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## **Firm Brochure** **(Part 2A of Form ADV)**

This brochure provides information about the qualifications and business practices of Shaker Financial Services, LLC (SFS). If you have any questions about the contents of this brochure, please contact us at 410-224-0572, or by email at [info@shakerfinancial.com](mailto:info@shakerfinancial.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 SFS is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**March 2024**

## **Material Changes**

### **Annual Update**

The Material Changes of this brochure will be updated annually when such changes occur subsequent to the previous release of the Firm Brochure.

### **Material Changes Since Last Update**

SFS's most recent previous update to Part 2 of Form ADV was made in March of 2023. SFS's business activities have not changed materially since the time of that update.

In 2010, the SEC required significant changes to the content and format of Part 2 of Form ADV, including the requirement that advisers provide the Firm Brochure in a narrative "plain English" format. This brochure, which reflects those changes, is materially different from ADV documents used by SFS in prior years.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our current Firm Brochure, please contact us at 410-224-0572, or by email at [info@shakerfinancial.com](mailto:info@shakerfinancial.com).

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## Advisory Business

### Firm Description

SHAKER FINANCIAL SERVICES, LLC (SFS) is a Maryland limited liability corporation, formed on January 1, 2007, with operating offices in Maryland and Virginia. The predecessor management firm, Richard J. Shaker, DBA Shaker Financial Services, a sole proprietor, began full time operations on January 1, 1995, following Dr. Shaker's retirement from the National Security Agency.

SFS provides investment supervisory services on a discretionary basis, as stated in the investment advisory agreement. We manage investment accounts for clients, including individuals, families and their related entities, trusts, individual retirement accounts and small business retirement accounts. Account supervision is guided by the objectives of the client (*e.g.*, maximum capital appreciation, growth, conservative growth) agreed upon through discussions between the client and SFS. Many of the securities SFS purchases are appropriate for accounts with differing objectives; thus individual accounts will have similar holdings even though the investment strategies may be different.

### Principal Owners

The principal owners of the firm are Robert Shaker and Kathy Shaker Baummer.

### Types of Advisory Services

SFS specializes in the trading of Closed-End Funds (CEFs). CEFs, like mutual funds or exchange traded funds, are investment companies that invest in a portfolio of securities. With rare exceptions, these portfolios are widely diversified within the asset class in which they invest. However, unlike mutual funds, and to a much greater extent than exchange traded funds, CEFs trade at varying discounts or premiums to the value of the securities they hold. Because CEFs specialize in equities, bonds, sectors, foreign markets or specific investment strategies, they are excellent vehicles for crafting portfolios that are balanced, diversified and have the particular risk level and market exposure that an individual client desires. Equally important is that the fluctuating discounts allow for the application of quantitative strategies that we believe will provide clients a return beyond that provided by the asset classes in which the funds they own invest.

For each individual account, SFS maintains a globally diversified portfolio with a risk level based upon the client's financial circumstances and individual preferences. The portfolios are comprised almost exclusively of CEFs. Each portfolio will have a specific target percentage allocation of each of the following: 1) equity funds, 2) bond funds, and 3) fixed income positions.

**Equity Funds:** This portion of a client account is designed to provide the client exposure to US, global, and, when appropriate, emerging market equity markets. In general, this portion will provide market correlated growth, with, hopefully, an added return based on the effectiveness of SFS strategies. Examples of CEFs held in this portion of a client's portfolio are those which specialize in domestic large caps, mid-caps or small-caps, high dividend paying equities, international or emerging markets equities, specific countries, specific regions or specific sectors (*e.g.*, utilities, telecommunications, banking, healthcare) and real estate investment trusts. Although we strive to find good representatives from as many of these types of equity funds as possible, the size of the account, as well as our ability to find favorable purchases within a specific type of equity CEF, will mean that not all types of funds will be represented in each individual portfolio. We do enforce prudent limits to ensure that no account contains a large concentration of any one specific CEF or any one type of equity fund.

**Bond Funds:** This portion of a client account is designed to provide the client exposure to funds that hold fixed-income products. In general, this portion will provide the client income, with low or, in some instances, negative correlation to equity indices, with, hopefully, an added return based on the effectiveness of SFS strategies. Examples of CEFs held in this portion of a client's portfolio are those that specialize in government bonds, investment grade bonds, high-yield bonds, international bonds, emerging market bonds, mortgage bonds, senior corporate commercial paper and preferred stock. Although we strive to find good representatives from as many types of funds as possible, the size of the account, as well as our ability to find favorable purchases within a specific type of bond CEF, will mean that not all types of funds will be represented in each individual portfolio. We do enforce prudent limits to ensure that no account contains a large concentration of any one specific CEF and any one type of bond fund.

**Fixed Income Positions (FIPs):** These are specially selected to have little correlation with equity markets. Although they do not guarantee return of principal, they are a reasonable substitute for cash reserves for those who are willing to take a modicum of risk. They may also be bought on margin to take advantage of low margin interest rates available to SFS investors without adding significant new risk to a portfolio. In seeking investment choices for FIPs, we try to find special situations among CEF investments that have FIP characteristics (*e.g.* preferred shares of CEFs). If none are available, we may substitute other investment vehicles, such as short duration investment grade bonds or mutual funds containing short duration investment grade bonds.

While the vast majority of client funds are invested in these areas, SFS retains the right to invest in any area, and based upon other strategies, when opportunities present themselves.

### Individually Tailored Services

Before beginning management of any account, we gather pertinent financial information from the client. Examples of such information we attempt to obtain include the following:

- (1) age
- (2) future income prospects
- (3) total asset picture
- (4) risk level of investments the client is investing elsewhere
- (5) psychological risk tolerance
- (6) long-term investment goals
- (7) short-term need for funds

We then discuss which of the five SFS Risk Levels is most appropriate for the account. The choice of risk level (or whether a unique set of parameters is assigned to an account) is ultimately made by the client after consultation with an adviser. A client may choose one mix for one account and another for another account, depending on the investment goals of each account.

We encourage eligible (taxable) accounts to employ margin, or investing with borrowed funds, as we believe that it provides an opportunity to enhance returns. However, the use of margin is, generally speaking, a more aggressive, higher risk approach to pursuing investment objectives.

Clients are afforded the opportunity to impose reasonable restrictions on their investments. Although most clients do not, examples of such reasonable instructions include a prohibition of investments in a sector (*e.g.*, where the client already has large investments in this area), a prohibition of a

particular CEF (*e.g.*, one for which the client has had a bad experience), or a prohibition of a large list of CEFs (*e.g.*, if an employer prohibits purchase of certain securities because of conflicts of interest).

## **Assets Under Management**

As of December 31, 2023, SFS managed approximately \$228 million on a discretionary basis for approximately 630 accounts or approximately 350 clients.

## **Fees and Compensation**

### **Fee Structure**

Asset-based management fees are charged quarterly in advance, as agreed to with the client, based on a percentage of the client's assets under management at the beginning of the calendar quarter and are not negotiable. For a new client account, compensation is based on the value of stock and cash initially contributed to or transferred to the account. The fee schedule for new accounts is:

<b><u>Assets Under Management:</u></b>	<b><u>Annual Fee:</u></b>
Less Than \$500,000	1.80%
\$500,001 - \$1,000,000	1.60%
\$1,000,001 - \$3,000,000	1.30%
\$3,000,001-\$5,000,000	1.15%
\$5,000,001+	1.00%

Fees are based on the market value of the client's account at the start of the client's billing period, net of margin. SFS also reserves the right to group together clients in computing this value (if, for example, an extended family is investing with us). For purposes of calculating the appropriate fee level only, "assets under management" refers to the peak market value of all accounts owned by the client throughout the history of the client's investment with SFS, adjusted by subtracting subsequent withdrawals and adding subsequent contributions.

For new accounts, SFS charges its fees beginning on the "start date," which is the date upon which the bulk of assets intended to be transferred have been transferred to the account and the investment management services have begun for that account. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days from the "start date" to the end of the quarter, based on the initial value of the account on the "start date." No fee adjustments will be made for partial withdrawals from or additions to the client's portfolio following the "start date." In the event that a client terminates an account during a given quarter, SFS will refund the appropriate pro rata portion of the prepaid fees.

Although minimum account values and fee structures are subject to change at any time, clients are guaranteed a fee structure no greater than when they open their accounts. SFS reserves the right to adjust the fee schedule for accounts based upon the nature of the relationship with the client (*i.e.*, employees of SFS and their relatives, or relatives, or others bound by affection to existing clients based on the discretion of the advisor). In some cases, this may result in different fees being charged for similar services and may be less than the stated fee schedule.

SFS's compensation is exclusively from fees paid directly by clients. We receive no commission based on client purchases of any financial product. No commissions in any form are accepted.

### Fee Billing

Fees will generally be deducted directly from the client's brokerage account pursuant to a written agreement. Clients should be aware of their responsibility to verify the accuracy of the fee calculation submitted to the custodian by SFS, as the custodian will not determine whether the fee has been properly calculated. The client will receive from SFS a separate copy of each invoice, setting forth the basis for the calculation. In some cases, clients may remit payments directly to SFS.

### Other Fees

Advisory fees charged by SFS are separate and distinct from commissions, margin interest payments, reorganization fees (i.e., for voluntary rights and tender offers), and mutual fund redemption fees. Additional fees typically charged directly to the NAV of a fund (not directly to clients) include management fees and expenses charged by closed and open end funds. A description of these fees and expenses is available in each fund's prospectus.

## **Performance Based Fees and Side-by-Side Management**

SFS does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to SFS.

## **Types of Clients**

SFS primarily provides customized investment management services to individuals, families and their related entities, trusts, individual retirement accounts and small business retirement accounts, and other legal entities. SFS's minimum account size is generally \$100,000, but this amount is negotiable based upon extenuating circumstances.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### Investment Strategies

The basic investment strategy used by SFS for generating enhanced returns is best described as "Discount Capture." This strategy involves assessing whether a CEF's discount is wider (undervalued) or narrower (overvalued) than its historical average. By buying when the fund is undervalued and selling when it is overvalued, we hope to generate an additional return ("discount capture") in addition to the return provided by the investments that the fund itself makes. We actively track approximately 300 CEFs daily and compute various statistics that help us assess whether the fund is a buy candidate or a sell candidate. We actively monitor these funds in an attempt to identify any undisciplined buying or selling or other circumstance that makes a specific fund an attractive candidate for a transaction.

SFS has other strategies it may employ in CEF trading. CEFs may be purchased because of evidence that there is a likelihood of some reorganization (*e.g.*, liquidation or open-ending) that will cause the fund discount to narrow significantly. We track the activities of institutions (and especially those of

well-known activists) whose purchases of CEFs make the possibility of reorganization more likely. We arbitrage CEFs following announcements of liquidations or open-endings. We also have strategies that take advantage of tenders and rights offerings. On rare occasions, CEFs may be sold short if viewed as overvalued in our analysis.

### Methods of Analysis

For our core strategy (discount capture without relying on any additional catalyst), we download discount information data and other relevant historical information from data sources specializing in closed-end funds, such as Morningstar and Closed-End Fund Advisors. With this information, we compute various statistics for the approximately 300 CEFs that we monitor daily and enter them, ordered by sectors and our statistics, into real time quote systems. We modify these statistics by price movements during the day and net asset value change estimates that we make, either from changes in exchange traded funds (ETFs), indices or the value of “model” portfolios that approximate the current holdings of the CEFs. Our buy-sell decisions are determined from these modified statistics and our observations of the short-term behavior of buyers and sellers of the specific security we are considering.

For our strategies based on catalysts, we use a variety of sources to gain information about the existence or likelihood of ongoing actions to narrow discounts. We may also be alerted to filings by individual CEFs that disclose that they are considering, or beginning to execute, tenders or rights offerings.

### Risk of Loss

All SFS investments have risks that are borne by the investor. No SFS investment guarantees any minimal return or even return of principal.

Even if discounts remain firm or narrow, CEF prices may fall as a consequence of a loss in the net asset value of their portfolios. Equity CEF portfolios bear overall market risk, and their individual components may decline because of company-specific unfavorable business developments. Equity CEFs may specialize in a particular sector of the market or invest solely in a particular foreign market or foreign regional market. The performance of these sectors or individual markets may significantly differ from that of the overall equity markets. Fixed income CEF portfolios and bonds or bond funds purchased as FIPs are affected by interest rate and currency fluctuation and bear default risk.

From time to time, there may be a widening in the average discount of all closed end funds, which could be referred to as “closed-end fund risk,” the risk of concentrating our investments into one primary investment vehicle. At such times, although our individual strategies may be ameliorating losses, the total portfolio we hold may undergo significant loss of value relative to what would be expected from market and sector fluctuations.

Closed-end fund risk is a special case of a more general risk we might call “liquidity risk,” that manifests itself in two ways. There are times (2008 provided good examples of this) when individual or institutional investors are forced to raise cash and must sell whatever they own regardless of its value, driving the price of securities well below their intrinsic value. This risk could cause even FIPs to suffer unexpected losses, at least on a short-term basis. There is a second form of this risk that is security specific. Although most CEFs are reasonably liquid, we may purchase, for an intermediate or longer-term play, a CEF in which there is a significant spread between the bid (sale) price and the ask (purchase) price. These investments are not meant to be actively traded. If a client has the need to redeem all of his portfolio value immediately, this spread may result in significant cost above normal transaction costs.



Historically, fixed income investments are not strongly correlated with equity investments. We believe that FIPs should have little or no correlation with equity investments, but there is no guarantee that this is the case. Also, historically, fixed income investments are less volatile and have less downside risk than equity investments. As such, we believe that fixed income CEFs will have less volatility and less downside risk than equity CEFs. However, there is no guarantee that this will be true. FIPs are selected with the belief that features of the investments should significantly minimize their volatility and downside risk, but there is no guarantee of return of principal.

## **Disciplinary Information**

SFS and its employees have not been involved in any legal or disciplinary events in the past ten years that would be material to a client's evaluation of the company or its personnel.

## **Other Financial Industry Activities and Affiliations**

SFS and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

SFS has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires SFS and its employees to act in clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading, and pre-clear and report many types of personal securities transactions. SFS's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of SFS's code of ethics is available upon request.

SFS's employees are prohibited from trading independently in funds that are monitored for client accounts. As employees hold accounts at SFS, they receive allocations of trades alongside client accounts and are subject to the same average price and transaction costs that are applicable to clients. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

SFS maintains a watch list of securities that are being considered for client accounts, as well as securities already held in client accounts. Any proposed employee transaction involving securities on the watch list requires preclearance from the Chief Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee's trading could disadvantage SFS's clients.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients, but the Chief Compliance Officer might not allow the security to be purchased for client accounts in order to avoid even the appearance of employees trading ahead of clients. In SFS's experience, it is rare for an employee's personal trading to limit clients' investment opportunities, but such a situation may arise from time to time.

## **Brokerage Practices**

SFS currently requires that accounts are custodied at its broker of choice. Our requirement for a single broker is primarily for compliance purposes (so that we can ensure each client participates in trades at average share price for all transactions). Currently that broker is Schwab Advisor Services (“Schwab”). Previously, SFS utilized TD Ameritrade Institutional Services and its predecessor, TD Waterhouse, for the period of 2002 through 2023. SFS periodically conducts an analysis to determine who that broker should be as part of its best execution reviews. The primary considerations in the selection process are cost to investors of services and quality of trade execution.

As part of the Schwab program, SFS receives benefits both for itself and for its clients that it would not receive if it did not provide investment advice to clients. While there is no direct affiliation between the investment advice given to clients and SFS’s participation in the Schwab program, benefits are received both for itself and for its clients, which would not be received if SFS did not have an established relationship with Schwab. These benefits do not depend on the amount of transactions directed by SFS to Schwab. Example of benefits received include: a dedicated service group dedicated to SFS accounts, access to a real time order matching system, availability to download documents, access to an electronic interface with Schwab’s software, and the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements). Due to the fact that there is a potential inherent conflict of interest, SFS continually reviews its relationship with our custodian in order to ensure that clients’ interests continue to be the primary factor in our continued relationship with Schwab.

As part of SFS’s relationship with Schwab, we receive a real time quotation service from Thinkpipes, for which we only have to pay exchange fees. SFS does not receive any additional research services from Schwab. Although we do not believe that clients bear any additional cost in connection with SFS’s receipts of these products and services, we would not receive them were client accounts not held at Schwab.

We may purchase and sell securities at broker/dealers other than those at which accounts are custodied using trade-away, step-out or other methods to transfer the transactions to the Schwab accounts. This may cause a slight increase in commission charges and therefore will only be used when circumstances support the increased costs based upon increased expected returns. An example of such a circumstance could be that an illiquid position is better bought through a step-out trade at a pre-negotiated price.

## **Directed Brokerage**

Currently SFS does not permit clients to direct brokerage.

### **Best Execution Reviews**

Periodically, SFS will evaluate the pricing and services offered by Schwab and other trading counterparties with those offered by other reputable firms. SFS has sought to make a good-faith determination that Schwab and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that, as with all firms, there will be an incentive to select a custodian based upon SFS’s receipt of products and services. Historically, SFS has concluded that Schwab is as good as, or better than, the other firms that have been considered. SFS will notify its clients if it determines that another firm offered better pricing and services than Schwab.

## Aggregated Trades

SFS typically aggregates client trades in an effort to treat all clients fairly. Because different SFS clients and accounts have different fee percentages, and because SFS employee accounts trade side-by-side with client accounts, it is incumbent upon SFS to treat all clients fairly. SFS trades throughout the day in an aggregate account and then assigns trades from this account to individual client accounts after the market closes. All purchases (or sales) of a given security are bunched together and assigned at average price to accounts, which incur trading costs that are the same as would be paid if they were trading individually. Which client accounts participate in a given batched transaction and the sizes of the trades assigned to the clients are objectively determined by a written set of allocation procedures and effectuated through the use of an allocation program.

## **Review of Accounts**

Accounts under SFS's management are monitored for exposure to asset classes on an ongoing daily basis as part of SFS's allocation procedure. On at least a quarterly basis SFS reviews reports that are designed to identify accounts that are outside the expected ranges of returns. Reviews of client accounts may also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their custodian on at least a monthly basis. SFS may supplement these custodial statements with reports provided during client meetings or as requested.

## **Client Referrals and Other Compensation**

Other than the previously described products and services that SFS receives from Schwab, SFS does not receive any other economic benefits from non-clients as a result of providing investment advice to clients. SFS does not compensate Schwab or any other custodian or broker/dealer for referring client accounts. To the extent that a client is accepted through any solicitation program, the client will be informed of and agree to the circumstances of the solicitation program prior to acceptance as a client. No other referral fees are paid or accepted.

## **Custody**

All client accounts are held in custody by unaffiliated broker/dealers or banks, but SFS can access all client accounts through its ability to debit advisory fees. For this reason, SFS may be considered to have limited custody of client assets. Account custodians send statements directly to the account owners on at least a monthly basis. Clients should carefully review these statements and should compare these statements to any account information provided by SFS.

## **Investment Discretion**

SFS has investment discretion over all clients' accounts. Clients grant SFS trading discretion through the execution of a limited power of attorney included in SFS's advisory contract.

Clients can place reasonable restrictions on SFS's investment discretion. For example, some clients have asked SFS not to buy funds in certain sectors, or not to sell certain securities where the client has a particularly low tax basis.

## **Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, SFS has adopted and implemented written policies and procedures governing the voting of client securities. All proxies that SFS receives will be treated in accordance with these policies and procedures.

SFS considers the reputation, experience, and competence of a company's management and board of directors when it evaluates a prospective investment. In general, SFS votes in favor of routine corporate matters, such as the re-approval of an auditor or a change of a legal entity's name. SFS also generally votes in favor of compensation practices and other measures that are in line with industry norms, that allow companies to attract and retain key employees and directors, that reward long-term performance, and that align the interests of management and shareholders. The most significant issues that face us in voting are elections of directors, or approval of shareholder proposals, where there is a dispute over whether certain reorganizations or other corporate actions should take place. In these matters, SFS will vote in favor of whatever action will most favorably impact shareholder value in the near term.

SFS has not identified any material conflicts of interest in connection with past proxy votes. Such a conflict could arise if, for example, a client was a senior executive with a publicly traded company and other clients held securities issued by that company.

A copy of SFS's proxy voting policies and procedures, as well as specific information about how SFS has voted in the past, is available upon written request. Upon written request, clients can also take responsibility for voting their own proxies or can give SFS instructions about how to vote their respective shares.

## **Financial Information**

SFS has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

# **Part 2B of Form ADV The Brochure Supplement**

## Supervised Persons

Robert Shaker,  
Kathy Shaker Baummer, Daniel Gordon

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**Updated March 2024**

This brochure supplement provides information about Robert Shaker, Kathy Shaker Baummer and Daniel Gordon that supplements SFS's Form ADV brochure. Please contact SFS's Chief Compliance Officer, Robert Shaker, if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Robert Shaker is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# **Robert Shaker, Chief Investment Strategist, Chief Compliance Officer, Partner**

## Educational Background and Business Experience

- Date of birth: 03/17/1969
- Haverford College, B.A., Economics
- Emory University, J.D., Law

## Business Experience

After graduating from law school, Mr. Shaker opened a solo law practice in Atlanta, Georgia, specializing in plaintiff's civil rights litigation. In 2004, Mr. Shaker ceased the full time practice of law when he accepted a position as an economic advisor to the United States Embassy in San Jose, Costa Rica. Mr. Shaker remains a member of the State Bar of Georgia.

At SFS, Mr. Shaker is responsible for overseeing strategy development, trading and portfolio allocations. He speaks regularly at industry events about closed-end funds and the concept of tactical swapping. He is also responsible for maintaining firm-wide SEC and GIPs compliance.

In 2005, Mr. Shaker began working for Shaker Financial Services primarily as its Chief Compliance Officer. In 2006, Mr. Shaker obtained his Series 65 license (Investment Adviser Representative) and served as Portfolio Manager (2009-2011). Mr. Shaker currently serves as SFS's Chief Investment Strategist (2011-present) and Chief Compliance Officer (2005-present).

## Disciplinary Information

Mr. Shaker has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Shaker or of SFS.

## Other Business Activities

Mr. Shaker is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of SFS.

## Additional Compensation

Mr. Shaker does not receive economic benefits from any person or entity other than SFS in connection with the provision of investment advice to clients.

## Supervision

Mr. Shaker is supervised by SFS's Managing Partner, Kathy Shaker Baummer. Mr. Shaker discusses investment decisions with SFS's other IAR, Daniel Gordon. Any of these individuals can be reached by calling the telephone number on the cover of this brochure supplement. Additionally, Mr. Shaker can be contacted directly at [rob@shakerfinancial.com](mailto:rob@shakerfinancial.com).

# **Kathy Shaker Baummer, Performance Analytics and Reporting, Account Director, Managing Partner**

## Educational Background and Business Experience

- Date of birth: 10/24/1962
- University of Delaware, B.S. Electrical Engineering
- George Washington University, M.S. Electrical Engineering
- George Washington University, Engineer Degree Communications Theory

## Business Experience

Prior to joining SFS, Ms. Baummer designed electrical circuits for AAI Corporation and developed engineering software for Booz Allen Hamilton. She also has nine years of experience in management, client support, product promotion and marketing for a direct sales company.

Ms. Baummer joined Shaker Financial in 2004. As the Performance Analytics and Reporting Specialist, Ms. Baummer assists with developing, implementing and maintaining proprietary algorithms to ensure that trade allocations are fair, utilize appropriate diversification and that there is consistent portfolio turnover across accounts. She is responsible for data operations, accurate performance reporting and the general overseeing of client accounts. As Managing Partner, Ms. Baummer is responsible for day-to-day business and financial operations.

Ms. Baummer currently serves as Performance Analytics and Reporting Specialist (2004-present) as well as Account Director and Managing Partner (2012-present).

## Disciplinary Information

Ms. Baummer has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Ms. Baummer or of SFS.

## Other Business Activities

Ms. Baummer is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of SFS.

## Additional Compensation

Ms. Baummer does not receive economic benefits from any person or entity other than SFS in connection with the provision of investment advice to clients.

## Supervision

As SFS's Managing Partner, Ms. Baummer maintains ultimate responsibility for the firm's operations. Operational decisions are discussed with her partner, Robert Shaker. Ms. Baummer's compliance activities are supervised by the Chief Compliance Officer. Ms. Baummer can be contacted directly at [kathy@shakerfinancial.com](mailto:kathy@shakerfinancial.com).

## **Daniel Gordon, Portfolio Manager**

### Educational Background and Business Experience

- Date of birth: 11/13/1968
- Haverford College, B.A., Economics

### Business Experience

After graduating from Haverford College, Mr. Gordon spent 13 years as an options market maker on the Philadelphia Stock Exchange (PHLX), where he specialized in equity and index options. Mr. Gordon first worked with Shaker Financial from 2006 to 2009, until he left for a brief time to resume his own proprietary trading operation. He returned to SFS in January 2012.

As Portfolio Manager at SFS, Mr. Gordon actively monitors the closed-end fund universe, which allows him to develop and implement opportunistic trading strategies for the firm.

### Disciplinary Information

Mr. Gordon has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Shaker or of SFS.

### Other Business Activities

Mr. Gordon is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of SFS.

### Additional Compensation

Mr. Gordon does not receive economic benefits from any person or entity other than SFS in connection with the provision of investment advice to clients.

### Supervision

Mr. Gordon discusses investment decisions with SFS's other IAR, Robert Shaker. Mr. Gordon's compliance-related activities are supervised by the Chief Compliance Officer. Mr. Gordon can be contacted directly at [gordon@shakerfinancial.com](mailto:gordon@shakerfinancial.com).