

**FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure and Brochure Supplements
Item 1: Cover Page**

Curbstone Financial Management Corporation

**741 Chestnut St.
Manchester, NH 03104
(603) 624-8462**

www.curbstonefinancial.com

**SEC File # 801-67354
Firm CRD#: 13348**

June 25, 2020

This brochure provides information about the qualifications and business practices of Curbstone Financial Management Corporation. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.

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. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.

Additional information about the firm is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

Since the filing of our last annual updating amendment, dated June 25, 2019 we have no material changes to report.

Item 3 Table Of Contents

Item 2 Material Changes	2
Item 3 Table Of Contents	3
Item 4 Investment Advisory Business	4
Item 5 Fees and Compensation	4
Item 6 Performance-Based Fees and Side by Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 Disciplinary Information	6
Item 10 Other Financial Industry Activities and Affiliations	6
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Item 12 Brokerage Practices	7
Item 13 Review of Accounts	7
Item 14 Client Referrals and Other Compensation	8
Item 15 Custody	8
Item 16 Investment Discretion	8
Item 17 Voting Client Securities	9
Item 18 Financial Information	9

Item 4 Investment Advisory Business

Established in 1983, Curbstone Financial Management Corporation ("Curbstone") is a SEC registered investment adviser, FINRA member broker-dealer, and licensed insurance broker. The firm has three owners, Thomas M. Lewry, Melvin J. Severance III, and Pamela Diamantis. Thomas Lewry is the firm's President and primary owner.

Investment management is the foundation of Curbstone Financial Management Corporation's services, provided on a discretionary basis. The Firm's management style emphasizes an asset allocation discipline sensitive to each client's return requirements, tolerance for risk, time horizon and income needs. Based on these factors, the Firm and the client collaboratively agree on an appropriate investment objective, memorializing the goal and the desired asset allocation in the Investment Policy Statement. Curbstone then constructs a portfolio that aligns with the client's objective. Curbstone will honor any reasonable investment restrictions imposed by the client, provided that the instructions are in writing.

In working with clients, the Firm assists clients in thinking holistically about their financial circumstances. These discussions may go beyond the immediate investment management need. In such cases, Curbstone does not receive any additional compensation beyond the investment management fee, nor is the Firm responsible for the implementation of any planning recommendations that result from such discussions.

From time to time, Curbstone provides portfolio consulting services on a one-time or limited basis for an hourly fee or fixed fee for service. Services in these instances do not include the establishment of any investment account and do not include any on-going advisory services.

Curbstone utilizes an in-house, independent investment management process that keeps the client's interest in the forefront of all decision-making.

Curbstone accepts qualified plan "rollover" accounts in adherence with applicable regulatory requirements. The firm works to ensure that potential clients fully understand the options available to them including the option of leaving the assets in their employer-sponsored plan.

As of March 31, 2020, Curbstone had a total of \$284,203,763 in discretionary client assets under management.

Item 5 Fees and Compensation

All advisory clients are billed quarterly, in advance of the calendar quarter, for advisory services rendered by Curbstone. Quarterly billings are calculated based upon one fourth of the following annual rates:

Fee Schedule

<u>Assets</u>	<u>Fee Rate</u>
On the first \$2,000,000	1.00%
On the next \$3,000,000	0.85%
Balance over \$5,000,000	0.50%

A non-profit agency may be granted a 10% discount.

Fees are expressed on an annualized basis and assessed quarterly in advance based on the market value of assets on the last trading day of each calendar quarter. Management fees are typically directly debited from client accounts by the qualified custodian or broker-dealer, as authorized by a Limited Power of Attorney granted by the client. These fees may be negotiable in advance under certain circumstances, at the sole discretion of the firm.

All fees to Curbstone for investment advisory services are separate and distinct from the fees and expenses that clients may be charged by mutual fund and exchange traded fund sponsors along with brokerage commissions. Fees charged by mutual funds and exchange traded funds are described in each fund's prospectus and are available online or can be provided by Curbstone upon request. Accordingly, clients should review the aggregate fees charged by Curbstone and any investment vehicles utilized to fully appreciate the total amount of fees paid.

Curbstone and/or the client may terminate the investment management contract at any time. Upon termination, any investment management fees paid in advance will be prorated to the date of termination and any excess shall be refunded to the client.

Curbstone occasionally provides consulting services on a one-time or limited basis for an hourly or fixed fee for service. Fees for such services are negotiated individually with the client.

Item 6 Performance-Based Fees and Side by Side Management

Curbstone's advisory services do not incorporate performance fees or the offering of any additional investment services.

Item 7 Types of Clients

Curbstone provides investment management services to individuals, high net worth investors, endowments, charitable organizations, pension and profit-sharing plans, and corporations.

Curbstone does not stipulate a minimum account size. Prospective clients will be accepted upon review and at the sole discretion of the firm.

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

Curbstone offers two different investment strategies, defined as Enhanced Relative Return Strategy and the Absolute Return Strategy. In both strategies, the Investment Policy Statement guides the portfolio construction ensuring that the asset allocation strategy aligns with the client's investment objectives. Individual stocks and bonds, mutual funds, exchange traded funds and money market funds can be utilized in the management of the client's assets. Broad diversification, quality and liquidity along with the desire to minimize the overall cost structure of the portfolio are all factors taken into consideration in the investment management process.

Description of the two investment strategies offered:

Enhanced Relative Return establishes asset allocation ranges for the three major asset classes: stocks; bonds; money market funds. The portfolio is then broadly diversified among domestic and international securities with the goal of adding incremental return adjusted for risk over the client's investment objective.

Absolute Return Strategy seeks to maximize total return of the asset base as defined by the risk profile by emphasizing investment in the most desirable asset augment. The portfolio is then diversified among domestic and international securities. Cash positions (money market funds) can be used as an asset class in order to reduce portfolio volatility. The goal is to out-perform the client's investment objective on a risk-adjusted basis.

Curbstone's portfolios are managed on a discretionary basis through a limited power of attorney granted by the client. The firm periodically implements changes to specific holdings and to the asset allocation strategy based upon its internal analysis, always with consideration of the client's selected risk profile outlined in the Investment Policy Statement. Curbstone buys and sells securities for reasons that include but are not limited to, harvesting capital gains or losses, market or sector risk/opportunities, exposure to a specific asset classes or segments, over/under valuation, trimming of an overweighted position or change in the client's risk tolerance and/or financial goals.

Risk of Loss: Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Trading frequency may, at times, increase or decrease due to market volatility. Short term trading methods are not generally employed by Curbstone.

Fundamental Analysis is employed in an attempt to determine a security's intrinsic value by examining various qualitative and quantitative factors. Curbstone's process looks at, but is not limited to, the analysis of a company's financial condition and management's effectiveness, profitability, use of capital, competitive position and the sustainability of the business. A primary risk in using fundamental analysis is that while the overall health and relative value of a company may be attractive, market conditions may negatively impact the market value of the company's shares.

Technical Analysis involves the analysis of past market data rather than specific company data in determining whether the security should be bought or sold. The use of charts helps to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict future trends.

Item 9 Disciplinary Information

Investment advisers are required to provide clients with disclosure as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Over the past decade, neither the firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise applicable history to report.

Item 10 Other Financial Industry Activities and Affiliations

Effective in 2017, Pamela Diamantis, Principal of Curbstone, serves as General Partner to the IMPACT NH SERIES FUND, LP. IMPACT NH SERIES FUND, LP, is anticipated to be no more than \$1,000,000 Limited Partnership fund being formed for the purposes of (1) encouraging women to engage as angel investors, (2) providing the educational element that will assist in the development of new angel investors, (3) providing capital for businesses with women CEOs and/or substantial participation of women in executive management, (4) assisting businesses domiciled in New Hampshire or those that have a majority of their operations in New Hampshire, and (5) providing investments on company-friendly terms. The Limited Partnership interests being offered hereby have not been registered under the U.S. Securities Act of 1933, as amended, and will be offered in reliance upon an exemption from such act. No public market exists or will develop for the partnership interests. Investors in this partnership are required to be accredited investors. The partnership will not invest in nor conflict with the investment advisory activities of Curbstone Investment Management Corporation in any way, and

will not invest in the same securities which may be offered to Curbstone clients. Due to inherent conflicts of interest, clients of Curbstone are not eligible to participate in the offering, and no client of Curbstone will be solicited to participate in the offering. Ms. Diamantis will not receive any compensation for her services as General Partner.

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

Curbstone maintains a fiduciary and ethical obligation to place its clients' interests first. The firm, pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all employees of the firm. The Code of Ethics describes Curbstone's fiduciary duties and obligations to clients, and sets forth the firm's practice of supervising the personal securities transactions of employees who have access to client transaction information.

Employees and related persons of the firm, including but not limited to, Curbstone's investment adviser representatives, may invest in the same securities (or related securities, e.g. warrants, options or futures) that the firm or its related persons buys or sells for client portfolios. To avoid conflicts of interest, orders for employees' or related persons' accounts may be aggregated with orders for client accounts as long as they participate on the same terms and adhere to the Code of Ethics.

Curbstone collects and maintains records of securities holdings and transactions made by employees. The firm's CCO reviews the personal trading practices of its employees to identify and resolve any potential or realized deviations from policy.

A copy of Curbstone's Code of Ethics will be made available for review upon request.

Item 12 Brokerage Practices

Order execution:

Curbstone utilizes the custodial services of Schwab Institutional and places client trades through the custodian's broker-dealer. Most security trades are executed without any commission charges. The firm maintains a fiduciary duty to seek best execution for client transactions. We also evaluate our trading based on the collective considerations of factors concerning the security being traded, the share price, liquidity, speed of execution and market conditions.

The firm does not receive any products, client referrals, or other services from a broker-dealer or third party in connection with client-based securities transactions (i.e. no soft dollars).

Order Aggregation: Whenever possible and/or appropriate, Curbstone will aggregate (block) client orders for accounts purchasing/selling the same security. In allocating securities among clients, it is Curbstone's policy to treat all clients fairly. To avoid "cherry picking", an allocation statement will be prepared prior to the placement of the trade detailing the participating accounts. Each client that participates in the aggregated order will receive the average share price realized on the trade. If an order is only partially filled, shares will be allocated on a proportional pro-rata basis.

A particular client may not participate in an aggregated trade based on a number of factors, including but not limited to, investment objective, restrictions, asset allocation, diversification and cash needs.

Item 13 Review of Accounts

Curbstone Financial Management Corp. holds formal investment committee meetings at least quarterly. The committee is comprised of Thomas Lewry, Melvin Severance, Pamela Diamantis, Libby Pomfret and Kim Yoshida. The committee discusses macro and micro economic factors that may impact asset values, investor perceptions and overall investment sentiment. The Investment Management Strategy sheet is reviewed and updated at that time to reflect the consensus of the group.

Individual accounts are regularly monitored and reviewed at least quarterly by each respective manager. Changes are made based on, but not limited to, changing market conditions, share price, asset allocation adjustments and to reflect changes in a client's investment objective. Clients are encouraged to notify the firm of changes to their personal finances, especially those changes that might affect their investment plans.

Clients receive a statement directly from Schwab Institutional on a quarterly basis. Schwab will also issue interim statements any time there is a qualifying transaction – a purchase or sale of a security, a deposit or a withdrawal, etc. Additionally, Curbstone will also provide a quarterly reporting packet that includes an executive summary, a portfolio appraisal and a statement of fees charged. Clients are encouraged to compare the reports provided by Curbstone and Schwab Institutional and immediately report any unexplained differences.

Item 14 Client Referrals and Other Compensation

Curbstone does not receive any additional economic benefit for providing investment advice or advisory services to clients. Curbstone does not directly or indirectly compensate any person who is not under its supervision for client referrals.

Item 15 Custody

Although the firm's assets are held in custody with Schwab Institutional, Curbstone is deemed to have custody of client assets because: A. The client authorizes the firm to deduct advisory fees directly from their account(s); B. Certain of the Firm's investment adviser representatives may serve as Trustee or Co-Trustee for client trust accounts; and C. Curbstone has been authorized by the client to coordinate payments to a third-party, for example, quarterly federal/state estimated tax payments, gifts and other client specified payments.

Any account on which the investment adviser representative serves as a trustee/co-trustee is subject to an annual surprise audit by an independent CPA or audit firm.

Curbstone may also assist clients with transfer of their assets between two or more of a client's accounts maintained with multiple custodians. When providing this service, in order to avoid assuming custody of the client's funds or securities, Curbstone will ensure that the client has authorized Curbstone in writing to make such transfers and will ensure that a copy of such authorization is provided to the sending custodian. This authorization shall specify the name and account numbers on the sending and receiving accounts to ensure the sending custodian has a record that the client has identified the accounts for which the transfer is being effected as belonging to the client.

Item 16 Investment Discretion

Curbstone maintains discretionary authority over the selection and amount of securities to be bought or sold in client accounts, as well as the broker or dealer to be used for a purchase or sale of securities

without obtaining prior consent or approval from clients. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the firm.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an agreement containing all applicable limitations to such authority.

Item 17 Voting Client Securities

Where the firm votes proxies on behalf of client accounts, Curbstone has adopted and implemented written Proxy Voting Policies and Procedures ("Proxy Voting Procedures"). These procedures have been designed to reasonably ensure that all proxies are voted in the best interest of the client. The Proxy Voting Procedures describe how the firm addresses voting authority, material conflicts of interest, voting decisions, notification to clients, books and records requirements, etc.

The Proxy Voting Procedures are intended to guide the firm and its personnel in ensuring that proxies are voted in such manner without limiting the firm or its personnel in specific situations to vote in a predetermined manner. These policies are designed to assist Curbstone in identifying and resolving any conflicts of interest with regard to voting client proxies. If the conflict is not specifically addressed in the Proxy Voting Procedures and an apparent or actual conflict exists, Curbstone shall either: i) delegate the voting decision to an independent third party; ii) inform clients of the conflict of interest and obtain advance consent of a majority of such clients for a particular voting decision; or iii) obtain approval of a voting decision from Curbstone's President / CCO, who will be responsible for documenting the rationale for the decision made and voted.

Clients may direct Curbstone to vote a particular proxy, and clients may obtain information about how a proxy has been voted by contacting Curbstone directly.

Clients may obtain information from Curbstone about how the firm voted their proxies and may obtain a copy of the firm's Proxy Voting Procedures by contacting Curbstone directly at the number listed on the cover page of this brochure.

Item 18 Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

Curbstone does not require the pre-payment of any fees six months or more in advance of services or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligation to clients.