# Item 1 Cover Page

**SEC Form Part 2A of Form ADV**

**Firm Brochure**

**Spinnaker Asset Management Inc.**

**400 Commonwealth Ave, Unit 7**

**Warwick, Rhode Island 02888**

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**Web Address: www.spinnakerassetmgt.com**

**March 30, 2020**

This brochure ("Firm Brochure" or "Brochure") provides information about the qualifications and business practices of Spinnaker Asset Management Inc. If you have any questions about the contents of this Brochure, please contact us at 401-884-3210 or rkent@spinam.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the any state securities authority does not imply a certain level of skill or training.

Additional information about Spinnaker Asset Management Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 148489.

# Item 2 Material Changes

Since our last annual filing on March 18, 2019, Spinnaker Asset Management Inc. (“SAMI” or “Firm”) has moved to 400 Commonwealth Ave Unit 7, Warwick, RI 02888. In addition, since our previous filing, SAMI also added registration in Florida and later termination the Florida registration. SAMI has also hired a new employee that has an insurance license and the Firm now offers insurance products. In addition, SAMI is marketing products to help state employees prepare for retirement. Other information in this Brochure may have been amended which may not be specified in this summary, consequently, we encourage you to read this brochure in its entirety.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Item 3: Table of Contents Contents  [Item 1 Cover Page 1](#_Toc36482798)  [Item 2 Material Changes 2](#_Toc36482799)  [Item 3: Table of Contents 3](#_Toc36482800)  [Item 4 Advisory Business 4](#_Toc36482801)  [Item 5 Fees and Compensation 7](#_Toc36482802)  [Item 6 Performance Based Fees and Side By Side Management 9](#_Toc36482803)  [Item 7 Types of Clients 9](#_Toc36482804)  [Item 8 Methods of Analysis, Investment Strategies and Risk of Loss 9](#_Toc36482805)  [Item 9 Disciplinary Information 12](#_Toc36482806)  [Item 10 Other Financial Industry Activities and Affiliations 12](#_Toc36482807)  [Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading 12](#_Toc36482808)  [Item 12 Brokerage Practices 13](#_Toc36482809)  [Item 13 Review of Accounts 14](#_Toc36482810)  [Item 14 Client Referrals and Other Compensation 15](#_Toc36482811)  [Item 15 Custody 15](#_Toc36482812)  [Item 16 Investment Discretion 15](#_Toc36482813)  [Item 17 Voting Client Securities 15](#_Toc36482814)  [Item 18 Financial Information 16](#_Toc36482815)  [Item 19 Requirements for State Registered Advisers 16](#_Toc36482816) |  |  | |  | |
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# Item 4 Advisory Business

Spinnaker Asset Management Inc. (hereinafter, “Spinnaker”) is a state registered investment adviser with its principal place of business located in Warwick, Rhode Island. Spinnaker began conducting business in September 2008. Ronald Webster Kent, Jr. is the President and the firm's principal shareholder.

Spinnaker offers the following advisory services to its clients:

INVESTMENT SUPERVISORY SERVICES ("ISS")

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data gathering process, we determine the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service and may include advice regarding the following securities:

* Exchange-listed securities
* Securities traded over-the-counter
* Foreign issuers
* Warrants
* Corporate debt securities (other than commercial paper)
* Commercial paper
* Certificates of deposit
* Municipal securities
* Variable Insurance Products
* Mutual fund shares
* United States governmental securities
* Options contracts on securities
* Interests in partnerships investing in real estate
* Interests in partnerships investing in oil and gas interests

Some types of investments involve certain additional degrees of risk and may not be appropriate for all investors.

INVESTMENT SUPERVISORY SERVICES ("ISS")

MODEL PORTFOLIO MANAGEMENT

Our firm provides portfolio management services to clients using model asset allocation portfolios.

Each model portfolio is designed to meet a particular investment goal.

Growth Model Portfolio

Our Growth Model Portfolio is designed for maximum capital gain regardless of security holding period and may be consistent with a moderately aggressive tolerance for risk, a market volatility profile, and no requirements for income, flexibility, or liquidity. This model portfolio will normally hold common stock of domestic and international corporations (ADR's), exchange traded funds, and corporate and sovereign debt obligations.

Total Return Model Portfolio

Our Total Return Model Portfolio has as its investment objective a total return comprised of both capital gains plus dividend and interest income. This model portfolio is designed to limit volatility while providing a consistent and positive return over a long-term time period. Investment vehicles included in this model portfolio may include common stock of domestic or international corporations (ADR's), exchange traded funds, and corporate and sovereign debt obligations. This model may utilize specific buy/write option strategies to increase income and reduce volatility during periods of low nominal interest rates or when market conditions warrant it.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account.

Clients retain individual ownership of all securities.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and may include advice regarding the following securities:

* Exchange-listed securities
* Securities traded over-the-counter
* Foreign issuers
* Warrants
* Corporate debt securities (other than commercial paper)
* Commercial paper
* Certificates of deposit
* Municipal securities
* Variable Insurance Products
* Mutual fund shares
* United States governmental securities
* Options contracts on securities
* Interests in partnerships investing in real estate
* Interests in partnerships investing in oil and gas interests

Some types of investments involve certain additional degrees of risk and may not be appropriate for all investors.

We strive to ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances. Accordingly, we will:

1. request updated financial information of our clients as market conditions change and it becomes appropriate if such changes may adversely affect the achievement of client investment goals and objectives;
2. strive to contact each client on generally an annually basis to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on isolated areas of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation services regarding investment and financial concerns of the client.

AMOUNT OF MANAGED ASSETS

As of December 31, 2019, we were actively managing approximately $ 8,801,000 of clients' assets on a discretionary basis.

# Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS")

INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fees charged for Individual Portfolio Management Services and Model Portfolio Management Services are a percentage of assets under management. The following is our general fee schedule:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Assets Under Management |  | Annual Fee |
| Zero to $25,000 | | 1.65% | |
| $25,000 to $100,000 | | 1.50% | |
| $100,000 to $250,000 | | 1.40% | |
| $250,000 to $750,000 | | 1.30% | |
| $750,000 to $1,500,000 | | 1.20% | |
| Above $1,500,000 | | 1.10% | |

Our fees are generally billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. If a client terminates an account with a prepaid balance, any unearned fees will be returned to the client within a reasonable time.

Limited Negotiability of Advisory Fees: Although Spinnaker has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of determining and achieving a minimum annualized fee.

FINANCIAL PLANNING FEES

Spinnaker's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client’s circumstances. Fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from $400 to $2,000, depending on the specific arrangement with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed $500 for work that will not be completed within six months. The balance is due in arrears upon completion of the plan.

CONSULTING SERVICES FEES

Spinnaker's Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client’s circumstances. Fees are agreed upon prior to entering into a contract with any client.

OTHER FEES

Mutual Fund Fees: All fees paid to Spinnaker for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. Mutual fund and ETF fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund(s) are most appropriate to each client's financial condition and objectives. Accordingly, the client should carefully review both the fees and expenses charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and broker dealers, including, but not limited to, any transaction charges, wire transfer fees, account closure fees, etc. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

# Item 6 Performance Based Fees and Side By Side Management

Spinnaker does not charge performance-based fees.

# Item 7 Types of Clients

Spinnaker provides advisory services to the following types of clients:

Individuals (other than high net worth individuals)

High net worth individuals

Corporations or other businesses

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client’s investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash may change over time due to stock and market movements and, if not corrected, may no longer be appropriate for the client’s goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client’s portfolio.

We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results and they are subject to market risks. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client’s portfolio.

Certain ETF held by Spinnaker may be subject to additional investment risk of loss factors. We review the ETF using data obtained from our designated third-party rating agency, among other things, to check the credit rating and risk profiles of the holdings. We analyze several economic factors, including but not necessarily limited to, the trade-off between performance and risk; total returns; ETF’s track record, market trends; underlying stability and volatility.

Model Portfolio Risk. The use of model portfolios involves assumptions based on the historical performance of various asset classes. There is no guarantee that certain assets will replicate such performance in the future. In addition, while we believe that the assumptions upon which the allocation models are reasonable, there is a risk that such assumptions may prove to be incorrect. The use of model portfolios inherently involves diversification of investments. While diversification is designed to spread risk among different securities or asset classes, there is a risk that a diversified portfolio will not achieve as great a return as a portfolio concentrated in a single security or asset class, if that security or asset class outperforms other securities or assets in the portfolio.

Risks for all forms of analysis. Our securities analysis methods, which are obtained from sources that we consider reliable, rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long Term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short Term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long term investment in a security that was designed to be a short term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options: having a long-term investment in a security that was designed to be a short-term purchase, or the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction related costs, as well as less favorable tax treatment of short-term capital gains.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also use options to "hedge" a purchase of the underlying security. In other words, we may use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

Specific strategies may include the use of "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed upon price. Another strategy is the use of a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Clients should be aware that the prices of options are highly volatile and depend on the values of the securities, indexes, currencies, or other instruments underlying them. Price movements of options are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, there is the risk of a force majeure event. This is the risk that there may be an act of God, terrorist act, global health pandemic, failure of utilities or other similar circumstance not within the reasonable control of the adviser that may have an unknown and potentially catastrophic effect on the global markets.

# Item 9 Disciplinary Information

Our firm and our management personnel have no reportable disciplinary events to disclose.

# Item 10 Other Financial Industry Activities and Affiliations

Spinnaker hired a new employee in 2019 that has her insurance license. As a result, the firm now offers insurance products to our clients through Spinnaker. As Spinnaker receives compensation in the form of commissions from the life insurance companies for sales to our clients, we have a conflict of interest. However, while Spinnaker may recommend insurance products to our clients, clients are not required to purchase those products from Spinnaker.

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

Our firm has adopted a Code of Ethics which sets forth standards of business conduct that we require of our employees, including compliance with applicable state securities laws.

Spinnaker and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Spinnaker Code of Ethics further prohibits the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics includes policies and procedures for the review of employee personal securities transactions and prior approval of transactions involving a limited offering (e.g., private placement) or an initial public offering. Our Code of Ethics is designed to prevent the personal securities transactions, activities and interests of our employees do not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients typically will receive an average share price and transaction costs are generally shared equally and on a pro-rated basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to rkent@spinam.com, or by calling us at 401-884-3210.

# Item 12 Brokerage Practices

Spinnaker participates in the institutional customer program (“Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. Factors which Spinnaker considers in recommending TD Ameritrade or any other broker-dealer include the quality of executions, research, and commission rates, among other factors. In making the determination to recommend or use any particular broker-dealer, the firm's objective is not necessarily to obtain the lowest possible cost, but to obtain the best qualitative execution under the circumstances. As a result, the commissions and/or transaction fees charged by TD Ameritrade may be higher or lower than those charged by other broker-dealers.

Spinnaker does allow clients to direct brokerage to another broker if they so choose, however, clients who elect to direct brokerage will not be allowed to participate in aggregate or block trades nor will Spinnaker be able to achieve the most favorable client transactions for clients who direct brokerage. As a result, directing brokerage may cost clients more money.

Spinnaker receives some benefits from TD Ameritrade through our participation in the Program. These benefits may include the following products and services (provided without cost or at a discount): the ability to view bond offerings (a third party service) and execute trades through the VEO platform; duplicate client statements and confirmations; research related products and tools; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees, and discounts on compliance, marketing, research, technology, and practice management products or services provided to Spinnaker by third party vendors.

Some of the products and services made available by TD Ameritrade through the Program may benefit Spinnaker but may not directly benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by Spinnaker or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware that our receipt of economic benefits creates a potential conflict of interest and may influence our choice or recommendation of TD Ameritrade for custody and brokerage services in that we have an incentive to recommend that clients maintain their accounts at TD Ameritrade in order for us to continue to receive the foregoing products and services.

Spinnaker's receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

Spinnaker may block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. As noted above, clients who use directed brokerage will not be able to participate in aggregate trades.

# Item 13 Review of Accounts

**INVESTMENT SUPERVISORY SERVICES ("ISS")**

REVIEWS: While the underlying securities within Individual Portfolio Management Services and Model Portfolio Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by supervised persons of Spinnaker.

REPORTS: In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, Spinnaker typically provides annual reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

**FINANCIAL PLANNING SERVICES**

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

**CONSULTING SERVICES**

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory engagement.

# Item 14 Client Referrals and Other Compensation

Spinnaker may receive economic benefits from TD Ameritrade or other broker-dealers in the form of support products and services that are made available to us and other investment advisers whose clients maintain their accounts at such firms. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12 (Brokerage Practices). Spinnaker may also receive commissions from the sale of insurance products to our clients. While Spinnaker may recommend insurance products for our clients, they are not required to purchase those products from us. Spinnaker does not pay for client referrals nor receive client referrals from our brokers in return for using their services.

# Item 15 Custody

All client assets are maintained by a qualified custodian. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period including the management fees paid directly to Spinnaker. We urge clients to carefully review the statements sent by the custodian, and to compare them to any reports sent by Spinnaker. Clients should contact us directly if they believe that there may be an error in their statement.

# Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client: determine the security to buy or sell; and/or determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

# Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client’s investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client’s investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business or by using the contact information on the cover page of this brochure.

# Item 18 Financial Information

Spinnaker has no financial circumstances that would impair our ability to meet our contractual obligations. Spinnaker has not been the subject of a bankruptcy petition at any time during the past ten years.

# Item 19 Requirements for State Registered Advisers

The following individuals are the principal executive officers and management persons of

Spinnaker Asset Management Inc.:

Ronald W. Kent, Jr.

Information regarding the formal education and business background of Mr. Kent is provided in the Brochure Supplement.

As previously disclosed in Item 6 (Performance Based Fees), Spinnaker Asset Management Inc.

does not charge performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable disciplinary events to disclose.

As previously disclosed in "Other Financial Industry Activities and Affiliations" (Item 10), neither Spinnaker Asset Management Inc. nor our management personnel have a relationship or arrangement with any issuer of securities.