

THE FULL SPECTRUM

Spectrum Financial, Inc.

October 2024

GENERAL MARKET COMMENTARY

With a great deal of volatility, the third quarter was positive for equities and bonds across the board. The S&P 500 TR Index returned 5.90%, which was led mostly by value stocks, and the Bloomberg US Aggregate Bond Index returned 5.20% as the 10-Year Treasury Rate fell to 3.81%.

The biggest headline of the quarter was that Federal Reserve ended its fourteen-month rate pause by lowering the federal funds rate by 50 basis points to a range below 5%. Fed officials also signaled a tentative target of 4.25-4.50% by the end of the year and 3.25-3.50% by the end of 2025. As shown to the right, markets are expecting a lower terminal rate, closer to the 3% level.

Typically the start of a rate cut cycle is a red flag that recession risks are elevated, but in this case the Fed's language is more consistent with a soft landing. Unless they see major economic cracks, they appear to believe that the economy has cooled enough to warrant looser policy and that inflation has been sufficiently tamed.

Unfortunately for bond investors, about a week later, the most recent unemployment rate dropped sharply and wage growth accelerated unexpectedly, causing a major increase in bond market yields and higher interest rates. This has created uncertainty on whether the Fed will cut rates at all for the remainder of this year.

Shortly before the Fed's rate cut, the yield curve ended its longest inversion in history, which ended up lasting

over two years. We expect this curve normalization to continue as the Fed keeps pushing down the front end of the curve and the long end remains relatively stable. However, given global trends that could prove to be inflationary for years to come, such as deglobalization and demographic shifts, we might be entering an era where bond yields will be structurally higher through upcoming cycles. These higher yields will not help our government's debt servicing costs and are very inflationary.

The Presidential election next month continues to be extremely tight, and it likely will be too close to call for the rest of the race. This situation increases the odds of a

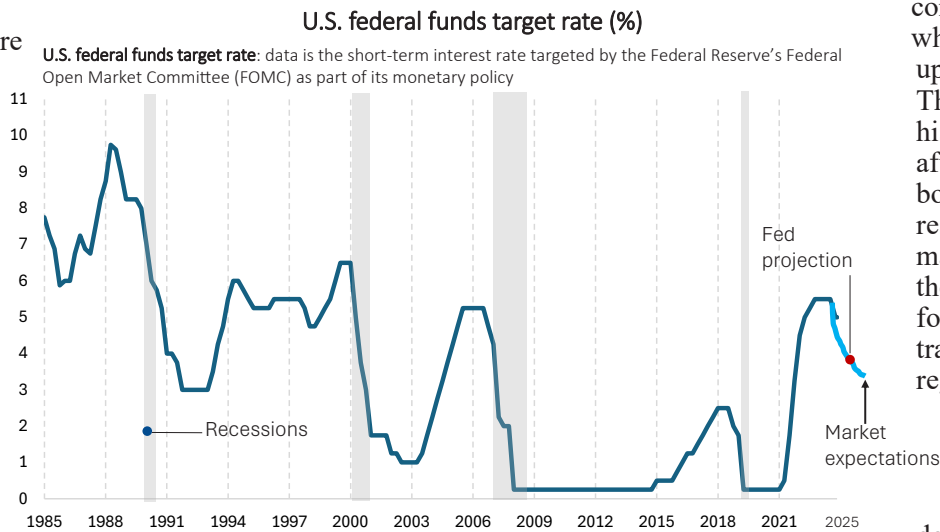
contested election, which could lead to an uptick in volatility.

The stock market has historically done well after elections under both parties, but the results could have major implications on the direction of foreign policy and trade, taxes, and regulation. For

example, a red victory would likely accelerate the pace of deglobalization, extend Trump's tax

cuts more broadly, and deregulate banks and healthcare, while a blue victory would increase taxes for high earners and increase spending on infrastructure, clean energy and entitlements.

We strongly believe in the benefit of active management for fixed income at this time, and the current rate environment should provide ample opportunities to find value beyond money market yields. We actively trade all bond sectors and are carefully monitoring opportunities to extend duration and yield as the curve normalizes.



ELECTION YEAR HISTORY

Election time is here again, and it is interesting to look back on what history might tell us to expect in the coming weeks and in November. History has shown us that in the three months leading up to a presidential election there is a spike in volatility due to investor uncertainty. However, no matter which party ends up securing the White House, the market generally rallies after the election is settled due to the ease of uncertainty. Since 1928 a positive S&P 500 performance in the 3-months prior to election day has earned an 87% accuracy of forecasting that the current party will be re-elected (see chart to the right for current S&P 500 performance). However, keep in mind that this is an unprecedented election in that the current sitting president is not seeking re-election and the current elected

party selected their candidate without going through the normal selection process. At the same time, a past president is seeking a reelection for a non-consecutive term.



AssetMaxxSM—Actively Managed Mutual Fund Performance Review

The Spectrum Funds

Spectrum Low Volatility Fund - SVARX

As of 9/30/2024	Quarter	YTD	Annualized				
			1 Year	3 Year	5 Year	10 Year	Since Inception ¹
SVARX	3.57%	4.10%	12.91%	3.00%	7.53%	6.96%	6.63%
Morningstar LSTA US Lev Loan TR ⁵	1.94%	6.12%	9.52%	6.16%	5.35%	4.46%	4.30%
50/50 iBoxx USD Liquid HY Index/Morningstar LSTA US Lev Loan 100 TR Index ⁷	3.66%	6.95%	12.53%	4.60%	4.71%	4.49%	4.37%
Portfolio Composition			6/30/2024		9/30/2024		
High Yield			55.04%		78.67%		
HY Credit Default Swaps			0.00%		0.00%		
Floating Rate			27.29%		1.29%		
Municipal			29.92%		19.66%		
Government			0.00%		9.92%		
Mortgage-Backed			7.93%		9.79%		
Bond - Other			9.92%		39.08%		
Preferred			14.87%		43.66%		
			144.98%		202.08%		

¹Inception date: 12/16/2013

Expense Ratio: 2.62%

Spectrum Active Advantage - SAPEX

As of 9/30/2024	Quarter	YTD	Annualized			
			1 Year	3 Year	5 Year	Since Inception ²
SAPEX	2.97%	7.96%	20.00%	-6.31%	5.09%	5.56%
S&P 500 TR ⁴	5.89%	22.08%	36.35%	11.90%	15.96%	13.39%
New York Stock Composite TR Index (NYSE) ⁸	8.83%	17.76%	29.65%	9.06%	11.02%	8.89%
Portfolio Composition			6/30/2024		9/30/2024	
S&P 500 Index Exposure			85.52%		50.84%	
NASDAQ 100 Index Exposure			38.56%		32.15%	
Russell 2000 Index Exposure			0.00%		5.10%	
Equity Other			-20.44%		40.66%	
Cash Management			0.00%		15.00%	
Expense Ratio: 1.83%			103.64%		143.74%	

²Inception 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 9/30/2024	Quarter	YTD	Annualized					
			1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception ³
SFHGX	4.51%	4.14%	14.53%	1.39%	9.47%	6.72%	6.93%	6.35%
S&P 500 TR ⁴	5.89%	22.08%	36.35%	11.90%	15.96%	13.37%	14.13%	10.72%
Bloomberg Agg Bond TR Index ⁶	5.20%	4.45%	11.57%	-1.39%	0.33%	1.84%	2.60%	3.22%
Portfolio Composition			6/30/2024			9/30/2024		
High Yield			73.15%			50.31%		
Floating Rate			32.72%			23.16%		
Bond Other			28.60%			81.48%		
Managed Futures (net)			0.00%			4.01%		
Alternative			8.78%			7.01%		
Equity			22.16%			30.47%		
Expense Ratio: SFHGX 2.32%			165.41%			196.43%		

³Inception 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 Ultimeus Fund Solutions, LLC. at 855-582-8006 or access www.thespectrumfunds.com or www.hundredfoldselect.com.

The Funds are distributed by Ceros Financial Services, Inc. (Member FINRA/SIPC). Ceros and Spectrum Financial, Inc./Hundredfold Advisors are not affiliated entities. Advisors Preferred, LLC, the Funds' advisor is a commonly held affiliate of Ceros. **Date of first use: 10/15/2024**

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.

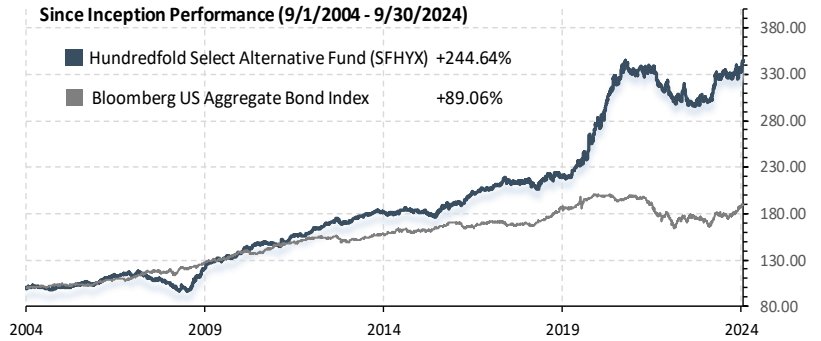
New York Stock Composite Index (NYSE): The NYSE Composite Index (NYATR) measures the performance of all stocks listed on the New York Stock Exchange. It includes more than 1,900 stocks, of which over 1,500 are U.S. companies. Its breadth therefore makes it a much better indicator of market performance 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.

20 YEARS OF CONSISTENT HISTORY

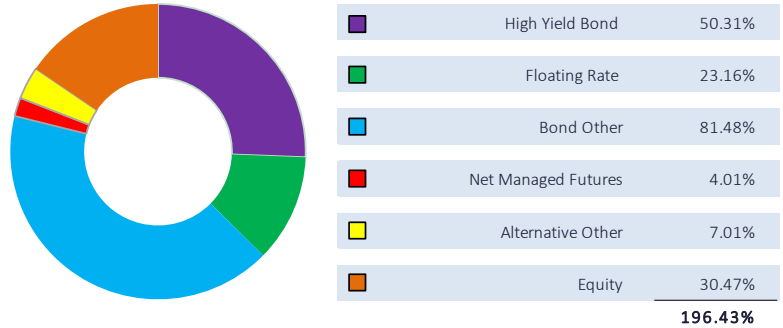
The Hundredfold Select Alternative Fund began 20 years ago with the simple objective of attempting to make returns in all kinds of market environments while minimizing downside risk. It was designed to have a low correlation to the stock market and provide steady returns. It invests in a diversified portfolio of investment vehicles, which are designed to complement each other which may reduce market risk and volatility. The investment allocation changes by monitoring three macro categories of investments—stocks, bonds, and commodities. Positions are actively traded to take advantage of changing conditions. For example, when Covid hit in the first quarter of 2020, the fund was up 4.40% while the S&P 500 TR Index was down -19.60%. The chart (bottom right) illustrates the positions held at the end of the third quarter this year, with the portfolio leveraged. Less than a week later, the portfolio was no longer leveraged due to new interest rate projections by the Federal Reserve and market volatility.

Morningstar has given their highest 5-star rating, and the SFHYX share class has gained 244.64% since inception. It really is an investment for all environments. The unique aspect of this fund is that Spectrum donates its operational and management services to the fund, and nearly 100% of revenues earned from the portfolio management fees are donated every fiscal year to the Simply Distribute Charitable Foundation. This foundation distributes annually to purposeful and strategic organizations with worldwide impact. These causes range from

specialized life changing surgeries for impoverished communities to teaching sustained farming techniques and giving micro loans to the poorest of the poor, instilling self sufficiency to communities for long lasting improvement and spreading the life changing message of Jesus Christ. Since inception over \$14 million dollars has been donated through the Hundredfold Select Alternative Fund. (See Pg 3 for Standard Performance)



Hundredfold Select Alternative Fund Exposure As of 09/30/2024



PERSONAL PERSPECTIVE by Ralph Doudera

I have had the opportunity to visit Israel three times. It is a country I love. Not only does studying my Bible take on deeper meaning but it has also helped me have a better understanding of what is taking place there. I have always been quite confused by the “why and the what” of the conflict between Palestine and Israel. I visited the beautiful Elah Valley near Jerusalem where the Israeli Shepherd boy David killed the giant Palestinian soldier Goliath with his slingshot (1 Samuel 17). The fighting over the land 3000 years ago continues today with the invasion of Israel last October 7th causing me to wonder how it all ends. The book of Revelation in the Bible gives symbolic prophecy on how it all plays out, but I have not studied it much until recently, and found Jonathan Cahn’s NY Times bestseller “The Dragon’s Prophecy” full of information which starts to put the jigsaw puzzle together so I can see the picture. It begins with the mystery of good and evil and why it exists and ends with how it all eventually concludes. But the road is rough along the way.

Why has antisemitism always been an issue? It is obvious to most that both the Nazi and Hamas philosophy of elimination of all Jews comes from an evil motivation. No

other nation has existed and survived against overwhelming odds of annihilation like Israel. Egypt, Assyria, Babylon, Persia or Rome could not eradicate Israel over thousands of years because God brought the nation of Israel into existence to bear witness of His existence. God determined to call out a special people for Himself, and through those special people He would bless the whole world. In the Abrahamic Covenant the Lord tells Abraham “*I will make you into a great nation and I will bless you; I will make your name great and you will be a blessing. I will bless those who bless you, and whoever curses you I will curse; and all the peoples on earth will be blessed through you*” (Genesis 12:2-3). But the Bible also prophesies that in the end times all nations will not only come against the nation of Israel but also against Christian believers from the Judeo-Christian heritage. They will be persecuted as an increasing secular society turns into an anti-Christian civilization in which Biblical and traditional values are replaced by progressive totalitarianism and moral decay. This book is helping me to discern what is happening around us today. I need to hold firm to Biblical values during all the distractions knowing that God is ultimately in control of the outcome. Let’s remember what happened to Goliath.

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

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