THE FULL SPECTRUM

Spectrum Financial, Inc.

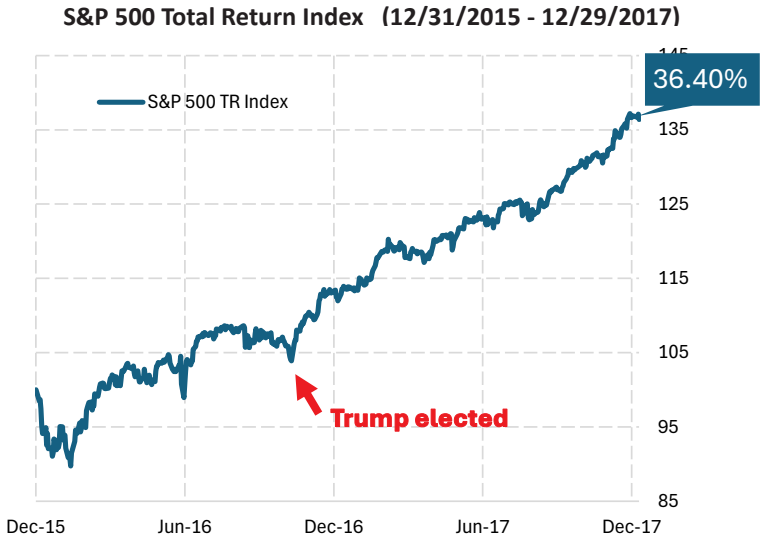
July 2024

GENERAL MARKET COMMENTARY

The stock and bond markets got off to a rough start in the second quarter, as the outlook for interest rate cuts by the Federal Reserve vaporized due to inflation remaining out of control. But by the final days of the quarter, the outlook had improved somewhat, with the possibility that investors might see some rate adjustment in September. Various sectors of the stock market rallied continuing the trend from 2023 with stronger performance from anything related to artificial intelligence. The capitalization weighted S&P 500 was up 4.28% while the equal weighted S&P 500 was down 2.62% for the quarter. The Russell 2000 small cap index lost 3.25%. Obviously, this is a bull market for a very select group of stocks.

The key question now facing investors is whether the improved inflation news will continue, allowing the Federal Reserve to begin cutting rates in September before elections or continue to delay until later in the year. Or not reduce them at all. A risk of recession would cause the rates to drop much faster than currently anticipated, which would drive upward returns on bonds, and slow down or end any stock market rally. Of course, this is an election year, compounded by a very radical shift of voter preference following a surprising presidential debate.

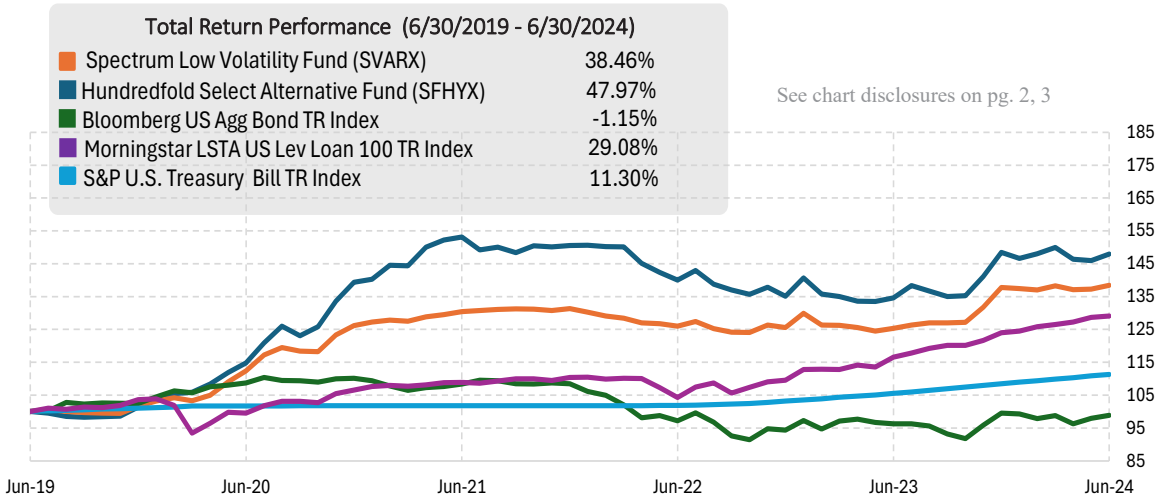
Looking ahead to the year-end, analysts say that equities can continue to climb, but risks of elevated valuations and a rally concentrated in just a handful of names are beginning to compound. Meanwhile, economists say that while they expect economic growth to cool in the coming months, they don't see a serious slowdown that leads to recession. Traders began the year expecting six or seven interest rate cuts from the Federal Reserve in 2024, but now expect only one or two. What makes this year even more interesting is the fact that in election years for the past century, the market has historically performed better than normal. The market also tends to do better when the party who has income tax reductions is elected, rather than the party who creates more entitlements. Keep in the back of your mind what happened in 2016 when Trump won the election, the S&P 500 was up over 15% within 4 months after the election and up over 30% by the end of 2017. (see chart below) Could be an interesting and volatile year-end.



Full Performance table & disclosures on pg. 3

FIVE-YEAR PERSPECTIVE

The Spectrum Low Volatility Fund (SVARX) and Hundredfold Select Alternative Fund (SFHYX) have produced better returns for the past 5 years compared to other staple fixed income alternatives. The chart shows a comparison of the past 5 years in a difficult market for fixed income investments due to the Federal Reserve raising interest rates and the pandemic economic shock. The Aggregate Bond Index had a loss of 1.15%, Money Market Funds had a gain of 11.30%, while Floating Rate Senior loans gained 29.08%. In contrast to these returns the Spectrum Low Volatility Fund was up 38.46%, and the Hundredfold Select Alternative Fund was up 47.97%. The objective of these two funds is a steady return with a priority on reduction of risk. Active management allows the management of the Funds to retreat to a defensive position when risk increases (like when the Fed increases interest rates) and invest more aggressively when the wind is at our back. This strategy has worked for Spectrum for over 35 years.



See chart disclosures on pg. 2, 3

PERFORMANCE COMPARISON

SecurityMaxx Strategies				Annualized		Cumulative	
As of 6/30/2024	Quarter	YTD	1 Year	3 Year	5 Year	3 Year	5 Year
High Yield Bond[1]	-0.03%	0.33%	6.38%	1.12%	2.99%	3.41%	15.86%
Leveraged High Yield Bond	-0.18%	-0.81%	5.12%	0.28%	2.46%	0.85%	12.90%

AssetMaxx Allocation Funds [2]				Annualized		Cumulative	
	Quarter	YTD	1 Year	3 Year	5 Year	3 Year	5 Year
Hundredfold Select Alternative Fund	-1.35%	-0.35%	9.91%	-1.13%	8.15%	-3.36%	47.98%
Spectrum Active Advantage Fund	4.43%	4.85%	14.50%	-9.57%	4.34%	-26.05%	23.64%
Spectrum Low Volatility Fund	0.16%	0.52%	10.46%	2.02%	6.73%	6.18%	38.49%

Benchmark Comparisons				Annualized		Cumulative	
	Quarter	YTD	1 Year	3 Year	5 Year	3 Year	5 Year
Stocks							
NYSE Composite TR Index	-0.98%	8.21%	16.23%	5.35%	9.23%	16.91%	55.53%
NASDAQ TR Index	8.47%	18.57%	29.60%	7.77%	18.21%	25.18%	130.83%
Russell 2000 Small-Cap TR Index	-3.28%	1.73%	10.05%	-2.58%	6.94%	-7.55%	39.87%
S&P 500 TR Index	4.28%	15.29%	24.56%	10.02%	15.05%	33.15%	101.53%
MSCI Emerg Markets TR Index	5.12%	7.68%	12.98%	-4.68%	3.49%	-13.38%	18.69%
Bonds							
Bloomberg Agg Bond TR Index	0.07%	-0.71%	2.64%	-3.02%	-0.23%	-8.79%	-1.13%
iBoxx USD Liquid High Yield TR Index	1.00%	2.27%	10.05%	1.47%	3.25%	4.48%	17.35%
T-Bill (3-month)	1.32%	2.62%	5.45%	3.02%	2.16%	9.33%	11.30%

The **Spectrum High Yield Bond Strategy** remained mostly flat for the second quarter in 2024 with a loss of 0.03% due to bond volatility based on Fed action and comments. Over its 30+ year history, this strategy has an annualized return of 9.13%, with the worst calendar year down only 2.33%.

The **Spectrum Low Volatility Fund (SVARX)** etched out a quarterly gain of 0.16% for the second quarter. As of 6/30/2024, the Fund's total return performance received a percentile ranking of 31 out of 278 competitors for the last 3-years, 3 out of 249 competitors for the last 5-years, and 1 out of 176 competitors in the last 10-years in the U.S. domiciled Nontraditional Bond fund category in Morningstar.*

The **Spectrum Active Advantage Fund (SAPEX)**, had a quarterly gain of 4.43%. As of 6/30/2024, the Fund's total return performance received a percentile ranking of 99 out of 219 competitors for the last 3-years and 65 out of 204 competitors for the last 5-years in the U.S. domiciled Tactical Allocation category in Morningstar.*

The **Hundredfold Select Alternative Fund (SFHYX)** posted a quarterly loss of 1.35%. As of 6/30/2024, the Fund's total return performance received a percentile ranking of 79 out of 219 competitors for the last 3-years, 20 out of 204 competitors for the last 5-years, 17 out of 133 competitors for the last 10-years, and 25 out of 58 competitors for the last 15-years in the U.S. domiciled Tactical Allocation category in Morningstar. * Past performance is no guarantee of future results.

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[1]High Yield Bond/Lev High Yield Bond includes only accounts held at Ceros FS. Fees for strategies are 0.48% quarterly for High Yield Bond accounts. Leveraged High Yield Bond accounts fees are 0.63% quarterly. Performance shown are not composite numbers. 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 brokerage account. A complete list of all buy and sell dates is available upon request. 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.

[2]AssetMaxx, the performance data quoted represents past performance and does not guarantee future results. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of any dividend or capital gains distributions. To obtain a prospectus and summary prospectus, please call 855-582-8006 or access www.hundredfoldselect.com or www.thespectrumfunds.com. There is no guarantee the Funds will meet their objectives. An investment in a mutual fund involves risk, including loss of principal.

[3]Benchmark Source: Bloomberg and Fast Track. These tables summarize performance averages for various index categories across standard performance timeframes.

Nasdaq TR Index: a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market, and Capital Market.

AssetMaxx℠—Actively Managed Mutual Fund Performance Review

The Spectrum Funds

Spectrum Low Volatility Fund - SVARX

As of 6/30/2024	Quarter	YTD	1 Year	3 Year (Annualized)	5 Year (Annualized)	10 Year (Annualized)	Since Inception[1] (Annualized)
SVARX	0.16%	0.51%	10.46%	2.02%	6.72%	6.41%	6.44%
Morningstar LSTA US Lev Loan TR[5]	2.07%	4.10%	10.72%	5.84%	5.23%	4.16%	4.21%
50/50 iBoxx USD Liquid HY Index/Morningstar LSTA US Lev Loan 100 TR Index[7]	1.54%	3.19%	10.39%	3.66%	4.24%	3.94%	4.13%

Portfolio Composition	3/31/2024	6/30/2024
High Yield	60.27%	55.04%
HY Credit Default Swaps	0.00%	0.00%
Floating Rate	29.55%	27.29%
Municipal	19.90%	29.92%
Government	0.00%	0.00%
Mortgage-Backed	4.99%	7.93%
Bond - Other	10.12%	9.92%
Preferred	31.44%	14.87%
	156.28%	144.98%

[1]Inception date: 12/16/2013

Expense Ratio: 2.62%

Spectrum Active Advantage - SAPEX

As of 6/30/2024	Quarter	YTD	1 Year	3 Year (Annualized)	5 Year (Annualized)	Since Inception[2] (Annualized)
SAPEX	4.43%	4.85%	14.50%	-9.58%	4.33%	5.38%
S&P 500 TR[4]	4.28%	15.29%	24.56%	10.02%	15.03%	13.08%
New York Stock Composite TR Index (NYSE)[8]	-0.98%	8.21%	16.24%	5.35%	9.22%	8.14%

Portfolio Composition	3/31/2024	6/30/2024
S&P 500 Index Exposure	49.85%	85.52%
NASDAQ 100 Index Exposure	10.03%	38.56%
Russell 2000 Index Exposure	23.30%	0.00%
Equity Other	8.35%	-20.44%
Cash Management	0.00%	0.00%
	91.54%	103.64%

Expense Ratio: 1.83%

[2]Inception date: 6/1/2015. The Fund changed from the Spectrum Advisors Preferred Fund on April 14, 2022.

The Hundredfold Select Alternative Fund

Hundredfold Select Alternative Fund

As of 6/30/2024	Quarter	YTD	1 Year	3 Years (Annualized)	5 Years (Annualized)	10 Years (Annualized)	15 Years (Annualized)	Since Inception[3] (Annualized)
SFHYX	-1.35%	-0.35%	9.91%	-1.13%	8.14%	6.06%	7.45%	6.20%
S&P 500 TR[4]	4.28%	15.29%	24.56%	10.02%	15.03%	12.85%	14.81%	10.54%
Bloomberg Agg Bond TR Index[6]	0.07%	-0.71%	2.63%	-3.02%	-0.23%	1.35%	2.50%	3.00%

Portfolio Composition	3/31/2024	6/30/2024
High Yield	61.71%	73.15%
Floating Rate	34.89%	32.72%
Bond Other	26.20%	28.60%
Managed Futures (net)	9.12%	0.00%
Alternative	0.00%	8.78%
Equity	38.27%	22.16%
	170.19%	165.41%

Expense Ratio: SFHYX 2.32%

[3]Inception date: 9/1/2004, fund name changed from Spectrum High Yield Plus on June 11, 2008. Additionally, the Fund was reorganized on October 3, 2011 from a predecessor fund (the "Select Alternative Predecessor Fund") to a series of Northern Lights Fund Trust II, a Delaware statutory trust (the "Reorganization"). The Fund is a continuation of the Select Alternative Predecessor Fund and, therefore, the performance information includes performance of the Select Alternative Predecessor Fund.

The performance data quoted represents past performance. Past performance does not guarantee future results. Investment return and principal value will fluctuate, so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted and assumes the reinvestment of any dividend or capital gains distributions. For performance current to the most recent month end, please call 1-888-572-8868. An investor should carefully consider the investment objectives, risks, charges and expenses prior to investing.

The prospectus and summary prospectus contain this and other information about the Funds and should be read carefully prior to investing. To obtain a prospectus and summary prospectus, please call Ultimus Fund Solutions, LLC. at 855-582-8006 or access www.thespectrumfunds.com or www.hundredfoldselect.com .

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Russell 2000 Small-Cap TR Index: measures the performance of the small-capitalization sector of the U.S. equity market.

MSCI Emerging Markets TR Index: is a capitalization weighted index that is designed to measure the equity market performance of emerging markets.

iBoxx USD Liquid High Yield TR Index: measures the USD denominated, sub-investment grade, corporate bond market. The index includes bonds with minimum 1 year to maturity, minimum amount outstanding of USD 400 mil. Bond types include fixed-coupon, step-up, bonds with sinking funds, medium term notes, callable and puttable bonds.

T-Bill (3-month): rates are comprised of Generic United States on-the-run government bill/note/bond indices. These yields are based on the ask side of the market and are updated intraday. The curve is comprised of US dollar denominated US Treasury active securities. The 1 month, 3-month, 6 month and 1-year maturities are the most recently auctioned 4 week, 8 week, 13 week, 26 week and 1 year US Treasury bills. The 2-year, 3-year, 5-year, 7 year and the 10-year maturities are the most recently auctioned US Treasury notes. The 30 Year maturity is the most recently auctioned 20-year US Treasury bond. The curve is updated on each auction day with effective data of the next market day.

S&P 500 TR Index is a capitalization weighted index of 500 stocks representing all major domestic industry groups and assumes the reinvestment of dividends and capital gains. It is not possible to directly invest in any index.

Morningstar LSTA U.S. Leveraged Loan 100 Index: This benchmark is designed to reflect the performance of the largest facilities in the U.S. dollar leveraged loan market.

Bloomberg U.S. AGG Bond Index: The Bloomberg U.S. Aggregate Bond Index measures performance of the total U.S. investment grade bond market. It is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least $250 million par amount outstanding and with at least one year to final maturity.

50/50 "iBoxx USD Liquid HY Bond TR Index/Morningstar LSTA US Lev Loan 100 TR Index": 50/50 iBoxx USD Liquid High Yield Bond TR Index/Morningstar LSTA U.S. Leveraged Loan 100 TR Index: This benchmark gives 50% weight to the iBoxx USD Liquid High Yield Bond TR Index and 50% weight to the Morningstar LSTA U.S. Leveraged Loan 100 TR Index. The iBoxx USD Liquid High Yield TR Index: is market-value weighted with an issuer cap of 3% and consists of liquid USD high yield bonds, selected to provide a balanced representation of the high yield corporate bond universe. Morningstar LSTA U.S. Leveraged Loan 100 TR Index is designed to reflect the performance of the largest facilities in the leveraged loan market.

New York Stock Composite Index (NYSE): The NYSE Composite Index (NYATR) measures the performance of all stocks listed on the New York Stock Exchange. It includes more than 1,900 stocks, of which over 1,500 are U.S. companies. Its breadth therefore makes it a much better indicator of market performance than narrow indexes that have far fewer components. The weights of the index constituents are calculated on the basis of their free-float market capitalization. The index itself is calculated on the basis of price return and total return, which includes dividends.

SPECULATIVE FRENZY
Some of us might remember the dot-com internet frenzy that captivated Wall Street in 2000. After a ridiculous rally in the late 1990's, the Nasdaq 100 Index dropped over 70% in 13 months. To get back to even from that colossal loss, an investor needed to get over a 250% return to recover.

Is the current speculative frenzy repeating itself now with the Artificial Intelligence stocks? The companies leading the majority of the 2024 equity rally remain concentrated in the AI universe. Today's media and the newly minted AI millionaires say that, of course, "it's different this time". They believe the gains are from actual earnings for these stocks. But investor psychology always remains consistent, and investor memory can often get faulty at the tail end of a rally. The frenzy of the AI rally could eventually have a bad ending for many investors who are late to the party. The Artificial Intelligence Index at the right is composed of the 9 most speculative AI stocks. When this speculative gauge reverses again, we could see not only a correction like we did in 2000, but broader impactful tremors that affect the market as a whole. Investors should try and keep this in mind when tempted to abandon prudence for the gamble of a risky gain.

PERSONAL PERSPECTIVE *by* Ralph Doudera

Lazarus and Delilah are my two golden doodle dogs which I raised from birth from a litter of 12. I picked Delilah, but Lazzie picked me. I have learned much from them. Delilah is a ball dog and if it were possible she would play ball until she gets sick. Lazzie is a relationship dog and wants nothing else but to follow me everywhere and just sit at my feet, reminding me of a biblical story (Luke 10:38) of Mary and Martha. Martha works hard to welcome Jesus to her home while her sister Mary simply sits at His feet and listens, choosing to abide with Jesus. Martha becomes distracted with her many tasks and complains to Jesus and gets a response she didn't expect. Jesus applauds Mary and says that she has made a better choice.

I often find myself overly active in "Martha activities" when I need to spend more time at Jesus' feet. Connecting each morning is not always successful even when I put in the time. But His *Presence* makes it all worthwhile. Christianity without His *Presence* is just another dead religion of trying to do good without the power of the Holy Spirit. *"But the Helper (Comforter, Advocate, Intercessor-Counselor, Strengthener, Standby), the Holy Spirit, whom the Father will send in My name [in My place, to represent Me and act on My behalf], He will teach you all things. And He will help you remember everything that I have told you." (John 14:26 Amplified Bible).* The word *Presence* makes all the difference. Relationships, not activities. What do I do when I can't seem to find his presence? I ask. Then I ask again. *"For everyone who keeps on asking [persistently], receives; and to him who keeps on knocking [persistently], finds, and to Him who keeps on knocking [persistently], the door will be opened. If you, then, being sinful by nature, know how to give good gifts to your children, how much more will your heavenly Father give the Holy Spirit to those who ask [and] continue to ask Him! (Luke 11:10,13 Amplified Bible).* How will this *Presence* work in my life? First it shines a light on anything that is not right in my life like unforgiveness, lustful thoughts, unhealthy relationships, selfishness. The solution is to acknowledge them as sin and confess them. Call it like it is. Failure to do that will cause His Presence to withdraw. But restoring a right relationship with Him reconnects me, and I receive insight, power, instruction, help and ideas which I otherwise might not receive. But spending time each day is important. Other helpful activities for me to experience his Presence include worship while playing the piano, or just listening to worship music I have on my iPhone. Music can be a key doorway to enter His Presence. Worship is from the heart and not from the head and connects to The Father's heart.

So, I need to remember Lazzie's behavior because he would rather spend time with me than doing anything else. The relationship is more important than me playing ball well. And I need to keep asking, because *His Presence* is the best thing I have experienced in my entire life.

"Steady plodding brings prosperity; hasty speculation brings poverty" (Proverbs 21:5, LB)

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