

SHANKLAND FINANCIAL ADVISORS, LLC

RELATIONSHIP SUMMARY

SEPTEMBER 3, 2024

Shankland Financial Advisors, LLC is registered with the SEC as an investment advisor and maintains the authority to do business in California, Florida, Illinois, Louisiana, Missouri, North Carolina, South Carolina and Texas. In the last year, our Assets Under Management have increased significantly and we now manage over one hundred million dollars with hundreds of clients, coast to coast.

Why is this document important?

Services and fees for brokerage and investment advisory services can differ and it's important for retail investors to understand the difference. To that end, there are a variety of free and simple tools available to research financial professionals/firms at www.investor.gov/crs. This site also provides educational materials about broker-dealers, investment advisors and investing.

What investment services and advice can you provide me?

Shankland Financial Advisors, LLC provides investment advisory services to retail investors including, but not limited to, discretionary management of investments through a third-party custodian and/or employer provided retirement accounts such as 401(k), 457(b) and the Thrift Savings Plan (TSP). We also offer financial planning, retirement planning, estate planning, analysis and management of current and potential income streams as well as analysis and subsequent recommendation regarding your individual life insurance/long-term care needs.

All of the services listed above are part of our standard client service which includes the discretionary management and daily monitoring of your investments (excluding weekends and national holidays when the markets are closed). This affords us the ability to make real-time decisions on your behalf within your managed accounts and initiate trades when appropriate. Additionally, it allows us to initiate block trades on certain positions to ensure all our clients pay/receive the same price per share when we are buying in bulk or lightening a position.

As a fiduciary, our firm and all our staff have a moral and ethical obligation to act in the best interests of our clients. We work with a variety of companies to ensure that our clients receive the most competitive options on the market if we identify deficiencies in their portfolio. Additionally, we believe everyone deserves the opportunity to achieve financial freedom and do not require account minimums or limitations regarding the management of your investments.

Given my financial situation, should I choose an investment advisory service?

We offer complimentary consultations and make ourselves available to meet with prospective investors as many times as necessary to review their financial situation, identify opportunities for advisement and help each individual weigh the cost versus the benefit.

How will you choose investments to recommend to me?

We perform a detailed risk assessment using an independent third-party to identify each prospective client's risk tolerance and develop an investment strategy using analysis of industry financial reports that takes into account their personal preferences and ensures the appropriate level of safety is built into the portfolio.

What is your relevant experience, licenses, education and other qualifications? What do these qualifications mean?

With over 40 years of experience in the financial industry, our president and principal investor brings a wealth of knowledge from former employers Paine Webber and Smith Barney, where she served as a Senior Vice President until she left to create her own financial advisory firm under a fiduciary model that provides holistic financial advice. She is co-author of the book *Your Retirement Made Simple* and hosts frequent educational seminars on financial planning topics. She earned her BS in Communications at the University of Illinois, graduating summa cum laude in 1975 and maintains several licenses including Series 65, Uniform Investment Adviser Law Examination, and Insurance Producer. This means she is licensed to manage and provide advice or recommendations pertaining to securities, annuities and life insurance.

What fees will I pay?

You will pay fees and costs whether you make or lose money on your investments. These fees and costs will reduce any amount of money you make on your investments over time so it's important to make sure you understand what fees and costs you are paying.

Shankland Financial Advisors, LLC charges an annual fee rate based on the percentage of assets under management. This annual fee is billed in arrears, on a quarterly basis, against the value of the assets being managed at the end of each quarter. We do not charge any other fees and do not receive commissions on purchases or sales of securities. Additionally, we pro-rate any accounts that do not begin being actively managed at the beginning of the quarter.

As our annual fee is based on the value of the account, you may be encouraged to transfer assets under our management, representing a potential conflict of interest.

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?

Shankland bills in arrears, meaning when you give us \$10,000 to invest, 100% of that money goes toward your investments. Then at the end of the quarter, we will apply one quarter or 25% of the annual management fee we negotiated to the balance of your account. If your account has grown to \$11,000, we would charge you the annual management fee, divided by four, times \$11,000. If your account has fallen to \$9,000, we would charge you the annual management fee, divided by four, times \$9,000. This keeps our best interests aligned with your best interests as the more money you make, the more we make.

Are there any other fees/costs associated with my account(s) with you?

There are other fees that may be charged by the companies we work with to take custody of your assets; however these are rare. Examples of these fees include charges to sell specialized mutual funds. We don't typically use these types of mutual funds, but they are occasionally part of a portfolio when it is transferred to us from another financial advisor/institution and as such, there may be a cost to liquidate that position and invest it following our standard practices.

Examples of Ways We Make Money and Conflicts of Interest

John Doe, a long-term client, is interested in life insurance. We obtain quotes from five different companies on his behalf. When evaluating the quotes, one of the companies is significantly cheaper than the other four, but we receive a better commission from the other companies. We would be obligated to present the quote from the company offering the cheapest quote.

Jane Doe, a new client, wants to look at annuity options to provide some safety to a portion of her portfolio. Based on her risk tolerance, we should not place an annuity worth more than \$250,000, but we would receive a better commission percentage if the annuity is valued at \$300,000. We are obligated to present annuities valued at \$250,000.

John and Jane Doe, long-term clients, are interested in an annuity. We have illustrations from several different companies, but one stands out with the best options for the clients. Unfortunately, it has a smaller commission than the other companies. We are obligated to present the one with the best options for the clients.

What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what Conflicts of Interest may arise?

Shankland receives commissions paid to us by the insurer of an annuity or life insurance product if you choose to move forward with a product we recommend.

When we act as your investment advisor, we have to act in your best interest and not put our interest ahead of yours. We have safeguards in place to mitigate any potential conflicts. This is a legal obligation and subject to audit by the SEC and FINRA. You should understand and ask us about these conflicts because they can affect the investment advice we provide.

In addition to the legal obligation as a fiduciary as stated above, we have the following legal obligations: to keep your information safe and secure; to seek the best execution price for trades of stocks/mutual funds; to treat our clients fair and equally; to disclose all information relating to our relationship as your investment advisor.

How do your financial professionals make money?

Our financial professionals receive a portion of the quarterly management fee for the clients they bring in as well a portion of commissions for products placed with external insurers for their clients. We do not offer bonuses to our financial professionals that would encourage any additional conflicts of interest other than those stated above.

Do you or your financial professionals have legal or disciplinary history?

No, neither Shankland nor any advisor working at Shankland has any disclosures against us of a legal and/or disciplinary nature. We pride ourselves on our dealings with our clients and it reflects in this metric. You can research us or any financial professional you're considering using a free and simple search tool by visiting www.investor.gov/CRS.

Where can I find additional information about your firm?

Additional information is available on our website www.ShanklandFinancial.com as well as on the SEC's website at www.adviserinfo.sec.gov using CRD No. 139562. Contact Rebecca Beatty at (217) 220-6553 or via email at rebecca@shankfa.com to request a copy of this Relationship Summary or our annual ADV.