

## **FIRM BROCHURE**

# **Select Portfolio Management, Inc.**

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This firm brochure provides you with information about the qualifications and business practices of Select Portfolio 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 Portfolio Management, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). An Investment Advisor’s registration with the SEC does not imply a certain level of skill or training.

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## INTRODUCTION

In this brochure, references to “we”, “us”, “our”, or “our firm” refer to Select Portfolio 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 1993. Ms. Amaradio is the sole owner and serves as Chief Executive Officer, and Chief Compliance Officer. Tony Amaradio serves as President, 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 Money Management, Inc. (“SMM”), an investment advisor registered with the SEC. SMM was formed to provide portfolio management services to separately managed accounts, wrap fee programs, and ERISA plans. 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 and financial plans 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.

### **Financial Planning Services and Investment Advice through Consultation**

We offer investment advice programs, for a separate fee, which are not considered part of General Investment Advisory Services and are included in the category of Financial Planning Services.

We believe that every investor needs and deserves a meaningful goal-based Financial Plan that is smart, adaptable, and client-friendly. Whether you prefer simplified planning, a comprehensive financial “Blueprint”, or only want an analysis prepared for one or two specific needs, our systems and software have been designed to give you a methodology to look at your progress toward long-term goals.

By using interactive software licensed through MoneyGuidePro,<sup>TM</sup> you can see how you are doing over time, which can assist you in making more appropriate financial decisions year after year. In the financial planning process, we will provide you with an assessment of your current financial situation and make certain customized recommendations which relate to your goals.

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<sup>1</sup> Retirement Zoomer®, MoneyGuidePro™, and SuperSolve® -enabled software are registered trademarks of PIEtech.

Retirement planning is generally at the core of most financial plans. Through *SuperSolve*<sup>®1</sup> enabled software licensed through *MoneyGuidePro*<sup>™1</sup>, we can create a Retirement Lifestyle Plan, a more comprehensive financial “Blueprint”, or a stand-alone *Retirement Zoomer*<sup>®1</sup> analysis. Each service supports Financial Planning as an ongoing process where our clients view their plans as a reasonable range of possibilities to be managed and implemented.

### **Financial Planning Services List**

The following is a list of our Simplified Financial Planning, Comprehensive Financial “Blueprints”, or Goal-Based Planning/Analysis modules for specific needs provided as stand-alone services:

- PreciseFP<sup>™</sup> Financial Questionnaire
- Retirement Zoomer<sup>®1</sup> Plan (“Quick & Easy” Retirement Planning)
- Asset Allocation Planning
- Life Insurance Needs Analysis
- Asset Protection Consultation<sup>2</sup>
- Charitable Gifting Consultation<sup>2</sup>
- Retirement Lifestyle Planning
- Comprehensive Financial “Blueprints”
- College Funding Plan Summary (with 529 Tuition Plans Analysis)
- Social Security Maximization Analysis
- Long-Term Care Needs Analysis
- Estate Planning Analysis
- Succession Plan Consultation<sup>2</sup>
- Legacy Planning Consultation<sup>2</sup>

<sup>2</sup>Consultation is provided by one of SPM’s CERTIFIED FINANCIAL PLANNER<sup>™</sup> professionals collaborating with Tax Consultant or Estate Planning attorneys to gain their input and review of client’s Comprehensive Financial “Blueprint” or as needed for stand-alone financial planning/consultation modules. The CERTIFIED FINANCIAL PLANNER<sup>™</sup> and CFP<sup>®</sup> professional are trademarks of the Certified Financial Planner Board of Standards, Inc. PreciseFP<sup>™</sup> is a trademark of Spectrum Input, LLC.

Except as described above and under the heading *Other Financial Industry Activities and Affiliations*, we are not affiliated with any other service provider or securities issuer and we do not receive compensation from any source other than the fees we charge, as described below.

### **Portfolio Management Services**

We do not directly provide portfolio management services. Instead, we make those services available to clients through the wrap fee programs (“the Program”) and other portfolio management services of our affiliated registered investment advisor, SMM. Our advisory representatives are dually registered with SMM as advisory representatives and can assist you with any account information or questions you may have regarding SMM’s portfolio management services. Please also see Item 10 *Other Financial Industry Activities and Affiliations* for important information regarding our affiliates and the conflicts of interest in using our affiliates and representatives to implement your investment strategies and financial plans.

A complete description of the Programs and fees are contained in SMM’s Wrap Fee Program Brochures (Form ADV, Part 2A Appendix). SMM’s other investment management services and fees are contained in SMM’s Disclosure Brochure (Form ADV, Part 2A). To request a copy of either brochure, please contact your investment advisor representative or our office at 949-975-7900.

## **Assets under Advisement**

As a firm specializing in providing client-tailored investment strategies and fee-based financial planning, we have no client assets under our management. However, our representatives, who are also registered or licensed representatives of our affiliates, SMM, SEG, and SPMI, on a combined basis, have assets under advisement of over \$1.47 billion. By this, we mean that our affiliated investment advisor, SMM, which provides portfolio management services manages approximately \$1.11 billion as of March 2024, of which \$1.08 billion is managed on a discretionary basis and \$34 million is managed on a nondiscretionary basis. Additionally, our affiliated broker-dealer, Securities Equity Group, has approximately \$86 million in non-managed securities accounts and our affiliated insurance agency, SPM Insurance, Inc. has approximately \$273 million in fixed annuity and life insurance contracts. 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 your investment strategies and financial plans.

## **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 our written advisory agreement with you.

### **Fee Schedule for Financial Planning Services**

Current fees for Simplified Planning, Comprehensive Financial “Blueprint”, Custom Planning Services or stand-alone Planning/Analysis Modules are stated in our Financial Goal Planning Agreement:

#### **Level 1 – Simplified Financial Planning Service**

- From \$500 to \$2,000 based upon the complexity of planning needed.

#### **Level 2 – Financial Goal Planning Service**

- From \$2,000 to \$4,000 based upon the complexity of planning needed.

#### **Level 3 – Comprehensive ‘Financial Blueprint’ Service**

- From \$4,000 to \$6,000 based upon the complexity of planning needed.

#### **Customized ‘Financial Blueprint’ Service**

- Negotiated on a case-by-case basis, based upon the complexity of services requested.

#### **Stand-Alone Planning Services or Enhanced Analysis Modules**

- From \$500 to \$1,000 for each module chosen (optionally provided on an hourly fee basis).

**Initial Fee** – Before any services are initiated, all terms and conditions relating to initial financial goal planning services are outlined in the Financial Goal Planning Services Agreement. The agreement details services requested, fees for such services, and any applicable travel expenses (e.g. plane flights, hotel, rental car, etc.). An initial plan/analysis is considered to include the time required to gather, assemble, and present a finished plan.

The software used is interactive in nature and clients will be required to enter (revise) data utilizing our online planning system working with a Financial Planner. Please Note: Initial Planning Fees will not include time spent on updates, revisions, or changes requested by the client or recommended by the Advisor. (See “Ongoing Fees”)

Generally, Financial Goal Planning/Analysis fees are determined as a flat fee. A deposit of 50% of the quoted flat fee is due and payable at the time the Financial Goal Planning Services Agreement is signed and begins the process. At our discretion, fees may be quoted as an estimated aggregate hourly fee in the Financial Goal Planning Services Agreements. In this instance, we will charge an upfront retainer fee, which will be applied to future hours worked, equal to 50% of the total cost estimated to complete the task. Any balance is due at the time your plan and/or analysis is presented/sent to you either online, electronically, or physically.

**Ongoing Fees** – We recommend that plan updates be considered bi-annually. Interim financial plan updates are available at your request should changes necessitate a plan update earlier. Plan revisions will be based on the original plan and will take into account any changes in your financial, tax and legal risk management circumstances and needs that you are able to enter into our online software or otherwise provide to us. Plan updates are generally quoted as an hourly fee based upon the time anticipated in order to review, revise, and present your Financial Goal Plan, “Blueprint” or Analysis. The value and usefulness of our firm’s financial planning services will be dependent upon the information that the Client provides and their active participation in the formulation and implementation of financial planning objectives. The Client will be required to complete an online questionnaire to assist us in formulating the Client’s financial planning objectives. We may reasonably request certain of the following documents: insurance policies, wills, tax returns, investment statements, social security statements, and other documents depending upon the Client’s circumstances, in order to permit a complete financial evaluation. The software we use is interactive in nature and you will be required to work with your Financial Planner to enter (update) your plan. If you do not wish to enter your information online or prefer to complete a written questionnaire, an additional hourly cost may apply for data entry. All terms and conditions relating to plan updates are outlined in the Financial Goal Planning Services Agreement.

### **Portfolio Management Services**

If you utilize one or more of the portfolio management services of our affiliate SMM, they will charge you an annual fee based upon a percentage of the market value of your assets under management. Generally, the range of fees is between 0.40% and 2.20%, but fees may be negotiable 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 from other investment advisors either

separately or as part of a wrap fee program similar to the SMM Programs. These services or programs may cost more or less than SMM's.

A complete description of SMM's services, Programs, and fees are contained in SMM's Disclosure Brochure – Form ADV Part 2A and its Wrap Fee Program Disclosure Brochures – Form ADV Part 2A Appendices. To request a copy of either of these Brochures, please contact your investment advisor representative or our office at 949-975-7900.

### **Fee Negotiation**

As discussed above, 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. If you, your family, or related persons also have accounts under advisement or management of one or more of our affiliates, those accounts may also be considered as we negotiate your fee. 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.

## **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 advisory services to individuals, high net worth individuals, businesses, corporate pension and profit-sharing plans, trusts and estates, 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, equity index 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 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. We have no legal or disciplinary events to disclose.

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

We are affiliated by common ownership with SMM, another investment advisor registered with the SEC. We may refer you to SMM for its advisory services. 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 SMM 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 to National Financial Services, LLC (“NFS”), who holds client assets and executes transactions for client accounts. SEG is not affiliated with NFS. 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 SMM, 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. 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 involve 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**

As disclosed above in Item 10, *Other Financial Industry Activities & Affiliations*, most of our representatives are registered through our affiliate, SEG, to handle securities brokerage transactions. Accordingly, we recommend SEG's brokerage services if you desire to implement our recommendations for the purchase or sale of any securities. Commissions, and other compensation received from the implementation of our recommendations, are in addition to our compensation from the financial planning and consulting fees described above.

You are never obligated to use our firm, our affiliates, or our representatives to implement our investment strategies or financial planning recommendations. Securities brokerage services are available from other sources at a lower cost; however, discount brokerage firms generally do not provide investment advice or other customer services that we can provide you. However, we believe the quality and value added by SEG and our clearing broker, NFS, LLC, is competitive with other full-service brokerage firms and outweigh the perceived cost advantages of a discount broker.

## **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**

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 a 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 accounts, 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 when SEG is used as your brokerage firm. If you open a securities brokerage account at SEG, it will be custodied at their clearing brokerage firm, NFS.

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 in our financial planning 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**

Our firm only provides investment strategies and financial planning services and, therefore, does not have investment discretion for any client account. Please see Items 4 and 10 above, regarding our affiliate investment advisor, SMM, which provides discretionary portfolio management. For a complete description of SMM's portfolio management services and fees, please contact your investment advisor representative or our office at 949-975-7900.

## **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 Portfolio Management, Inc., Select Money 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 Portfolio Management, Inc. (“SPM”) and Select Money Management, Inc. (“SMM”) are federally-regulated, registered investment advisors which are 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 statements
- if 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 SPM/SMM 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 SPM/SMM 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 SPM/SMM 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 Portfolio 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 SPM/SMM Investment Advisor Representative, SEG Registered Representative, or you can write to:

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