



Leveraged High Yield Bond Strategy

An actively managed strategy that seeks to compound the returns of high yield bond products in established uptrends using selective exposure. Focuses on capitalizing on returns over multiple time frames.

Investment Philosophy

The Leveraged High Yield Bond Strategy strives to maximize the returns of high yield bonds through the use of strategically managed margin. Spectrums' proprietary models aim to identify periods of reduced risk and increased odds of positive returns, and capitalize on these time frames. Money is borrowed only when the models indicate the time is ripe to do so. Markets are actively monitored on a daily basis to manage risk. This is a nimble strategy that may have periods when accounts are 100% invested in cash to avoid the perils of exposure to down cycles.

Leveraged High Yield Performance Comparison

	As of 12/31/2021		Annualized			
	Quarter	12 Month	3 Year	5 Year	10 Year	Inception*
Leveraged High Yield Strategy	-1.00%	-1.74%	5.37%	3.63%	4.97%	10.03%
High Yield Benchmark ¹	0.70%	4.51%	8.45%	5.83%	6.30%	5.90%

*Inception date of strategy: 6/30/1996

How long has this strategy existed?

25.5 Years

Who is best suited for this strategy?

Low– Moderate Investors

Largest Historical

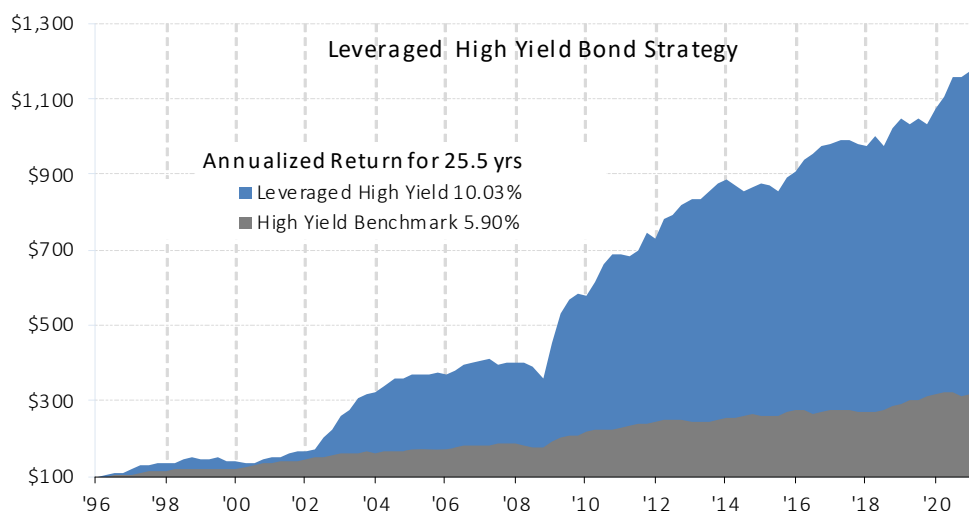
Drawdown:

-10.4% (June 2008—March 2009)

Benchmark:

High Yield Benchmark¹

“ The Leveraged High Yield Bond Strategy has 25+ years of actual performance history. Spectrum’s active management history using leverage shows steady, low volatile returns.



272 Bendix Road | Ste. 600
Virginia Beach, Virginia 23452
Tel: 888-463-7600

InvestSpectrum.com
Info@InvestSpectrum.com

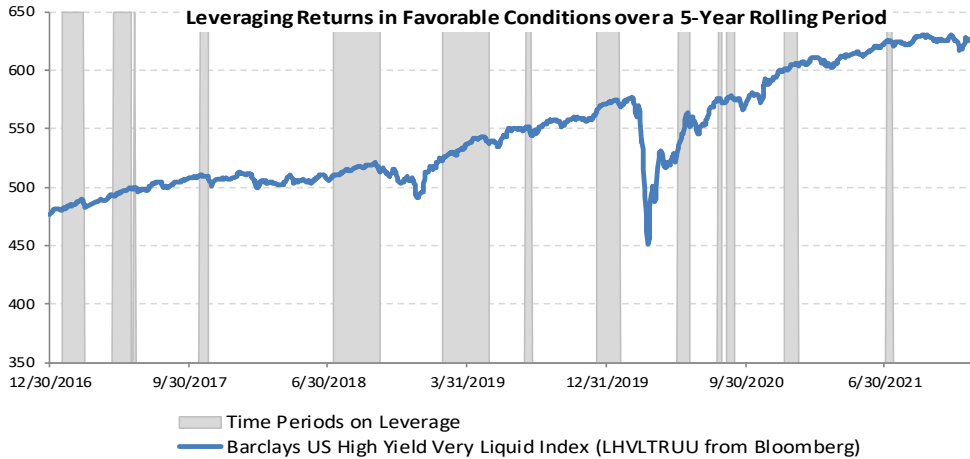
¹The High Yield Benchmark (Blend) uses the Bloomberg US High Yield Very Liquid Index from present back to 12/31/2010, then Lipper High Current Yield (provided by Lipper) back to 12/31/1989. Bloomberg US High Yield Very Liquid Index: This benchmark includes publicly issued U.S. dollar denominated non-investment grade, fixed-rate taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality. The bonds are rated high yield (Ba1/BB+/BB+ or below) using the middle rating of Moodys, S&P, and Fitch, respectively (before July 1, 2005, the lower of Moodys and S&P was used). Included issues consist of only the three largest bonds from each issuer that has a minimum amount outstanding of \$500 million or more (face value) and less than five years from issue date.

Disclosure for Leveraged High Yield Bond Strategy

The Leveraged High Yield Bond Strategy fee is .63% from 12/31/10 to present, 0.625% through 12/31/2009 and 0.75% prior and is reflected in the calculated performance. Performance numbers were selected from 1-3 client accounts assuming no purchases or withdrawals were made during the period and may have been obtained from personal or related accounts. In some instances, there may be only one account representing a custodian or accounts may be used that have purchases and/or withdrawals during the period. Performance for some individual accounts may vary somewhat due to fund restrictions and/or limitations imposed by the mutual fund family or life insurance company. Initial sales loads are not considered. Dividends are assumed to be reinvested. Past performance does not guarantee future results. Market and/or economic fluctuations may affect performance.

Why Use Leverage?

Leverage is a tool that most people use on a daily basis without the knowledge they are even using it. Think of a home mortgage, this is leverage. A person is able to put down 15-20% the actual cost of the home and borrow the remainder. That person has now leveraged their money 4-5 times beyond it's normal purchasing power. Spectrum uses leverage through a margin account, to borrow money and increase potential returns, when our proprietary models indicate risk is lower and trends are established.



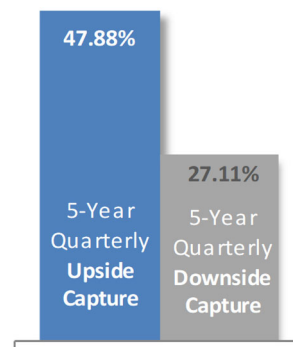
The periods of leverage shown on the chart above come from the margin buy and sell signals applied to accounts invested in the Leveraged High Yield Bond strategy during the period shown.

Upside & Downside Capture

The graph to the right illustrates how much upside and downside the Leverage High Yield Bond Strategy captures of its comparable benchmark on a quarterly basis. The Upside Capture only takes the quarters where the benchmark made a positive return (or money) and shows how much of the strategy captured that return. The Downside Capture takes the quarters where the benchmark lost money, and shows how much of the strategy captured the negative return. If a downside capture percentage is negative, this means the strategy actually did the opposite and made money when the benchmark lost money.

Five Year Quarterly Capture

Leveraged High Yield Strategy vs Barclays



†The Bloomberg High Yield VLI Index includes publicly issued U.S. dollar-denominated non-investment grade, fixed-rate taxable corporate bonds that have a remaining maturity of at least one year, regardless of optionality. The bonds are rated high yield (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, respectively (before July 1, 2005, the lower of Moody's and S&P was used). Included issues consist of only the three largest bonds from each issuer that has a minimum amount outstanding of \$500 million or more (face value) and less than five years from issue date.

General Disclosure

Index returns are for illustrative purposes only and do not represent actual performance of an account or reflect management fees, transaction costs, or expenses, the incurrence of which would have the effect of decreasing indicated historical performance results.

Past performance may not be indicative of future results. All investments have the potential for loss as well as gain.

Information pertaining to Spectrum Financial's advisory operations, services, and fees is set forth in Spectrum's current ADV Part 2 Firm Brochure statement, a copy of which is available upon request. Information pertaining to any mutual fund that is a current component of a Spectrum Financial client portfolio is set forth in each respective mutual fund's prospectus, copies of which are available directly from the mutual fund company.

Investment Philosophy:

**Growth of Principal
Capital Preservation**

**How often does this
strategy trade?**

8 Times per Year

**What is the minimum
investment?**

\$250,000.00

Management Fees²:

0.63% quarterly based on assets under management. Custodial charges and fees assessed directly by the mutual funds or other portfolio holdings are disclosed in the investment companies' prospectuses.

²Spectrum pays up to 50% of the annual fee to the client's Financial Adviser if that individual initiates the relationship with Spectrum Financial.

Available Platforms:

Ceros Brokerage

Schwab Brokerage

Risk Level: 3.5

Each Spectrum strategy is risk rated on a scale of 1 to 5, where 1 represents little risk, such as investing in money funds, and 5 represents the risk comparable to investing in a buy and hold, aggressive growth strategy.

How To Invest:

Call Us at 888-463-7600



InvestSpectrum.com

Info@InvestSpectrum.com