



**Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Sand Hill Global Advisors, LLC ("SHGA"). If you have any questions about the contents of this brochure, please contact us at 650-854-9150, or by email at [info@sandhillglobaladvisors.com](mailto:info@sandhillglobaladvisors.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.

Additional information about Sand Hill Global Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

March 27, 2024

## ITEM 2: MATERIAL CHANGES

### ANNUAL UPDATE

The material changes section of this brochure will be updated when material changes occur since the previous release of the Firm Brochure.

There are no material changes within this Brochure. The previous Brochure was dated March 31, 2023. SHGA encourages you to read the full Brochure.

### FULL BROCHURE AVAILABLE

You can request a copy of our current Brochure at any time by contacting us at 650-854-9150 or [info@sandhillglobaladvisors.com](mailto:info@sandhillglobaladvisors.com). Additional information about SHGA and its investment adviser representatives is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ITEM 4: ADVISORY BUSINESS

### FIRM DESCRIPTION

Sand Hill Global Advisors, LLC (“SHGA,” “Firm,” or “Advisor”), is registered as an investment advisor with the Securities and Exchange Commission (“SEC”). Founded in 1982, SHGA provides investment management and wealth management services to high-net-worth individuals, families, trusts, not-for-profit organizations, pension and profit-sharing plans, limited liability companies, partnerships, corporations, and business entities. The Firm’s mission is to help clients make the most of their wealth through managing major milestones, navigating unexpected situations, overcoming challenges, and making optimal plans for our clients’ families and futures. The Firm acts as a fiduciary for its clients and takes that role very seriously, putting clients’ interests ahead of its own and ahead of the interests of its employees. SHGA’s goal is to address each client’s unique and individual needs and restrictions. In its business operations, the Firm strives to provide its services on a conflict-free basis – and takes steps to mitigate conflicts wherever possible. For example, no compensation is paid to or by SHGA for referrals made or received, or for the investments incorporated in our clients’ portfolios. Our objective is to provide transparency with respect to all the work done for and with our clients. To the greatest extent possible, the Firm attempts to align its interests directly with our clients’ interests.

SHGA is owned by fourteen internal shareholders as follows:

Jeffrey Abadie, CFP®, Senior Wealth Manager  
Megan Breslin, Senior Wealth Manager  
Elizabeth Cody, CFP®, Senior Wealth Manager  
Anthony Craun, CFA, Chief Operating Officer  
Sara Craven, CFP®, Chief Wealth Manager  
Caroline Curts, CFP®, Chief Compliance Officer  
Meghan Degroot, Senior Portfolio Manager  
Brian Dombkowski, CFA, Chief Executive Officer  
Janet Hoffmann, CFA, CFP®, Senior Wealth Manager  
Stephen Peterson, CFP®, Senior Wealth Manager  
Mark Strahs, Co-Chief Investment Officer  
Kristin Sun, CFP®, CDFA®, Senior Wealth Manager, Director of Financial Planning  
Brenda Vingiello, CFA, Chief Investment Officer  
Kimberleigh Williams, CFP®, Senior Wealth Manager

### TYPES OF ADVISORY SERVICES

SHGA provides (1) investment management services (2) financial planning and wealth management services, and (3) financial advisory services provided on an hourly fee basis to individuals and couples, and their advisors, navigating significant life transitions.

1. Investment Management Services: SHGA provides discretionary investment management services to its clients. Fees are charged based upon an annual percentage of assets under management, as described below in Item 5.

On occasion, the Firm is asked to supervise specific assets for clients on a non-discretionary basis. In these cases, though SHGA may be asked to provide advice to Client relative to these assets, Client is responsible for making the final decision to buy, sell or hold these particular investments and for requesting that SHGA take action, or not, on their behalf. These clients generally pay a lower fee on non-discretionary account assets in an amount that is memorialized in the Client's Agreement or alternatively, no fee on unmanaged assets. SHGA can at any time and in its sole discretion waive these fees.

SHGA will from time to time utilize sub-advisers to manage all or a portion of a Client's assets on a discretionary basis. Once a sub-adviser is selected, the Firm continues to monitor the chosen manager to ensure that they adhere to the philosophy and investment style for which they were selected. The Firm retains discretionary authority to hire and fire a sub-adviser and reallocate Client assets where such action is deemed to be in the best interest of the Client. Clients will be responsible for payment of sub-advisory fees, which are separate and distinct and in addition to the fees assessed by the Firm. Please see Item 5 below for additional information regarding fees assessed by sub-advisers. Additionally, clients will receive Form ADV Part 2A for each sub-adviser and are strongly encouraged to read it.

2. Financial Planning and Wealth Management Services: From the inception of a Client relationship and going forward from that point, SHGA acts as a resource to its clients in articulating and managing their financial journey. Whether for individual, family, ERISA, or not-for-profit clients, the firm provides a variety of analytical and administrative services to produce financial statements, illuminate financial risks and challenges, evaluate risk tolerance, establish investment strategy, and initiate actions with estate and/or tax professionals also serving our clients. The goals of these services are focused on assuring that clients have a clear and attainable path to follow in pursuing their financial objectives, and that they carefully manage that path.

On more than an occasional basis, SHGA furnishes advice to clients on a broad variety of financial topics, including but not limited to, taxation, estate planning, and insurance. SHGA is not a law firm and does not render legal advice. SHGA is not an accounting firm or tax preparer and does not render tax counsel. SHGA is not an insurance specialist and offers no insurance products. At the authorization of its clients SHGA will work with the client's legal, and tax professionals as well as insurance agents to facilitate information flow and coordinate work on these matters on behalf of its clients.

These financial planning and wealth management services are provided in conjunction with the investment management services described under paragraph number one above and are covered by those fees unless the client is a legacy investment management client as described in Item 5.

3. Hourly Financial Planning and Wealth Advisory Services: In addition to its ongoing investment management and wealth management services, SHGA provides planning and guidance to individuals navigating major life transitions. Such services include, but are not limited to, guidance to individuals and couples going through divorce, pre-nuptial and post-nuptial agreements, and include guidance on property settlement, spousal and family support, and related matters. Clients are not required to enact investment recommendations through SHGA. These services are offered at an hourly rate. Please refer to Item 5 below.

## TAILORED RELATIONSHIPS

Generally, an investment policy statement (IPS) or similar document is used to capture the investment objectives, risk tolerances, investment restrictions, and the strategy to be employed for the Client. Guidelines and restrictions imposed by the Client relative to investing in or allocating certain securities or types of securities also are articulated in that document. Thereafter, the Client's strategy, guidelines and restrictions are documented in SHGA's trading system to assure the firm implements and manages each Client's investment plan in accordance with the IPS and/or client's investment objectives.

In certain instances, SHGA will utilize margin accounts with Clients. Clients should be aware that the use of margin creates a conflict of interest between us and our clients since our fees are based on the full value of the assets under management including any assets purchased using margin. In order to mitigate that conflict, when possible SHGA opens separate accounts to maintain the margin debit and such accounts are not assessed a management fee.

Buying securities on margin subjects Client to additional costs and risks that should be carefully considered before opening a margin account. For more information regarding margin account fees and the risks of loss in general, please refer to Items 5 and 8, below.

## TYPES OF AGREEMENTS

The following agreements define the typical client relationships:

### WEALTH MANAGEMENT AGREEMENT

SHGA and its Clients mutually enter into a contract which is titled the Wealth Management Agreement. That agreement describes the terms on which SHGA provides services to its clients. It states that it is the Client's responsibility to keep the firm informed of their initial and changing circumstances in order to assure the firm is able to effectively and appropriately manage their investments. Though the firm generally offers its investment management services on a discretionary basis, SHGA also supervises specific assets for clients on a non-discretionary basis. Terms relating to SHGA's wealth management services, fees and steps to terminating the SHGA's services are outlined in the Firm's Wealth Management Agreement.

### HOURLY PLANNING ENGAGEMENTS

At times, SHGA provides specialized financial planning and advisory services to clients who are navigating significant life transitions, primarily divorce, and expert witness services. SHGA provides these clients with an engagement letter which describes the arrangement. These services often include planning and analysis delivered to the Clients' legal advisors. These services are generally provided on an hourly basis, subject to a prepaid retainer to which hourly charges are applied on a monthly basis during the engagement.

Clients are under no obligation to implement their financial plan through us or anyone recommended by us. Investment management services are not offered as part of these

engagements. If such services are required, a Wealth Management Agreement is put into place between the Client and SHGA.

#### WRAP-FEE PROGRAMS

SHGA does not provide its services to any wrap fee program, as that term is defined in the instructions to Form ADV Part 2.

#### GENERAL INFORMATION ABOUT SHGA'S ADVISORY SERVICES

As indicated above, advisory services provided by SHGA are customizable based upon the individual needs, objectives, and other financial goals of the client. This information, together with any other information relating to the client's overall financial circumstances, will be used by the Firm to determine the most appropriate asset allocation and investment strategy to best meet the client's financial goals.

SHGA will not assume any responsibility for the accuracy of the information provided by the client. SHGA is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying the Firm in writing of any material changes to the client's financial situation, investment objectives, time horizon, tax status, risk tolerance or other material information that the Firm may have relied upon in rendering its services. If a client notifies the Firm of such changes, SHGA will review the changes and may recommend revisions to the client's financial plan and/or portfolio.

As of December 31, 2023, SHGA managed \$3,443,771,282 of client assets; \$3,425,248,087 on a discretionary basis and \$18,523,195 on a non-discretionary basis.

#### ITEM 5: FEES AND COMPENSATION

##### **Wealth Management Fees**

SHGA's revenues from wealth management Clients are derived solely from fees assessed based on the aggregate value of Client's assets under SHGA's management ("AUM") as described below.

Our Wealth Management Fees are assessed quarterly for the Firm's wealth management services, which includes and incorporates financial planning services, investment management services, and other financial advice. SHGA charges an annualized quarterly management fee based on a percentage of the quarter-end trade date value of the Client's AUM as calculated by the qualified custodian in accordance with the fee memorialized in Client's Wealth Management Agreement. The quarterly fee amount due is calculated by multiplying the Client's AUM as of quarter-end by the annual advisory fee rate divided by four (4).

*Illustrative Example Only: The Wealth Management Fee for the first quarter of a calendar year for a Client with \$1,000,000 in AUM valued on 12/31 would be assessed the following assuming a 1% Wealth Management Fee during the first quarter of the year:*  
$$\$1,000,000 \times (1\%/4) = \$2,500$$



Fees are negotiable in the sole discretion of SHGA.

#### **Aggregation of AUM for Billing Purposes Only**

Unless instructed otherwise by the Client or based on unique family circumstances, for billing purposes only, the value of a Client's AUM will be aggregated with the AUM values of a Client's husband, wife, domestic partner, son and/or daughter, which will potentially lower the applicable Wealth Management Fee assessed by the SHGA based on the Tiered Rate Schedule as presented to Client within Client's Wealth Management Agreement.

*Illustrative Example Only: Assume Client and Client's son have an advisory agreement with Advisor. For purposes of the first quarter's billing, Client's AUM is valued at \$2,000,000 and the Client's son's AUM is valued at \$1,000,000 on 12/31. AUM of Client's son would be aggregated with the Client's AUM for billing purposes only.*

*Assuming the Wealth Management Agreement provided a fee billing of 1% on the first million of AUM, .9% for the next \$1,500,000 in AUM, and .8% for the next \$2,500,000 in AUM, the overall assessed quarterly Asset Management Fee would be calculated and proportionally assessed as follows for a \$3 million aggregated account:  
[ $\$1,000,000 \times (1\%/4) = \$2,500$ ] + [ $\$1,500,000 \times (.9\%/4) = \$3,375$ ] + [ $\$500,000 \times (.8\%/4) = \$1,000$ ] or \$6,875 for the aggregate quarterly payment.*

*In the above example, Client would be invoiced \$4,583.33 and Client's son would be invoiced \$2,291.67.*

Clients are strongly encouraged to review their quarterly custodian statements and to contact SHGA with any questions.

For new Client accounts, SHGA can assess Wealth Management Fees based on when wealth management begins. If this occurs, the first invoice will include prorated fees for a partial quarter during which wealth management services begin in addition to a full quarter's fees for the following quarter.

Payment of SHGA's management fees are deducted from each Client's account on a quarterly basis by their custodian and paid directly to us, unless otherwise requested by a Client. A statement of SHGA's fees charged is provided along with a portfolio appraisal with each quarterly report.

Generally, the Wealth Management Fee charged by SHGA varies, ranging up to 1% of a Client's AUM, and dependent upon the services provided, could be comprised of a mix of a tiered fee schedule and flat fee schedule(s). The fee structure generally is determined based upon a number of factors including the amount of work involved, the assets placed under management, the attention needed to manage the account, the existence of family relationships, anticipated future earning capacity, anticipated future additional assets, account retention, customized performance reporting, amount of Client meetings per year, etc. As a result of the variety of factors involved during the fee negotiation process, Clients can pay higher fees than other Clients with the same level of AUM. Fees assessed to existing Clients varies depending upon the fee schedule in place or the negotiated rate at the time the Client signed the Wealth Management Agreement.

SHGA has legacy Clients from an acquisition of Integral Financial Solutions, LLC where the Firm has agreed to provide investment management only services that do not include the analytical and administrative financial planning services that the Firm typically provides to its wealth management Clients. Consequently, our investment management only services are provided for such Clients at a discounted rate.

If a Client's account assets include illiquid alternative investments, it is SHGA's policy to use the valuation as provided by the sponsor. However, due to the nature of illiquid alternative investments, it is common for the sponsor to only provide initial valuation estimates followed by capital account statements that may lag months after the original estimates are distributed. SHGA's policy is to use the most current information available for reporting and billing purposes for a given quarter. It is the policy of SHGA to refund Clients any overcharges because of delayed reporting.

Clients may request additional information regarding compensation paid to SHGA and all associated account fees at any time.

### **Fees for Hourly Planning Engagements**

At times the Firm provides planning and advisory services, including legal testimony as needed, generally at a transition point in a Client's life or under circumstances that preclude provision of investment management services. Hourly fees range from \$100 per hour to \$300 per hour. SHGA assesses a retainer of \$1,200 against which hourly costs are applied. SHGA reserves the right to alter this methodology in coordination with the Client.

### **FEE BILLING**

As stated above, Wealth Management Fees are billed quarterly, in advance at the beginning of each calendar quarter. The consent to deduct fees directly from a Client's account is contained in the Wealth Management Agreement that the Client enters into with SHGA. Please see Item 15 below for additional information. On occasion, at the request of the Client, fees are not paid directly from Client's account but are invoiced. In such cases, invoices are due and payable in full upon receipt.

Fees for financial advisory hourly services are billed monthly via invoice and are due and payable upon receipt or deducted against the retainer balance.

### **OTHER FEES**

Certain custodians will charge custodial fees and/or assess transaction fees on purchases or sales of securities, mutual funds and exchange-traded funds. Such fees are charged and paid at the time of the transaction and represent an additional expense to Clients. Transaction charges are usually small and incidental to the purchase or sale of a security. Occasionally, for best execution and other purposes, SHGA will choose a broker different from the custodian, and such broker typically will charge commission to execute a trade. Under these circumstances, the Client will receive a trade confirmation from the custodian indicating the cost of the transaction and such charges, if any, will be borne by the Client. SHGA is committed to achieving best execution and to minimizing trading and related costs. Please refer to Item 12 below for more information on SHGA's selection and review of broker-dealers.

As described in Item 4 above, from time to time, the Firm retains unaffiliated sub-advisers for Separately Managed Accounts to provide investment research and analysis and/or discretionary management to Clients (directly, or through investment funds, managed accounts or other structures) with respect to a portion of Client's assets. In these cases, a separate management fee is charged by that sub-advisor in addition to SHGA's management fees and the Client could pay a higher advisory fee than if SHGA solely managed Client's assets.

In addition, some investments such as mutual funds, limited partnerships, and other vehicles are subject to management and other fees charged by the managers of such investments. Their fees are generally referred to as expense ratios. These fees are deducted directly from the funds by the fund managers and are in addition to the fees Clients pay to SHGA. SHGA endeavors to minimize any such additional cost to its Clients. Further, SHGA receives no commissions or fees from any fund or investment manager it selects for inclusion in Client portfolios. Please note, such fees will differ from client to client based on their own unique situation and selection of products and services.

If a Client has a margin account, our fees will be based on the full value of the assets under management gross of any margin positions in the account (see also Item 4 above). Clients need to be aware that buying investments using margin increases the amount of fees paid to us. In addition, a client with a margin account is charged margin interest by the custodian on the margin debit balance in the Client's account.

For more information regarding margin accounts and the risks of loss in general, please refer to Items 4 and 8.

#### PAST-DUE ACCOUNTS AND TERMINATION OF AGREEMENT

The Wealth Management Agreement can be terminated at any time by Client or SHGA in accordance with the terms of the Agreement. SHGA reserves the right to amend the Agreement, with notice, as outlined pursuant to the terms in the Wealth Management Agreement.

SHGA reserves the right to stop work on any account for which payment of fees is more than 60 days overdue. In addition, SHGA reserves the right to terminate any engagement where a Client has knowingly withheld pertinent information which, in SHGA's judgment, hinders the firm's ability to provide reliable and appropriate financial advice. Any unused portion of fees collected in advance will be refunded.

Management fees will be calculated through the termination date and any unused portion of prepaid amounts will be returned to Client. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

#### ITEM 6: PERFORMANCE-BASED FEES

##### SHARING OF CAPITAL GAINS

SHGA **does not** charge “incentive based” management fees. These types of fee arrangements provide the investment management firms that charge them with incremental income when investment returns exceed certain thresholds.

SHGA **does not** use a performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client).

Consequently, SHGA does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management).

## ITEM 7: TYPES OF CLIENTS

SHGA generally provides financial planning and wealth management services to high net worth individuals, families, trusts, not-for-profit organizations, pension and profit sharing plans, limited liability companies, partnerships, corporations, and business entities. Client relationships vary in scope, size and length of service.

### ACCOUNT MINIMUMS

SHGA’s minimum aggregate size for client accounts is \$2,500,000, though SHGA reserves the right to, in their discretion, waive that minimum asset level. SHGA reserves the right to decline to manage accounts if it feels it is in the client’s or its own best interests.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### METHODS OF ANALYSIS

Sand Hill Global Advisor’s approach involves a thoughtful, long-term view based on fundamental research. The firm’s team of portfolio managers take a disciplined, customized approach to constructing portfolios and optimizing them over time. Our core philosophic beliefs are predicated on the well-established concept that asset allocation is the primary driver of long-term returns.

SHGA has a broad mandate to invest around the globe and across asset classes. The firm embraces an open-architecture, best-in-class approach to investing, which includes, but is not limited to, the use of both passive and active vehicles such as index funds, mutual funds, exchange-traded funds, Separately Managed Accounts, limited partnerships and individual securities. Socially responsible investment portfolios are also constructed for those clients who are so inclined. The use of private investments is determined based on client circumstance and their desire for liquidity. These highly diversified allocations are combined with an active management of risk and a commitment to a low cost investment model as constructed for a client’s portfolio. The investment management team’s approach is a combination of top-down and bottom-up analysis. We incorporate both quantitative and qualitative inputs to emphasize long-term strategic and shorter term tactical exposures throughout all parts of the portfolio.

We continuously review and analyze macroeconomic trends, company specific quarterly results and intra-quarter information, as well as technical and fundamental analyses, and these elements form the basis of our research approach. Execution and reach are then optimized by employing both active and passive

investments, matching the proper vehicles to intended objectives. Portfolios are regularly rebalanced based on investment opportunities, relative performance, and valuation.

We are committed to the fiduciary standard, independence and objectivity in our research and in the implementation of client portfolios.

## INVESTMENT STRATEGIES

SHGA manages a number of investment strategies across the risk-reward spectrum spanning from pure capital preservation to pure growth.

Following a review of a Client's risk tolerance, investment objectives, time horizon and income requirements, an investment strategy deemed most optimal given the Client's specific parameters is selected and implemented. This strategic allocation is then actively managed for risk tactically through broad exposures (beta) as well as exposure to specific underlying holdings (alpha). These tactical ranges are determined by the Investment Committee, Sand Hill's internal governance committee of the Investment Team, and explicitly described in the client's Investment Policy Statement (IPS).

Custom strategies are prevalent in our approach as well given unique account circumstances that exist throughout our client base.

In some cases, client circumstances warrant the use of options to provide diversification, income or downside protection. Options strategies involve an additional degree of risk; (see Risk of Loss section below). Therefore, they will only be implemented/recommended when they are deemed to be consistent with the Client's stated objectives, tolerance for risk, liquidity and suitability. Suitability is based on the information obtained through reasonable diligence by SHGA to ascertain the Client's investment profile. This includes a review of the Client's age, other investments, financial situation, needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs and risk tolerance.

## RISK OF LOSS

All investment programs have certain risks that are borne by the investor. The investment approach constantly keeps the risk of loss in mind. Investors may face the following potential investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar tomorrow will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Political and Legislative Risk:** An investment's returns could be significantly impacted as a result of political changes or instability in a country stemming from a change in government, legislative bodies, foreign policymakers or military control. This is especially true for companies operating outside of the United States.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

As referenced above, for certain clients, SHGA can use options. For example, SHGA may buy put options if a client owns a stock in order to help reduce market risk of a large loss in the position. The following risks generally are associated with option transactions:

- **Options:** An option is a contract to buy or sell a specific financial product officially known as the option's underlying instrument or underlying interest. For equity options, the underlying instrument is a stock, ETF, or similar product. The contract itself is very precise. It establishes a specific price, called the strike price, at which the contract may be exercised, or acted on. It also has an expiration date. When an option expires, it no longer has value and no longer exists. Options come in two varieties, calls and puts, and you can buy or sell either type. Call contracts will expire worthless if the underlying security closes below the strike price on expiration. Put contracts will expire worthless if the underlying security closes above the strike price on expiration. Selling a covered call may limit the upside if the underlying security closes above the strike price on expiration. Special tax rules may apply, depending on the outcome. Prior to buying or selling an option, clients should read Characteristics and Risks of Standardized Options. Copies of this document may be obtained from the Firm, from any exchange on which options are traded, by contacting The Options Clearing Corporation, One North Wacker Dr., Suite 500, Chicago, IL 60606 (1-888-678-4667), or on the web at <http://www.optionsclearing.com/components/docs/riskstoc.pdf>.
- **Option buying:** This is a basic options strategy where investors buy a call or put option with the hope that the price of the underlying stock will move far enough to cover the premium paid for the option.

- Option writing: Investors can sell options in order to obtain additional income from premiums paid by the option buyer. Option writing is often associated with the investment strategy known as covered call writing. Covered calls limit the upside of a stock holding.
- Uncovered Options and Spreading Strategies: Uncovered options trading can be more risky than writing covered call options. The potential loss is theoretically unlimited. An option spread involves combining two different option strikes as part of a limited risk strategy.

Clients should be aware that frequent trading will result in increased brokerage and other transaction costs, and that such costs generally reduce investment returns over time.

Clients with margin accounts should be aware that there are a number of additional risks that need to be considered when trading securities on margin. The risks associated with margin include, but are not limited to, the following:

- **Clients can lose more assets than you deposit in the margin account.** A decline in the value of securities that are purchased on margin can require you to provide additional funds to the brokerage firm that has made the loan to avoid the forced sale of those securities or other securities in a client's account.
- **The lending brokerage firm is able to force the sale of securities in a client's account.** If the equity in a client's account falls below the maintenance margin requirements under the law—or the lending brokerage firm's higher "house" requirements—the brokerage firm can sell the securities in a client's account to cover the margin deficiency. A client will also be responsible for any short fall in their account after such a sale.

It is important that clients take time to learn about the risks involved in trading securities on margin, and clients should consult with SHGA Wealth Managers regarding any concerns they may have with their margin accounts.

NOTE: This is not an exhaustive list of all risks clients may bear. There are risks that clients could face in addition to the ones identified.

## ITEM 9: DISCIPLINARY INFORMATION

### LEGAL AND DISCIPLINARY

Registered investment advisers such as SHGA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's or prospective Client's evaluation of SHGA or the integrity of its management. Neither SHGA nor its employees have been involved in legal or disciplinary events and thus has no information to disclose with respect to this Item.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither SHGA nor its employees are registered or have an application pending to register as:

- A broker-dealer or registered representative of a broker-dealer; or
- A futures commission merchant, commodity pool operator, or a commodity trading adviser

Certain employees have, with the approval of the Chief Executive Officer, entered into agreement to make one time or recurring appearances and/or provide commentary for mass media outlets such as CNBC. All appearances are conducted in accordance with the Firm's media policy. Each employee is compensated for the appearance or commentary by the media outlet directly, and SHGA is not compensated for the appearance. Compensated media appearances and commentaries are disclosed on Form ADV Part 2B for each employee who enters into such agreements.

## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### CODE OF ETHICS

SHGA has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, which establishes standards of conduct for all SHGA employees also known as supervised persons. The Code of Ethics includes general requirements that SHGA's access persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires these firm members to comply with the firm's Personal Trading Policy as described below. It also requires the Chief Compliance Officer ("CCO") to review and verify these firm members have followed the firm policy. These people are also required to report any violation of the Code of Ethics by themselves or others promptly to SHGA's CCO. Each supervised person of SHGA receives a copy of the Code of Ethics and any amendments to it and must acknowledge through the firm's compliance software of having received the materials. Annually, each person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of SHGA's Code of Ethics by contacting us at [info@shadv.com](mailto:info@shadv.com).

### PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

SHGA or individuals associated with SHGA can buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by Clients. Alternatively, SHGA can cause Clients to buy a security in which SHGA or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the Client. Nevertheless, such practices present potential conflicts of interest. To mitigate these conflicts, SHGA has adopted a Code of Ethics ("Code"), which outlines the procedures regarding personal trading that must be followed as described below. The Code must be followed by all employees and the Firm's access persons. Additionally, as part of SHGA's fiduciary duty to Clients, SHGA and its supervised persons will endeavor at all times to put the interests of the Clients first. SHGA's Code requires the Firm's access persons to pre-clear certain transactions and report all transactions on a quarterly basis. SHGA, therefore, strives to prevent such employees from benefiting from transactions placed on behalf of the Firm's Client accounts. To that end, some employees have their personal accounts managed by SHGA and trade alongside the Firm's Clients; see Item 12 for additional information.

### PERSONAL TRADING



The CCO of SHGA reviews all employee trades each quarter. The personal trading reviews of SHGA's employees help to confirm that such personal trades do not affect the markets, and that clients of the firm are not disadvantaged. In addition, to help mitigate personal trading conflicts, the following procedures are followed in accordance with the Code:

- A designated "Trading Blackout" period shall be instituted during periods when client account rebalancing occurs.
- This Blackout Period shall be instituted by the CIO, CCO or their designee via general announcement to all employees.
- During the Blackout Period, no employee personal trades from the firm's restricted list shall be approved.

Requests for exception to this policy must be submitted to the CCO (or in the CCO's absence her designee). Unless approval for an exception is received from the CCO or her designee, no personal trades from the firm's restricted list shall be authorized.

## ITEM 12: BROKERAGE PRACTICES

### SELECTING BROKERAGE FIRMS

When performing investment management services, SHGA generally requires clients to open an account and utilize the brokerage and custodial services of an independent broker-dealer. Typically, SHGA recommends that client transactions be executed through and investments custodied with Fidelity Institutional<sup>sm</sup> ("Fidelity") or Charles Schwab & Co., Inc. ("Schwab"). Schwab and Fidelity are both unaffiliated registered broker-dealer/custodians.

Both Schwab and Fidelity provide institutional brokerage services that include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab and Fidelity include some to which SHGA might not otherwise have access or that would require a significantly higher minimum initial investment by clients. Schwab and Fidelity's services described in herein generally benefit the client and the client's account.

Both Schwab and Fidelity also make available to us other products and services that benefit us but may not directly benefit clients or client accounts. These products and services assist SHGA in managing and administering our Clients' accounts. It also includes investment research, both proprietary and that of third parties. SHGA uses this research to service a substantial number of, but not all client accounts. In addition to investment research, both firms also make available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of advisory fees from client accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab and Fidelity offer other services intended to help SHGA manage and further develop our business. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

SHGA can only implement investment recommendations after clients have arranged for and furnished us with all information and authorization regarding accounts and assets custodied with an appropriate financial institution. Financial institutions include but are not limited to any broker-dealer/custodian we recommend, or a broker-dealer, trust company or bank, which SHGA agrees to use, as directed by the client; (please refer to the directed brokerage section below for additional information).

When recommending Schwab and/or Fidelity, we generally seek “best execution” in light of the circumstances involved in transactions. Factors the Firm may consider when evaluating its choice of broker-dealer/custodian include, but are not limited to: (a) prices and rates of brokerage commissions; (b) transaction execution services; (c) breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.); (d) ) availability of investment research, technology and tools that assist us in making investment decisions; (e) overall quality of customer services; (f) recordkeeping and custodial services provided; and (g) availability of other products and services that benefit us (i.e., “incidental benefits”) as discussed below.

NOTE: The broker-dealer/custodian recommended by the Firm may not provide the lowest commission rate available taking into consideration factors outlined above.

Schwab and Fidelity generally offer our clients access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab and Fidelity also offer to us products and services that assist us in managing and administering our Clients’ accounts, such as software and other technology that: (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of management fees from client accounts, (v) assist with back-office functions, recordkeeping, and client reporting; and/or (6) paying third-party vendors for services delivered to us. In addition, we receive services to help manage and further develop our business. This includes access to publications or complimentary attendance at industry or educational events. Schwab and Fidelity can provide discounts or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to our Firm. Periodically, Schwab and Fidelity provide other benefits such as business entertainment of our employees and may refer clients to us. Collectively, these are referred to as “incidental benefits.”

The receipt of such incidental benefits create a conflict of interest and is a factor for us in allocating client brokerage business among firms that provide such products and services. As part of its fiduciary duties to clients, the Firm endeavors at all times to put the interests of its clients first. In evaluating whether to recommend that clients custody their assets at a particular Financial Institution, or whether to use a particular Financial Institution to execute a client transaction, we take into account the availability of any or all of the above-mentioned products and services as part of the total mix of factors, rather than considering only the nature, cost, or quality of custody services or transaction-specific execution services

provided by the Financial Institution. In some cases, the commissions charged by a particular Financial Institution for a particular transaction or set of transactions may be greater than the amounts another Financial Institution who did not provide brokerage or research services or products might charge. In some cases, a client's transaction may be executed by a Financial Institution in recognition of services or products that are not used in managing that client's account. Thus, the conflict of interest for us in recommending Schwab and/or Fidelity is particularly strong to the extent that Schwab and/or Fidelity provide products and services that we would otherwise be required to pay for ourselves.

We monitor transaction results to evaluate the quality of execution provided by the broker-dealer/custodians we recommend to determine whether the compensation rates are competitive, and to otherwise evaluate the reasonableness of the compensation paid to Schwab and Fidelity in light of all factors described above.

#### DIRECTED BROKERAGE

A Client may direct SHGA, and SHGA may agree to utilize a particular broker-dealer to execute some or all transactions for that Client's account(s). This is referred to as "directed brokerage." In such circumstances, the Client is responsible for negotiating the terms and arrangements for the account with that broker-dealer. Moreover, with directed brokerage, SHGA cannot effectively seek better execution services or aggregate client transactions with orders for other accounts advised or managed by SHGA, although we could, but are not obligated to, negotiate transaction fees. As a result, directed brokerage will likely result in a Client paying higher brokerage commissions and a different price than what other SHGA Clients will pay based on the terms set forth by the directed broker-dealer.

#### SOFT DOLLARS

SHGA does not have any formal soft dollar arrangements. However, as a result of the broker-dealer/custodial services provided by Schwab and Fidelity on behalf of our clients, SHGA does receive certain incidental benefits, as further described above. These products and services help the Firm improve its operations and business, and we believe benefit both our clients in addition to SHGA.

#### ORDER AGGREGATION

Where possible, SHGA will aggregate buy and sell orders for client accounts trading in the same security on the same day. By aggregating trades, SHGA is trying to improve the marketability and execution quality of the transaction for all clients involved. Once the aggregated trade is fully filled and executed, client accounts participating in the trade will receive the average price of all executed trades in the aggregated order. This ensures no client is more or less advantaged than any other participants in the order. If an aggregated order is partially filled at the close of the trading day, the order is allocated on a pro rata basis according to the original aggregated allocation. As noted above, clients who have directed brokerage arrangements will not benefit from these aggregated transactions. When practical, SHGA also employs trade rotations when using multiple broker-dealer/custodians for an aggregated order in the same security.

As referenced in Item 11, SHGA or its access person(s) may have an interest or position in certain securities which also are recommended to a client. When possible, if SHGA or its access person(s) wish to transact

in the same securities on the same day as client accounts, such transactions must adhere to SHGA's Code of Ethics policies. All participants of the aggregated order will receive the average price of the block trade. In the event that a block trade is not filled, SHGA will allocate shares executed to the underlying accounts on a pro rata basis, adjusted to be in the client's best interest. At all times, the interests of SHGA's clients will come first.

#### TRADE ERRORS

SHGA's policies and procedures generally provides that if SHGA makes an error while placing a trade for a client account, SHGA corrects the error as quickly as possible and bears all costs (if any) of correcting the error.

### ITEM 13: REVIEW OF ACCOUNTS

#### PERIODIC REVIEWS

Core portfolio holdings are monitored and reviewed regularly. Client accounts are reviewed no less than quarterly by the members of the Investment Management and Wealth Management teams. SHGA recommends clients meet with their Wealth Manager at least annually in person or by telephone to review the investment policy statement to ensure that there has not been a change that would impact the client's account management, including changes in the client's financial condition, risk profile, or investment objectives that would warrant a change in investment strategy. On at least a semi-annual basis, the CCO reviews each client's portfolio for adherence to the client's selected investment strategy.

The clients' broker-dealer/custodian provides account statements directly to clients at least quarterly by electronic delivery or paper, depending on the agreed upon method of delivery with the client. These reports list the account positions, activity in the account over the covered period, and other related information, including any fees deducted from the account. SHGA supplements the custodial statements with quarterly reports. Clients are encouraged to compare the account statements provided by the custodian to the reports provided by SHGA.

#### REVIEW TRIGGERS

Changes in the client's situation, such as a change in financial condition, risk profile, or investment objectives, as well as the incapacity or death of the client trigger immediate review. In addition, there are other triggers for review including significant market movements, new investment information, and changes in the regulatory and tax laws.

#### REGULAR REPORTS

SHGA provides Wealth Management clients with quarterly reports either in written or electronic form. These quarterly reports show the performance of the accounts, the starting and ending values for the quarter, as well as a detailed account appraisal as valued by the broker-dealer/custodian as of the last trading day of the quarter.

### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

## INCOMING REFERRALS

SHGA has been fortunate to receive many client referrals over the years. The referrals generally come from current clients, estate planning attorneys, family law attorneys, accountants, employees, personal friends of employees, custodians, asset managers, and other similar sources. SHGA does not compensate external referring parties for these referrals.

## REFERRALS OUT

SHGA may on occasion refer a client to an outside professional, such as an attorney, accountant, mortgage broker, commercial bank, or other investment managers. SHGA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## OTHER COMPENSATION

As more fully explained in Item 12 above, SHGA receives certain benefits because of its relationship and recommendation of certain broker-dealer/custodians. Based on the placement of client assets with, for example, Schwab and Fidelity, SHGA receives investment research products and/or services which assist the Firm in its investment decision-making process.

Certain senior level employee serves on an advisory council of an unaffiliated, third-party asset manager, for which no compensation is received by that individual. However, SHGA indirectly benefits from this relationship in the form of receiving incidental benefits from this manager which includes, but is not limited to, complimentary attendance at industry and educational events, meals, lodging, and travel.

The receipt of incidental benefits from broker-dealer/custodians and asset managers serves as an economic benefit to the Firm, and although customary, these arrangements give rise to potential and actual conflicts of interest, including the incentive to allocate securities transactional business to broker-dealer/custodians and/or allocate client funds to certain money managers based on SHGA's receipt of such incidental benefits rather than on a Client's interest in receiving most the favorable execution or investment product.

To mitigate these conflicts of interests, and as part of SHGA's fiduciary duty to its clients, the Firm endeavors at all times to put the interest of the clients first, discloses these conflicts in our Form ADV and reviews such arrangements annually.

## ITEM 15: CUSTODY

### ACCOUNT STATEMENTS

All clients of SHGA must place their assets with a qualified custodian. SHGA is deemed to have constructive custody over client accounts where the firm has authorization to directly debit its advisory fees or maintains third party standing letters of authorization. For accounts where SHGA has custody of client

assets requiring an annual surprise exam, an independent accounting firm is retained in accordance with Rule 206(4)-2 of the Advisers Act. Pursuant to a written agreement between SHGA and the accountant, the surprise audit is conducted at a time to be determined by the accountant without prior notice or announcement and that is irregular from year to year. The independent public accountant is registered with the Public Company Accounting Oversight Board ("PCAOB").

Clients receive at least quarterly statements from the custodian that holds their investment assets. SHGA urges clients to promptly and carefully review these statements. SHGA quarterly reports may differ from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Certain clients can/will sign a Standing Letter of Authorization ("SLOA") that gives SHGA the authority to transfer funds to a third-party as directed by the client in the SLOA. If/when this occurs, the Firm will have custody. Custody is defined as any legal or actual ability by the Firm to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian;
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly;
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees; and
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempts SHGA from the surprise audit rules if certain conditions are met (in addition to steps 1 - 3). Those conditions are as follows:

1. When debiting fees from client accounts, SHGA must receive written authorization from clients permitting advisory fees to be deducted from the client's account; and
2. In the case of SLOAs, SHGA must:
  - a. confirm that the name and address of the third party is included in the SLOA;
  - b. document that the third-party receiving the transfer is not related to the Firm; and
  - c. ensure that certain requirements are being performed by the qualified custodian.

## ITEM 16: INVESTMENT DISCRETION

### DISCRETIONARY AUTHORITY FOR TRADING

SHGA accepts discretionary authority to manage securities accounts on behalf of clients. SHGA has the authority to determine, without obtaining specific client consent, 1) quantity and specific investments to be bought or sold on behalf of its clients, 2) the dollar amounts of the securities to be bought and sold, and 3) whether a client's transaction should be aggregated with those of other clients and traded as a "block." The Firm's Clients grant SHGA this discretionary authority by signing the Firm's Wealth Management Agreement.

For best execution purposes, SHGA also has the discretion to execute trades away from the custodian which can result in additional commissions charged to the client's account.

The client approves the custodian to be used by signing the broker-dealer/custodian's new account agreement. SHGA does not receive any portion of the transaction fees or commissions paid by the client to the custodian and/or brokers.

Discretionary trading authority allows SHGA to promptly and efficiently implement the investment policy that Client has approved in writing. Clients may impose restrictions or limitations as discussed above in Item 4.

In addition, for clients that are receiving Financial Planning Services on a non-discretionary basis or have SHGA manage a portion of their assets on a non-discretionary basis, SHGA will make recommendations to the Client regarding the purchase or sale of securities or other assets that they consider to be in the best interest of the Client. The Client has full discretion to accept or reject the Firm's recommendations.

Financial planning recommendations can be implemented with any broker-dealer the Client chooses.

#### LIMITED POWER OF ATTORNEY

A limited power of attorney is required by custodians to allow SHGA to execute trades on behalf of clients. Wealth management clients sign a limited power of attorney for this purpose.

### ITEM 17: VOTING CLIENT SECURITIES

#### PROXY VOTES

SHGA, in accordance with Rule 206(4) of the Advisers Act has adopted proxy voting policies and procedures governing the voting of client proxies. The Firm, through Broadridge's ("BR") Proxy Edge, votes proxies on behalf of each client account over which SHGA has proxy voting authority. SHGA has retained BR to manage the process of meeting notifications, voting, tracking, mailing, record maintenance, and to meet vote disclosure regulations. To mitigate potential conflicts of interest SHGA, through BR, generally votes in line with Glass, Lewis and Co. research, guidelines, and vote recommendation. On the rare occasion where Glass, Lewis and Co. does not provide a recommendation, SHGA will generally abstain from voting for the respective ballot or initiative.

Under normal circumstances, SHGA will vote proxies in accordance with its proxy voting policy. If SHGA is specifically made aware of a conflict whereby a Client disagrees with its proxy voting policy in general or as to a particular security, SHGA will make best efforts to vote the proxy as directed by the client. Proxy voting guidelines as well as a record of how proxy votes were cast on your behalf is available upon written request.

In instances where clients choose to vote their own proxies, the custodian will forward all proxy materials to client directly.

#### CLASS ACTIONS

SHGA has engaged a third party, Chicago Clearing, to process class action lawsuits on behalf of our clients. Chicago Clearing will be paid 20% of the settlement proceeds for their services and issue checks directly to our client. A record of how the class action lawsuit was settled is available upon request.

In instances where clients choose not to utilize the services of Chicago Clearing, SHGA will provide clients with information regarding a class action as a courtesy upon request.

## ITEM 18: FINANCIAL INFORMATION

### FINANCIAL CONDITION

SHGA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore we are not required to include a balance sheet for the most recent fiscal year. SHGA has not been subject to a bankruptcy petition at any time. SHGA does not have a financial impairment that would preclude the firm from meeting contractual commitments to clients.

SHGA has a significant, material financing arrangement with Fiduciary Network, LLC (“FN”), to provide financing in the form of interest-only company loans to facilitate the repurchase of shareholder equity as well as for certain mergers and acquisitions activities. This financing arrangement has allowed us to stay independent and to significantly expand the firm’s employee ownership. FN’s company loans have a non-voting equity conversion option that will become effective on the earlier of a triggering event tied to our relationship or June of 2029. We explicitly believe this financing arrangement has allowed and will continue to allow SHGA to provide our clients independent wealth management. SHGA’s relationship with FN is non-exclusive. FN and its affiliate, Emigrant Partners, LLC (“EP”, and together with FN, the “Emigrant Group”) enter into financing arrangements with other financial entities. Periodically, when appropriate, SHGA recommends investments offered by independent financial entities who also have financing arrangements with the Emigrant Group. Importantly, SHGA does not know about the Emigrant Group’s financing arrangements with other financial entities until FN or EP shares this information with SHGA after the arrangement is finalized. SHGA mitigates this potential conflict by having no revenue sharing arrangements with these independent financial entities. Furthermore, FN has a non-controlling, non-voting role with SHGA, subject to customary consent rights, and does not have any involvement in financial advisory recommendations to SHGA’s clients.