock or sits on the board of NATC. SWM refers clients to NATC for trust and custody services and has an agreement with NATC to act as a trust representative office of NATC. This relationship imposes inherent conflicts of interest in that SWM is compensated for services provided as a trust representative office. Clients are advised that no client is ever obligated to utilize the services of NATC as trustee or custodian.

### **The Divorce Financial Strategies Group, LLC**

Members of Management are also controlling owners of The Divorce Financial Strategies Group, LLC. ("TDFSG"). TDFSG provides divorce and family counseling services. Clients desiring these services may be referred to TDFSG by associated persons of TDFSG. This presents inherent conflicts as members of SWM are separately compensated for services provided by TDFSG. We mitigate this conflict by disclosing to clients that although clients may be recommended to TDFSG, no client is under any obligation to employ the services of TDFSG.

SWM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address conflicts of interest and potential conflicts of interest:

- We have established controls to protect client's private information;
- Our investment management team has developed controls that ensure clients are not disadvantaged by our relationships with other advisers;
- We disclose to clients the existence of material conflicts of interest. We disclose to clients that they are not obligated to purchase recommended products from our employees or affiliated companies; and
- We periodically monitor these affiliated relationships and outside employment activities to verify that any conflicts of interest continue to be adequately addressed by our firm

### **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

As an SEC-registered investment adviser, SWM has adopted a Code of Ethics pursuant to SEC Rule 204A-1 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). The Code of Ethics applies to all members, principals, managers, officers, employees, and supervised persons of SWM. The Code of Ethics includes SWM's policies related to standards of ethical and business conduct expected of personnel and addresses various reporting, disclosure, and approval requirements, as well as conflicts that may arise from personal trading by staff, as summarized below.

The Code of Ethics, among other things, requires compliance with the federal securities laws, reflects the fiduciary responsibilities of SWM and its advisory personnel, prohibits certain personal securities transactions, requires staff to report their personal securities transactions periodically and to pre-clear certain securities transactions, and addresses the prevention and misuse of material nonpublic information. SWM designed these requirements to prevent or mitigate actual or potential conflicts of interest with clients.

It is likely that employees and officers of SWM, and their family members, have similar investment strategies as SWM's clients, which often results in the purchase or sale of the same security are executed in an aggregate block with the average share price of the aggregate purchase or sale allocated to all participating accounts to avoid any conflict of interest.

SWM and individuals associated with our firm are prohibited from engaging in principal and agency cross transactions. SWM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser concerning a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as a broker for both the advisory client and for another person on the other side of the transaction.

A copy of SWM's Code of Ethics is available to any client or prospective client upon request. All requests should be directed to the Chief Compliance Officer at 317.663.5600 or spectrum-mgmt.com.

### **Item 12 – Brokerage Practices**

Unless otherwise directed by the client in writing, SWM will arrange for the execution of securities brokerage transactions for investment assets through a broker-dealer that SWM reasonably believes will provide best execution. SWM maintains accounts with Schwab Institutional ("Schwab"), a division of Charles Schwab & Co., LLC., and assets executed by Fidelity Brokerage Services ("Fidelity") and custodied at National Financial Services, LLC. ("NFS"). Clients provide SWM with written discretionary trading authority over all managed assets in the investment management agreement.

Discretionary clients must include any security-specific limitations on this discretionary authority in their advisory agreement. Clients may change/amend these limitations at any time, but such amendments must be provided to us in writing.

Factors that SWM considers in recommending either Schwab or Fidelity include execution capabilities, commissions, pricing, research, and other services. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, considering the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although the commissions and/or transaction fees paid by SWM's clients shall comply with SWM's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where SWM determines, in good faith, that the commission/transaction fee is reasonable concerning the value of the brokerage and research services received. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of and in addition to SWM's investment management fee.

SWM may utilize aggregate trading where possible. SWM is not required and may choose not to aggregate trades for various reasons. Aggregation of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It may allow SWM to direct trades more quickly, efficiently, and equitably. The shares are allocated among the pre-determined accounts with the specified number of shares. Participating accounts receive an average share price. Transaction costs are shared on a pro-rata basis.

As referenced above, in particular circumstances, a client who directs SWM to execute transactions through a specific broker-dealer must be identified in writing by the client to SWM (the "Directed Broker"). If a client directs SWM to use a Directed Broker, the client must represent and warrant to SWM that the client has separately arranged with the Directed Broker to provide the applicable custody, trade execution, clearance, settlement, and other brokerage services to the client in exchange for rates of commissions, commission equivalents, mark-ups, markdowns, and other fees that the client has negotiated directly with the Directed Broker. If the client instructs SWM to execute all transactions through a Directed Broker: (i) SWM will not be in a position to freely negotiate rates of commissions, commission equivalents, mark-ups, markdowns, or spreads; (ii) SWM may be unable to achieve the most favorable execution of the client's transactions; (iii) the directed brokerage arrangement can result in higher commissions, commission equivalents, mark-ups, and markdowns, greater spreads, or less favorable net prices; (iv) a disparity can exist between the commissions, commission equivalents, mark-ups, markdowns, spreads, or net prices paid by the client and those paid by other clients managed by SWM that have not instructed SWM to execute through a Directed Broker; and (v) the client's transactions will trade separately and will not be aggregated for purposes of execution with orders for the same securities for other accounts managed by SWM.

### **Benefits Received from Schwab or Fidelity Institutional Wealth Services**

Although our firm does not accept soft dollar compensation, Schwab and Fidelity's platforms make available to our firm products and services that benefit our firm but may not directly benefit all of our clients' accounts. Many of these products and services are used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab or Fidelity.

Both Schwab and Fidelity's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide general research, pricing, and other market data;
- facilitate payment of our fees from clients' accounts (direct debiting); and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab and Fidelity may discount or waive fees it would otherwise charge for some of these services to our firm. Schwab and Fidelity may also provide other benefits such as educational events or conferences for our personnel. It is important to recognize that Fidelity subjects our firm to platform charges if the firm does not meet certain asset level requirements.

In evaluating whether to recommend or require that clients custody their assets at Schwab or Fidelity, we take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab or Fidelity, which creates a potential conflict of interest.

### **Item 13 – Review of Accounts**

For Wealth Management clients, their designated SWM Advisor will schedule two to four meetings (whether in person, electronic or virtual) a year. During these meetings, any updates to a client's financial goals, inputs, and Plan are addressed, and the investment portfolio is discussed. Clients are provided with transaction confirmation notices and

regular summary account statements directly from the broker-dealer or custodian. In addition to the summary account statement, additional reports are available online to clients through SWM's client portals.

For Investment Management only clients, the client's SWM Advisor or professional investment member typically will schedule one or more meetings (whether in person, electronic, or virtual) a year. During these meetings, SWM reviews the investment portfolio, addresses any changes in the client's situation that may impact management, and determines if the current strategy should be altered. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian. In addition to the summary account statement, additional reports are available online to clients through SWM's client portal.

Accumulator Clients - Accumulator clients will typically schedule an initial client meeting with their SWM Advisor and follow-up meetings (whether in person, electronic, or virtual) depending on the nature of the consulting or financial planning services contracted with the client. During these meetings, SWM reviews the investment portfolios and financial planning areas, addresses any changes in the client's situation that may impact the portfolio management, and determines if the current strategy should be altered. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian. In addition to the summary account statement, additional reports are available online to clients through SWM's client portal(s).

Retirement Advice and Consulting Services - SWM will provide a formal quarterly review and report investment holdings of designated qualified retirement plan accounts.

#### **Item 14 – Client Referrals and Other Compensation**

SWM does not compensate individuals or entities for client referrals.

As previously discussed in Item 5 of this Brochure, certain Investment Advisor Representatives are also independently licensed insurance agents with unaffiliated insurance agencies. As such, these individuals receive additional compensation, generally through commission-based sales and ongoing trailing payments, for the sale of insurance products. In 2012, it became SWM's policy that our investment advisor representatives no longer offer insurance products to advisory clients. Investment Advisor Representatives, acting in their additional role of an insurance agent, will receive both insurance commissions and incentives and advisory fees for products previously sold before 2012 or sold before their employment by SWM.

Information about each IAR's financial industry activities and affiliations is disclosed in the IAR's Part 2B Supplement, which clients will receive with this Brochure. Additional information about your IAR is also available at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

#### **Item 15 – Custody**

Rule 206(4)-2 under the Investment Advisers Act of 1940 (the "Custody Rule") imposes certain obligations on registered investment advisers that have custody or possession of any funds or securities in which any client has a beneficial interest. An investment adviser is deemed to have custody or possession of client funds or securities if the adviser directly or indirectly holds client funds or securities or has the authority to obtain possession of them. While SWM does not take actual possession of client funds or securities, SWM is deemed to have custody of client funds and securities because it has the ability to deduct fees directly from clients' accounts.

For clients whose fees are directly debited, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian must send the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the calculation's accuracy, among other things. Clients should contact the qualified custodian or SWM directly if they believe that there may be an error in their statement.

#### **Item 16 – Investment Discretion**

SWM receives discretionary authority from its clients at the outset of an advisory relationship. SWM is given this authority through an express grant of discretionary authority to SWM by the client and a power-of-attorney included in the investment advisory agreement between SWM and the client. Clients may make a written request for limitation on this authority (such as specific securities not to be bought or sold). SWM takes discretion over the following activities: the securities to be purchased or sold, the quantity of securities to be purchased or sold, when transactions are made, and the broker-dealer to be utilized.

#### **Item 17– Voting Client Securities**

Except for specific accounts invested in the SWM individual stock strategies noted in Item 4 and addressed below (SWM All Cap, SWM Dividend Growth, and SWM Growth and Income) or accounts managed by a specialist third-party investment manager, SWM does not have authority to and does not vote proxies or otherwise exercise voting rights concerning a client's securities. Except as otherwise disclosed herein, clients maintain exclusive responsibility for (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events about the client's investment assets.

#### **SWM Stock Strategies**

SWM will generally vote proxies for client accounts invested in the SWM individual stock strategies (SWM All Cap, SWM Dividend Growth, and SWM Growth & Income). However, a client has the right to vote their proxies by instructing SWM, in writing, not to vote proxies for securities in their account. SWM has engaged Broadridge for its ProxyEdge automated voting service utilizing the voting recommendations of Glass Lewis & Co., LLC ("Glass Lewis") and referred to as a "proxy advisory firm." This service researches proxy proposals, provide voting recommendations, and automatically populates investor votes. Once the vote is automatically populated, SWM will review the automatically populated recommendation and will accept or change the vote. The system also votes the proxies on behalf of SWM. SWM has adopted Glass Lewis's Proxy Voting Guidelines, which are incorporated by reference.

SWM's CCO is responsible for monitoring the proxy voting process and ensuring that any new information provided by the proxy advisory firm is reviewed before executing the proxy votes. The CCO strives to ensure that ProxyEdge makes voting decisions in clients' best interest and promptly submits proxy votes. If SWM exercises proxy voting rights, it will be guided by general fiduciary principles. SWM will exercise such voting rights in a way believed to be in the best interests of its clients and consistent with efforts to achieve a client's stated objective. When investment advisers have authority to vote proxies concerning securities in clients' accounts, Rule 206(4)-6 under the Advisers Act addresses the fiduciary obligation of these advisers to their clients to vote proxies in the best interests of clients and to

provide clients with information about how their proxies are voted. SWM will follow the principles outlined in Rule 206(4)-6.

If it is determined that a conflict or potential conflict exists between SWM's interests and those of its Clients, SWM may vote proxies, notwithstanding the existence of the conflict. If it is determined that a conflict of interest or potential conflict of interest is material, SWM's CCO will work with appropriate personnel to agree upon a method to resolve such conflict before voting proxies affected by the conflict.

A client may obtain a copy of SWM's proxy voting policies and procedures and information about how SWM voted any client's securities invested according to the SWM strategies noted above, by requesting in writing to SWM's CCO, 600 E. 96<sup>th</sup> Street, Suite 130, Indianapolis, Indiana 46240

### **Class Action Settlement Notices**

Clients occasionally receive notices of class action settlements involving a security held in their portfolio, past or present. The client retains the right to file claims for class-action settlements. If requested, SWM will assist clients with completing the class-action settlement claim form. It is the client's responsibility to forward any notices received to SWM promptly.

### **Item 18 – Financial Information**

Under certain circumstances, registered investment advisers are required in this item to provide you with certain financial information or disclosures about the adviser's financial condition. SWM does not take physical custody of its clients' assets, and it does not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, SWM is not required to include a financial statement with this Brochure.

SWM and senior management members have no financial conditions or impairments preventing them from meeting clients' contractual commitments.