

## **FIRM BROCHURE**

# **Select Money Management, Inc.**

26800 Aliso Viejo Parkway, Suite 150  
Aliso Viejo, California 92656

(949) 975-7900

**March 25, 2024**

This firm brochure provides you with information about the qualifications and business practices of Select Money Management, Inc. If you have any questions about the contents of this brochure, please contact us at (949) 975-7900. 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 Select Money Management, Inc. is available on the SEC’s website at <http://www.adviserinfo.sec.gov>. An Investment Advisor’s registration with the SEC does not imply a certain level of skill or training.

## **TABLE OF CONTENTS**

	<u>Page</u>
ITEM 1 COVER PAGE .....	i
ITEM 3 TABLE OF CONTENTS.....	ii
ITEM 4 ADVISORY BUSINESS .....	1
ITEM 5 FEES AND COMPENSATION .....	3
ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	6
ITEM 7 TYPES OF CLIENTS.....	6
ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	6
ITEM 9 DISCIPLINARY INFORMATION.....	9
ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....	10
ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	11
ITEM 12 BROKERAGE PRACTICES.....	11
ITEM 13 REVIEW OF ACCOUNTS .....	13
ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION .....	14
ITEM 15 CUSTODY.....	14
ITEM 16 INVESTMENT DISCRETION .....	15
ITEM 17 VOTING CLIENT SECURITIES .....	15
ITEM 18 FINANCIAL INFORMATION .....	15
PRIVACY POLICY - NOTICE REGARDING PRIVACY OF CUSTOMER INFORMATION.....	16

## INTRODUCTION

In this brochure, references to “we”, “us”, “our”, or “our firm” refer to Select Money Management, Inc. Individuals who serve as our directors, officers, investment advisor representatives and employees are referred to as our “representatives”. Our firm’s clients and prospective clients are referred to as “you”, “your” or “our clients”.

**This brochure contains important information. We encourage you to read it carefully and to ask questions if there is any information that you do not understand.** The format and content of this brochure has been prepared based on the instructions to Form ADV, Part 2A, which is prescribed for use by registered investment advisors under federal and state securities laws and related rules. Form ADV, Part 2A supersedes Form ADV, Part II.

### **ITEM 4: ADVISORY BUSINESS**

#### **Our Owners and Principals**

Our firm was established by Carin Amaradio and commenced business in 2010. Ms. Amaradio is the sole owner and serves as President, Chief Executive Officer, and Chief Compliance Officer. Tony Amaradio serves as the Chief Strategist and Chief Marketing Officer. Laurie Thompson serves as Vice President, Chief Operations Officer and Compliance Officer. We are affiliated by common ownership with Select Portfolio Management, Inc. (“SPM”), an investment advisor registered with the SEC. SPM was formed to provide investment strategies and financial planning services. Our other affiliates by common ownership include Securities Equity Group (“SEG”), a broker-dealer registered with the SEC and member of FINRA/SIPC, and SPM Insurance Services, Inc. (“SPMI”), an independent general insurance agency for fixed insurance and annuity business. Please see the section below in Item 10, *Other Financial Industry Activities and Affiliations* for important information regarding our affiliates and the conflicts of interest in using our affiliates to implement the investment strategies developed for you by our representatives.

#### **General Investment Advisory Services for Individuals**

We offer general investment advisory services for individuals. These services include developing investment strategies based on your current and anticipated future financial needs. Our representative will meet with you, gather financial data, and discuss your current financial situation and future financial goals. You need to furnish us with all current information about your financial and investment circumstances. Your information, as well as our recommendations and advice, are confidential.

Based on your information, we will give you our recommendations for various investment products and services. You are always at liberty to follow or disregard our recommendations, in whole or in part. We will advise you, but you must make your own decision whether or not to make any investments or utilize any of our services or the services of our affiliates.

After developing and recommending your investment strategy, we will periodically contact you for a financial review, typically at least annually. Our financial review will take into consideration the original investment strategy, any new investments, changes in your financial circumstances or goals, and any changes in the tax laws or other general economic conditions that may affect your current investment strategy. If requested, we will provide you with interim financial reviews. Typically, we do not provide periodic reports for our general investment advisory clients. We do not impose a minimum dollar value of assets in order for you to utilize the general investment advisory services for individuals.

### **General Investment Advisory Services for Businesses**

We offer general investment advisory services specifically tailored to the needs and special circumstances of businesses, including their pension and retirement plans. These services are generally provided in conjunction with other professionals and include investment management services for SEP & SIMPLE IRAs, 401(k) Plans, 403(b) Plans, 409(a) Plans, 457(b) Plans, Defined Benefit Plans, Defined Contribution Plans, Profit-Sharing Plans, Money-Purchase Plans, and Deferred Compensation Plans.

We provide general investment advisory services specifically tailored to the needs of a trustee or other fiduciary, including but not limited to, someone meeting the definition of “fiduciary” under the Employee Retirement Income Security Act of 1974 (“ERISA”) or an employee benefit plan subject to ERISA.

We will periodically contact you for a financial review. Interim financial reviews are available upon request. We may provide regular reports regarding your accounts, depending on your needs. We do not impose a minimum dollar value of assets or other conditions for these services.

### **Portfolio Management Services-Select Money Management Wrap Fee Programs**

We offer tactically managed portfolios through the Select Money Management, Inc. Wrap Fee Programs (the “Programs”). We serve as sponsor and investment manager for the Programs, which are fee-only investment management programs, offered on a discretionary basis. The Programs are based on our proprietary tactical asset allocation methodology. If you participate in the Programs, we charge you a specified fee which covers our advisory services and the fees for executing transactions within your Program account.

A complete description of the Programs and fees are contained in our Wrap Fee Program Brochures (Form ADV, Part 2A appendix). To request a copy, please contact your investment advisor representative or our office at 949-975-7900.

### **Managing the Managers**

We offer investment management services to identify, monitor, and manage unaffiliated third- party investment managers (sometimes referred to as “Managing the Managers”). We will select and recommend these managers based on a number of factors including, among others, their investment experience, specialty, and historical investment performance. We will discuss the background of these managers with you and determine whether one or more of them may be suitable to manage some or all of

your account. When we discuss an unaffiliated third-party investment manager, we will provide you with a copy of their firm brochures (Form ADV, Part 2A or Form ADV, Part 2A appendix).

Once selected, we will monitor and report to you about the investment performance of these third-party managers and advise you whether they are performing as anticipated in relation to appropriate investment benchmarks. We will also keep you advised as to any other circumstances that we feel are important to consider when determining whether or not to continue using their services.

### **Third-Party Wrap Fee Programs**

We also act as a solicitor for, and offer advice about, various other wrap fee programs for separately managed accounts sponsored by third-party, unaffiliated investment advisors. In wrap fee programs, the program sponsor selects the investments, monitors, and evaluates investment performance, executes your portfolio transactions without commission charges, and provides custodial services for your assets. All of these services are generally provided for a single fee (or “wrap fee”) which is paid to the program sponsor. These programs are described in separate wrap fee program brochures prepared and distributed by the program sponsor. When we discuss a wrap fee program, we will provide you with a copy of the sponsor’s brochure (Form ADV, Part 2A appendix).

### **Assets Under Management**

As of March 2024, we managed assets valued at approximately \$1.11 billion of which \$1.08 billion is managed on a discretionary basis and \$34 million is managed on a non-discretionary basis.

## **ITEM 5: FEES AND COMPENSATION**

### **General Investment Advisory Services for Individuals**

In most situations, we do not charge a separate fee for our general investment advisory services for individuals. We also do not impose a minimum dollar value of assets or other conditions in order for you to utilize the general investment advisory services for individuals.

### **General Investment Advisory Services for Businesses**

Fees for our general investment advisory services for businesses are typically flat-rate fees negotiated on a case-by-case basis after an assessment of the complexities of the services to be rendered. We will formalize our specific fees in a written advisory agreement with you.

### **Portfolio Management Services – Select Money Management Wrap Fee Programs**

Our fees range between .70% and 2.20%, depending on the Program, the assets under management, the complexity of your investment requirements, and the nature of your individual circumstances. You may be able to receive services similar to those offered through our Programs from other investment advisors either separately or as part of a wrap fee program. These services or programs may cost more or less than

our Programs. We will seek to assure that you are charged a competitive rate according to the size of the account being managed. A complete description of each Program and its fees are contained in our Wrap Fee Program Brochures (Form ADV, Part 2A appendix), which are available upon request.

### **Managing the Managers**

Typically, the program manager pays us a portion of the fee that you pay to the manager. The amount of our compensation is disclosed in a written agreement with you and is subject to negotiation. Our share of the fee is generally between 0.50% and 1.95%, depending on the assets under management, the complexity of your investment requirements, and the nature of your individual circumstances. You may be able to receive services similar to those offered through these programs from other investment advisors either separately or as part of a wrap fee program. These services or programs may cost more or less than the programs we have recommended. We will seek to assure that you are charged a competitive rate according to the size of the account being managed. A complete description of each program and its fees are contained in the Program Brochures (Form ADV, Part 2A or Form ADV, Part 2A appendix).

### **Third-Party Wrap Fee Programs**

Typically, the program sponsor pays us a portion of the fee that you pay to the sponsor. The amount of our compensation is disclosed in a separate solicitor's disclosure brochure and is subject to negotiation. Our share of the fee is generally between 0.40% and 1.5%, depending on the assets under management, the complexity of your investment requirements, and the nature of your individual circumstances. You may be able to receive services similar to those offered through these programs from other investment advisors either separately or as part of a similar wrap fee program. These services or programs may cost more or less than the programs we have recommended. We will seek to assure that you are charged a competitive rate according to the size of the account being managed. A complete description of each program and its fees are contained in the Wrap Fee Program Brochures (Form ADV, Part 2A appendix)

### **Fee Negotiation**

We may negotiate any of our fees, taking into consideration such variables as the size of your account, the number of managed portfolios, your relationship with other clients, the length of our relationship with you, the complexity of your personal circumstances, the composition of your portfolio, the complexity of investment strategies, the frequency of desired meetings or special reporting, and other factors that affect our cost of providing services for you. For these reasons, our fees may vary among clients who may have a similar amount of assets under our management.

Other investment advisors may charge higher or lower fees for comparable services. We will seek to assure that you are charged a competitive rate according to the size of the account being managed. We reserve the right to modify the fee schedule upon a minimum of thirty (30) days prior written notice to you.

## **Other Third-Party Fees**

If you invest in mutual funds, exchange-traded funds, and other funds or investments that are managed or administered by third parties, you will be paying additional fees and charges to others that are in addition to our or our affiliates' fees. For example, if you purchase mutual fund shares, then you will incur additional fees and charges at the fund level. Each mutual fund's prospectus describes these fees and expenses. The additional fund-level fees may include, but are not limited to, a management fee, brokerage and custodian fees, other fund expenses, or possible distribution fees. If the product imposes a sales charge, you may pay an initial or deferred sales charge. Consequently, for these types of investments you are directly and indirectly paying two levels of advisory fees and expenses, that is, the fees you pay to us or our affiliates and fees and expenses that are paid to the mutual fund. Before investing in a fund, you should consider the total cost of fund-level fees, advisory fees, and any transaction-related commissions or charges.

***Mutual Fund Expenses and Share Classes*** - Many mutual funds are offered with more than one type of fee structure, commonly known as "share classes". There are several factors to consider when selecting a mutual fund share class. For example, it is important to evaluate whether a share class involves payment of a commission at the time of purchase (commonly known as "front-end loads"), at the time of liquidation ("back-end loads"), incrementally while the investor owns the share class ("level loads") or no commission at all ("no-loads"). Share classes also differ in terms of what fees and expenses are deducted from the mutual fund's pooled investment assets, since these fees and expenses are usually not billed separately to each mutual fund shareholder. While there are a variety of fees investors may encounter when purchasing a mutual fund, common fees or expenses include management fees paid to the fund's investment manager, operating expenses used to pay for the day-to-day costs incurred to operate the mutual fund, and distribution fees (known as "12b-1" fees) used to promote, advertise, or compensate financial professionals for aiding in sales of a mutual fund.

Though not all mutual fund shares classes include each of the fees or expenses described here, what remains consistent is that a mutual fund's share class with a lower total annual expense as compared to another share class of the same fund can result in a significant difference in investment returns over time. It is typical for mutual funds to set certain eligibility requirements, such as minimum investment amounts, for an investor to qualify for purchasing a lower cost share class. You can learn more about a specific mutual fund's available share classes and the fees, loads, expenses, and eligibility requirements by reading the fund's investment prospectus. In addition, we encourage you to ask your representative about the fees and expenses associated with mutual funds you currently own or those presented to you.

Despite our reasonable efforts, there is no guarantee that you will always be in the most cost advantageous share class. Consequently, for any type of mutual fund investment, it is important for you to understand that you are directly and indirectly paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of fees to us.

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of your assets). Also, the firm does not utilize the side-by-side management approach.

## **ITEM 7: TYPES OF CLIENTS**

We provide portfolio management services to individuals, high net worth individuals, businesses, corporate pension and profit-sharing plans, trusts, charitable institutions, foundations, and endowments.

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

### **Methods of Analysis**

When advising you about your investments or managing your account, we typically use several methods to analyze the securities that we may select for your investment portfolio, including fundamental and technical analysis. We also consider cyclical factors affecting some industries and companies more than others. We also consider factors such as the strength of the company's or mutual fund's management team.

***Fundamental Analysis*** is a technique that attempts to determine a security's value by focusing on the economic well-being of a company, as opposed to movements of its market price. In the course of our analysis, we will review a company's financial statements and consider factors including, but not limited to, the company's historical financial condition, prior operating results and trends, its projected revenue growth, its competitive advantages and disadvantages, the anticipated demand for its current and future products or services, the age and nature of its assets, and other factors affecting the company's anticipated results from future operations. Past performance does not assure similar future performance. A company's fundamental value can be adversely affected by many factors unrelated to its actual operating performance.

***Technical Analysis*** is another method to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, but instead analyzes the movement of stock prices in the market, both individually and within an industry or sector of the economy. Technical analysis studies the supply and demand in the market in an attempt to determine historical and future trends. Notwithstanding favorable market price movements, a company's financial condition and other unique factors can adversely affect its value. Technical analysis relies upon stock movements and volume reflected in historical stock charts, often compared with various market benchmarks.

***Cyclical Factors*** are relevant to some industries and some company's stocks more than others. A cyclical industry or stock is generally more sensitive to our economy's business cycle. Business cycles are the recurring and fluctuating levels of economic activity that our economy experiences over a period of several years. The five stages of the business cycle are growth (expansion), peak, recession (contraction), trough,

and recovery. Business cycles vary in frequency, magnitude and duration. The revenue for cyclical industries and stocks are generally higher in periods of economic prosperity and expansion and lower in periods of economic downturn and contraction. Some industries and stocks tend to be counter-cyclical. The revenue for counter-cyclical industries and stocks tend to be negatively correlated to the overall state of the economy. A counter-cyclical stock's price will tend to move in a direction that is opposite to the general economic trend.

We obtain information from a number of sources, both public and by purchase, including financial newspapers and magazines, inspection of corporate activities, research materials prepared by third-parties, corporate rating services, annual reports, prospectuses, reports filed with the SEC, and company press releases. We believe these resources are reliable and we regularly depend on these resources for making our investment decisions.

### **Investment Strategies**

We use a variety of investment strategies depending on your circumstances, financial objectives, and needs. We may recommend implementing one or more of the following investment strategies: long-term purchases (held at least a year), short-term purchases (held less than a year), trading (held less than 30 days), margin transactions (purchase of a security on credit extended by a securities company), and option writing (selling an option) or a combination of these strategies to help you meet your investment objectives.

We may recommend implementing these strategies using stocks, bonds, mutual funds, municipal securities, options contracts, futures contracts, and other types of investments. We often recommend mutual funds of different kinds to promote portfolio diversification within various asset classes, such as industry sectors, domestic/international, or equities/bonds. We may recommend periodic purchases, sales, and exchanges of those mutual fund shares within mutual fund families and between different mutual fund families when there are changes in your needs, market conditions, or economic developments. These recommendations will be implemented through our affiliated broker-dealer, Securities Equity Group ("SEG").

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. Stocks, bonds, mutual funds, variable products, annuities, and other types of investments all bear different types and levels of risk. Upon request, we can discuss the types of investments and investment strategies that we believe may tend to reduce these risks in light of your personal circumstances and financial objectives.

While we seek to design investment strategies to provide appropriate investment diversification, some investments have significantly greater risk than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Our investment strategies seek to balance risks and rewards to achieve investment objectives. Ask questions about investment risks you do not understand. Our representatives will be able to discuss them with you.

We strive to render our best judgment on behalf of our clients. However, we cannot assure you that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment advisor, but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic market variables beyond our control can affect the performance of an investment portfolio.

Generally, some common investment-related risks that may affect your investment portfolio include:

- **Business risks** are associated with a particular company or industry. For example, start-up companies carry greater business risks than established companies. Companies developing new technologies carry greater business risks than manufacturers of well-established or widely used products and services.
- **Financial risks** are often associated with the ability of a company to raise capital or finance its operations, as well as its ability to repay indebtedness. Highly leveraged companies face greater financial risks than well-capitalized companies do.
- **Market risks** are related to the effects of economic, political, natural disasters, or other events on the price of a publicly traded stock, bond, exchange-traded fund, or other securities. This type of risk is typically affected by extrinsic factors that often are not related to a particular company's financial condition, performance, or circumstances. For example, investment speculation can materially affect market prices.
- **Liquidity risks** are associated with an investor's ability to readily convert a security or other asset into cash. Generally, there is greater liquidity for securities that are publicly traded on stock exchanges or trading facilities that match buy and sell orders. Privately offered securities may be highly illiquid because there is little or no trading or market activity.
- **Concentration risks** result from a lack of investment diversification, which may be expressed in terms of geography, industry, or economic sector. Mutual funds typically invest in a large number of different companies, typically lowering the risk that occurs when the investment consists of only one or a smaller number of companies.
- **Options** are complex, derivative securities that involve special risks. Option contracts expire at a stated maturity date and have no further value. Unlike traditional securities, the value of an option and the return from holding an option varies with the value of the underlying security from which it derives and other factors.
- **Interest rate risks** are associated with changes to investment prices due to increasing or decreasing interest rates. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline. Generally, the principal value of the bond is received upon the particular bond's maturity, even though you may have purchased it at a premium or a discount from its face value. The impact of

interest rate changes is different for bonds held inside of a mutual fund or pooled investment where a particular bond is not held until its maturity.

- **Inflationary and deflationary risks** are associated with the purchasing power of the dollar, which is affected by broad economic, monetary, governmental policies, and the balance of supply and demand for products and services.
- **Reinvestment risks** are typically related to fluctuations in the potential interest rate at which future investment proceeds may have to be invested. For example, reinvestment risks may increase during periods of falling interest rates. This risk primarily relates to bonds and other fixed income securities.
- **ETF-tracking error risk.** The ETF's goal is to track a specific market index or asset, normally referred to as "fund target index". The discrepancy between the ETF's performance and the performance of its target index is known as "tracking error". A variety of factors can create a performance gap between an ETF and its target index such as the impact of transaction fees and expenses incurred by the ETF, changes in composition of the underlying index/assets, the ETF manager's replication strategy and sampling techniques, and the timing of purchases and redemptions of fund shares.
- **Currency risks** are primarily associated with foreign investments. For example, a company's earnings in a foreign country may be affected by fluctuations in the value of the dollar against that foreign currency. Similarly, the investment return of a foreign security may be affected by changes in currency exchange rates.

## **ITEM 9: DISCIPLINARY INFORMATION**

As a registered investment advisor, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our management.

In February 2018, the Securities and Exchange Commission launched an Initiative to address its concerns that investment advisors were not adequately disclosing, or acting consistently with the disclosure regarding conflicts of interest related to their mutual fund share class selection practices. The Initiative enabled investment advisory firms to voluntarily participate in the Initiative and to review their practices for the period of 1/1/2014 through 6/30/2018, self-report their findings to the SEC and offer to refund certain mutual fund 12b-1 fees to affected clients.

On March 11, 2019, Select Money Management, Inc. entered into a voluntary settlement agreement with the SEC with respect to the Initiative. As provided under the Initiative, the SEC did not impose penalties against the settling investment advisors or us.

Each of the settling investment advisors, including our firm, consented to cease-and-desist orders finding violations of Section 206(2) and, with respect to SEC registered investment advisors, Section 207, and a

censure. The firms, including our firm, also agreed to refund the inadequately disclosed fees, with interest, to affected advisory clients. Each advisor, including our firm, has also undertaken to review and expand the disclosures concerning mutual fund share class selection and 12b-1 fees, and to evaluate whether existing clients should be moved to an available lower-cost share class and move clients, as necessary. Select Money Management, Inc. has completed this review and analysis and implemented all necessary changes.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We are affiliated by common ownership with Select Portfolio Management, Inc., another investment advisor registered with the SEC. We may refer you to Select Portfolio Management, Inc. for its advisory services, which include, but are not limited to, investment planning, retirement planning, estate planning, education planning, and asset protection planning. Its services, fees, and additional important information are disclosed in its own firm brochure, which you will receive before engaging in its advisory services. Tony Amaradio, Daniel Amaradio, Semir Amin, Mark Goldsmith, Gary McCarver, and Carin Amaradio are also investment advisor representatives of affiliate Select Portfolio Management, Inc. and may earn fees on services that they may have recommended.

We are also affiliated by common ownership with broker-dealer, Securities Equity Group, member FINRA and SIPC (“SEG”). SEG acts as a fully disclosed, introducing broker-dealer for National Financial Services, LLC (“NFS, LLC”) who holds client assets and executes transactions for client accounts. SEG is not affiliated with NFS, LLC. For more information about SEG and its brokerage services, see the discussion under the heading *Brokerage Practices*. Daniel Amaradio, Semir Amin, Mark Goldsmith, Gary McCarver, and Carin Amaradio are all registered representatives of broker-dealer SEG and may earn commissions on securities transactions that they may have recommended. Commissions may be higher or lower at SEG than at other broker-dealers. Our firm and our representatives receive no commission if you choose to purchase securities through a broker-dealer other than SEG.

We are also affiliated by common ownership with SPM Insurance Services, Inc., an independent general insurance agency. We may refer you to licensed agents of SPM Insurance Services, Inc. for fixed annuity and insurance products. Daniel Amaradio, Mark Goldsmith, Gary McCarver, and Carin Amaradio have insurance licenses and may earn commissions on fixed insurance and annuity products that they may have recommended. Commissions earned on insurance products are typically higher and, in some instances, substantial compared to commissions earned on mutual funds or other securities.

You should understand that we have a conflict of interest related to our recommending that you use our affiliated investment advisor or any of our affiliated companies. The main conflict of interest is the fact that we and our advisory representatives, most of whom are also representatives of SPM, SEG, and SPMI, are incentivized to recommend that you use our affiliated companies because those companies, owners, employees, or representatives benefit financially by receiving additional compensation from providing products and services to you.

We seek to mitigate these conflicts of interest by disclosing to you the conflicts ahead of time in this Brochure and by seeking to keep your best interest as our focus through monitoring any such recommendations and periodically reviewing them for suitability. Our advisory representatives are also obligated to employ a standard of care and comply with your investment guidelines and restrictions when recommending securities or portfolio management strategies. You are also under no obligation to accept our recommendations with respect to using any of our affiliates for portfolio management, brokerage, or insurance products.

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

### **Code of Ethics**

We have adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Advisors Act describing the standards of business conduct we expect all officers, directors, employees, and investment advisory representatives to follow. In summary, the Code prohibits our employees from taking inappropriate advantage of their positions and the access to information concerning the investments or investment intentions of our clients, or their ability to influence such investment intentions, for personal gain or in a manner detrimental to the interests of its clients. Rule 204A-1 makes it unlawful for our employees to engage in conduct which is deceitful, fraudulent, or manipulative, or which involves false or misleading statements in connection with the purchase or sale of securities. The Code acknowledges the general principles that we, along with our employees: (1) owe a fiduciary obligation to its clients, (2) have the duty at all times to place the interests of their clients first, (3) must conduct all personal securities transactions in such a manner as to avoid any actual or potential conflict of interest or abuse of an individual’s position of trust and responsibility, (4) should not take inappropriate advantage of their positions in relation to client accounts, (5) must comply with the federal securities laws, and (6) must safeguard non-public information. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply. We will provide a copy of the Code to any client or prospective client upon request.

### **Participation or Interest in Client Transactions and Personal Trading**

Our employees may, from time to time, buy or sell securities for their own accounts that are the same as, similar to, or the opposite of those that we recommend to you for purchase or sale. Differences can arise due to variations in personal goals, investment horizons, risk tolerance and the timing of purchases and sales. Our Chief Compliance Officer or one of her designees receives and reviews the quarterly brokerage statements belonging to employees for possible conflicts of interest.

## **ITEM 12: BROKERAGE PRACTICES**

Our brokerage practices vary depending on the type of advisory services you select. See Item 4, *Advisory Business*, for more information about our advisory services.

## **General Investment Advisory Services**

When we are providing general advisory services, we may recommend that you open a securities account through our affiliated broker-dealer, SEG, and brokerage accounts will be held with NFS, LLC an unaffiliated clearing broker-dealer that provides both clearing and custody services. See Item 10, *Other Financial Industry Activities and Affiliations*.

Additional disclosures regarding conflicts of interest related to using our affiliated broker-dealer, SEG, are described under the headings Item 10, *Other Financial Industry Activities and Affiliations*, and Item 11, *Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading*.

## **Portfolio Management Services-Wrap Fee Programs**

SMM offers two Wrap Fee Programs. When you engage in our portfolio management services under our SMM-Advisor Managed Portfolios Program, your assets will be held in custody at AssetMark Trust who employs Fidelity Brokerage, LLC and National Financial Services, LLC (collectively, “Fidelity”) as its sub-custodian to provide certain custodial and brokerage services. Fidelity is a member of both the Financial Industry Regulatory Authority (FINRA) and the New York Stock Exchange.

When you engage our wrap account services under the original SMM Wrap Fee Program, we provide both portfolio management and brokerage services for a wrap fee. In order to offer this combination of services, you will direct us to place all securities transactions for your account with our affiliated broker-dealer, SEG. SEG will execute trades for your managed account through its clearing and custodial broker-dealer, National Financial Services, LLC (“NFS”) which provides the trading and custodial platform. Directing brokerage through our affiliated broker-dealer allows us to coordinate and control both investment management and brokerage services by using the same individuals in their different capacities with SMM and SEG.

Select Money Management, Inc. is not affiliated with AssetMark Trust, Fidelity or NFS, LLC.

## **Consequences of Directed Brokerage**

You can obtain advisory services without directing brokerage services. Not all investment advisors require their clients to direct brokerage services for their advised accounts. Some of the consequences of your directing brokerage to SEG/NFS, LLC will include:

- We are limited in our ability to trade through other broker-dealers, which may include market-makers and specialists in certain securities that may offer better pricing in those securities,
- As the directed broker-dealer, SEG is limited in its ability to trade through other broker-dealers,
- We will not shop brokerage services and fees on a transaction-by-transaction basis; doing so would substantially increase our staffing and operational costs that would be passed through to clients in higher account-related fees and charges,

- We will not use third-party brokers with different pricing structures or different services that could be more beneficial in some transactions; other broker-dealers may offer more favorable pricing, fees, and charges in certain securities,
- You will pay more brokerage fees and charges in some transactions,
- You will not get the best pricing in every securities transaction for your account,
- Your cost (considering both pricing and fees/charges) will be higher in some transactions.

### **Brokerage-Related Conflicts of Interest**

A conflict of interest exists when you direct (or we use) SEG to place brokerage services. These conflicts of interest include:

- We are affiliated with SEG by common ownership,
- We will benefit indirectly from additional compensation earned by SEG from its brokerage services, and
- We will benefit from investment-related products and services made available to SEG by its clearing broker-dealer, NFS, LLC.

Additional disclosures regarding conflicts of interest related to using our affiliated broker-dealer, SEG, are described under the headings Item 10, *Other Financial Industry Activities and Affiliations*, and Item 11, *Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading*.

### **Managing the Managers and Third-Party Wrap Programs**

When you engage us to manage, select and monitor unaffiliated third-party managers, those firms will select the broker-dealers through whom those designated accounts will be traded and custodied. See Item 12 in their firm brochures (Form ADV, Part 2A) for a description of their brokerage practices. Third-party managers may have conflicts of interest in their recommendation or selection of broker-dealers for the accounts they advise. We would be pleased to further discuss their brokerage practices with you. We are not responsible for their brokerage practices.

### **Trade Error Policy**

Select Money Management, Inc. has the following policy regarding trade errors that may occur in investment advisory accounts. The trader or other employee who discovers an error will immediately report the error to the Chief Operations Officer/Compliance Officer. Under no circumstances will an employee correct a trade error without supervisory approval. The firm will have the trade corrected and reversed out of the client account. Select Money Management, Inc. maintains an error account where trade errors are moved to and then reconciled. At year-end this account is reviewed and should there be a positive balance in the account it will be donated to charity.

## **ITEM 13: REVIEW OF ACCOUNTS**

**Reviews-** On at least a quarterly basis, and more frequently as we determine, we will review the model or custom portfolio governing the investments in your account, your account statements, and your account

performance. Based upon our periodic reviews, we may make changes in the model or custom portfolio, and we may place orders for the purchase and sale of securities to implement these changes.

**Reviewers-** Reviewers include: Tony Amaradio, Daniel Amaradio, Semir Amin, Mark Goldsmith, and Gary McCarver. All representatives are expected to provide review services as specified by our firm and the number of accounts assigned to each representative will vary. Many accounts are reviewed on a regular basis by more than one representative. You are contacted periodically for reviews and interim financial reviews are available upon request.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

As described above under the heading *Advisory Business*, we are a solicitor for, and may recommend that you engage the services of, a third-party investment advisor through a wrap fee program. If you do, we will receive a portion of the wrap fee you pay to the program sponsor/manager. Our solicitor's compensation is described in the sponsor's wrap fee program brochure and in a solicitor's disclosure statement. You will not pay the program sponsor/manager any additional fees by virtue of our having made the referral and we do not charge any additional fees with respect to your assets invested through a wrap fee program. We will seek to assure that the fees charged to our clients by program sponsors/managers are competitive and consistent with fees charged to that program sponsor's/manager's other clients.

From time to time, we may engage solicitors to market our services. We pay solicitors for their services, as described in a separate solicitor's brochure that you would receive, together with a copy of this firm's brochure, when the solicitor introduces you to our firm. The amount of compensation we pay solicitors is typically a share of the fees you pay us. The amount may vary by solicitor and may vary over time. Our method of computing the solicitor's compensation is described in the solicitor's brochure. Compensation paid or received in connection with these relationships creates potential conflicts of interest that you should carefully consider in evaluating and acting upon our recommendation.

## **ITEM 15: CUSTODY**

While we do not have physical custody of the assets held in your account, if you engage our investment management services and use our Wrap Fee Programs, then SMM or AssetMark will have authority to bill your custodian for our fees and, upon billing, to receive our fees by deducting them directly from your account as described under the heading *Fees and Compensation*. This fee-deduction authority gives SMM and AssetMark the ability to obtain money from your account and so is deemed to constitute limited custody of your account assets.

When you engage us to manage, select, and monitor unaffiliated third-party managers, we do not provide custodial services to our clients in these instances. Client assets are held with banks, financial institutions or registered broker-dealers that are "qualified custodians". A complete description of the custodial arrangements for each unaffiliated third-party manager can be found in their Program Brochure (Form ADV, Part 2A or Form ADV, Part 2A appendix).

When our representatives act in their capacity as registered representatives of SEG, they may handle your funds or securities in purchasing or selling investments, insurance, or other financial products and services. They promptly transmit your funds or securities to you or to your account custodian. If you open a securities brokerage account at SEG, it will be custodied at their clearing brokerage firm, NFS, LLC.

Our firm does not provide or create account statements. If you open an investment account, you will receive at least quarterly statements from the broker-dealer, or other qualified custodian that holds and maintains your investment assets. We urge you to carefully review those statements and compare that information to the information we may provide to you about your account.

Any reports we may create for our portfolio management services are not intended to replace or supersede your custodian's periodic statements and may vary based on accounting procedures, reporting dates, or valuation methodologies.

### **ITEM 16: INVESTMENT DISCRETION**

As explained under the heading *Advisory Business*, within our Program, you have granted us limited discretionary authority over your account, which includes authority to select the identity and amount of securities to be bought or sold for your benefit and risk. Our discretion will be exercised in accordance with your stated investment objectives. You may provide us with written investment guidelines or restrictions to limit our discretionary authority, or we may develop an investment policy statement or similar document with you.

When you engage us to manage, select and monitor unaffiliated third-party managers, the specific level of discretionary authority will be outlined in their Program Brochure (Form ADV, Part 2A or Form ADV, Part 2A appendix).

### **ITEM 17: VOTING CLIENT SECURITIES**

As a matter of firm policy and practice, we will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you by your custodian for response and voting. If you have any questions about a particular proxy voting matter, please do not hesitate to ask.

### **ITEM 18: FINANCIAL INFORMATION**

We have no financial liabilities, obligations, or commitment that impairs our ability to meet our contractual and fiduciary commitments to you. We have not been the subject of a bankruptcy proceeding.

## **PRIVACY POLICY**

### **NOTICE REGARDING PRIVACY OF CUSTOMER INFORMATION**

This notice is provided to you on behalf of Select Money Management, Inc., Select Portfolio Management, Inc., Securities Equity Group, and SPM Insurance Services, Inc. (collectively referred to in this notice as “we”, “us”, “our”, or “Affiliated Companies”). Protecting our customers’ privacy is of paramount importance. We recognize that an individual’s financial matters are private and sensitive in nature, and we have adopted policies that assist us in protecting your privacy and, at the same time, help us to provide you with a broad range of high-quality financial products and services.

This Privacy Policy will explain the types of information we collect about you, how we use and share that information, and how you can instruct us to limit certain types of information sharing. Information we obtain from all customers and former customers is treated in the same manner.

#### **How We Protect Your Information:**

We protect your data and safeguard it from those not authorized to see it by adopting internal policies and procedures. Under no circumstances will we sell confidential customer information to anyone.

#### **What Information We Collect About You:**

- We collect information from you when you open an account or enroll in one of our services. The information we collect may include, but is not limited to your name, address, phone number, email address, social security number, and date of birth, as well as details about your investments and investment experience.
- Once you have opened an account with us, we collect and maintain confidential customer information about your account activity, including your transactions, balances, positions, and history. This information allows us to provide the services you have requested.
- We may collect information about you from information services and consumer-reporting agencies to verify your identity, employment, or creditworthiness, or to better understand your financial needs.
- The law permits us to share information about our current and former customers with government agencies or authorized third parties under certain circumstances. For example, we may be required to share such information in response to subpoenas or to comply with certain laws.

#### **How We Share Information About You With Affiliated Companies:**

Select Money Management, Inc. (“SMM”) and Select Portfolio Management, Inc. (“SPM”) are federally-regulated, registered investment advisors affiliated via common ownership with Securities Equity Group (“SEG”), an independent broker-dealer, member of FINRA and SIPC, and with SPM Insurance Services, Inc. (“SPMI”), an independent general insurance agency. We may share information we collect about you among our Affiliated Companies to:

- help provide you with better service or perform services on your behalf
- respond to communications from you or as you authorize or request
- make it more convenient for you to open a new account
- allow an Affiliated Company to provide you with information about their products and services that we believe may benefit or interest you

You may instruct us not to share information about you with our Affiliated Companies for certain purposes, as explained under *How to Limit the Sharing of Information About You*, below.

### **How We Share Information About You With Non-Affiliated Companies:**

We provide access to information about you to outside companies and other third parties in certain limited circumstances, including:

- to help us process transactions for your account
- when we use another company to provide services for us, such as printing or mailing account statements
- when we believe that disclosure is required or permitted under law  
(For example, we may be required to disclose personal information to cooperate with regulatory or law enforcement authorities, to report your tax-related information to federal and state governments, to resolve consumer disputes, to perform credit/authentication checks, or for risk control.)

If your SMM/SPM Investment Advisor Representative or SEG Registered Representative leaves us to join another firm, they are permitted to retain copies of your information to facilitate the transfer of your account to a new broker-dealer or investment advisor in order to serve you at their new firm. Their continuing use of your information will be subject to the new firm's privacy policy. You are not obligated to transfer your account if your Investment Advisor Representative or SEG Registered Representative leaves us, and you may instruct us **not** to allow the sharing of information as explained.

### **How to Limit the Sharing of Information About You:**

If you prefer, you may choose to limit the information we share about you with our Affiliated and Non-Affiliated Companies. Specifically, you may instruct us:

- **not** to allow our Affiliated Companies to market their financial products or services to you
- **not** to share confidential customer information about you with a Non-Affiliated company for joint marketing purposes
- **not** to allow your SMM/SPM Investment Advisor Representative or SEG Registered Representative to take your information to facilitate the transfer of your account(s) should they leave any of our Affiliated Companies

You may exercise your choice by writing us at Select Money Management, Inc., Attn: Compliance Department, 26800 Aliso Viejo Parkway – Suite 150, Aliso Viejo, CA 92656. Your choice will be applied to you as an individual and will automatically be extended to all of your accounts with any of our Affiliated

Companies. You may make your privacy choice at any time, and it will remain in effect until you change it in writing.

**Safeguarding Your Information, Maintaining Your Trust:**

We take precautions to ensure the information we collect about you is protected and accessed only by authorized individuals or organizations. Our employees are trained about privacy and are required to safeguard confidential customer information. We maintain physical, electronic, and procedural safeguards to protect confidential customer information.

**Contact Us with Any Questions:**

If you have any questions or concerns, or if you identify any information that you believe is no longer accurate, you may contact your SMM/SPM Investment Advisor Representative, SEG Registered Representative, or write to:

**Select Money Management, Inc.**  
**Attn: Compliance Department**  
**26800 Aliso Viejo Parkway – Suite 150 Aliso**  
**Viejo, CA 92656**  
**1-800-445-9822**