

## Item 1 – Cover Page

Shoreline Wealth Advisors

412 South Main Street

New Castle, IN 47362

765-593-2487

[www.Shoreline-LLC.com](http://www.Shoreline-LLC.com)

March 11, 2024

This Brochure provides information about the qualifications and business practices of Shoreline Wealth Advisors (“Shoreline”). If you have any questions about the contents of this Brochure, please contact Shoreline’s Chief Compliance Officer, Marion (Bud) Shore, at 317-708-2250. 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.

Shoreline is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Shoreline is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Shoreline is 121764.

## Item 2 – Material Changes

This Item of the Brochure discusses only specific material changes that have been made to the Brochure since the last annual update and provides clients with a summary of such changes. The firm has the following material changes to this brochure since its last annual amendment dated March 15, 2023.

We have included additional retirement plan partners for our Retirement Plan Services. (Item 4)

**ANY QUESTIONS:** Any questions regarding the above changes, if any, or any other issue pertaining to this Brochure, our Chief Compliance Officer, Marion (Bud) Shore, remains available to address them.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Marion (Bud) Shore, Chief Compliance Officer at 765-593-2487.

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## **Item 4 – Advisory Business**

Shoreline is owned by Marion (Bud) Shore and Robert (Jay) Bumbalough and has been providing advisory services since 1998.

As of December 31, 2023, Shoreline managed \$220,362,066 on a discretionary basis and advised on \$ 54,471,553 of participant-directed retirement plans.

### **Wealth Advisory Services:**

Shoreline manages investment portfolios for individuals, qualified retirement plans, trusts and small businesses. Shoreline will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. Shoreline uses investment and portfolio allocation software to evaluate alternative portfolio designs. Shoreline evaluates the client's existing investments with respect to the client's investment policy statement. Shoreline works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Shoreline. Shoreline will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

Shoreline will typically create a portfolio of no-load mutual funds and exchange traded funds and may use model portfolios if the models match the client's investment policy. Shoreline will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Shoreline primarily recommends portfolios consisting of passively managed asset class and index mutual funds. Shoreline primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA) although may use other mutual funds. DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason.

Shoreline manages mutual fund and equity portfolios on a discretionary basis. A client may impose any reasonable restrictions on Shoreline's discretionary authority, including restrictions on the types of securities in which Shoreline may invest client's assets and on specific securities, which the client may believe to be appropriate.

Shoreline may also recommend fixed income portfolios to wealth advisory clients, which consist of managed accounts of individual bonds. Shoreline will request discretionary authority from wealth advisory clients to manage fixed income portfolios, including the discretion to retain a third-party fixed income manager. Shoreline will prepare a Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, Shoreline will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain Shoreline's consent prior to the sale of any client securities.

On an ongoing basis, Shoreline may answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. Shoreline will periodically, and at least annually, review clients' investment policy, risk profile and remain available to discuss the re-balancing of each client's accounts to the extent appropriate. Shoreline will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

For clients with assets under management with Shoreline of at least \$500,000, Shoreline, as part of its wealth advisory services, may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

Shoreline does not participate in wrap fee programs.

### **Retirement Plan Services**

Shoreline provides investment advisory services to qualified retirement plans in the following advisory capacities and may serve as a fiduciary under ERISA §§3(38) and/or 3(21):

### Pooled Retirement Plans

Shoreline may act as an ERISA Section 3(38) fiduciary and select the investment options for a corporate pension or profit sharing plan. Shoreline is provided with discretionary authority to select, monitor and replace the investment objectives of the plan.

### Employee Benefit Retirement Plan Services

Shoreline also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

Shoreline will analyze the plan's current investment platform and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. Shoreline will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

Shoreline will recommend changes in the plan's investment vehicles as may be appropriate from time to time. Shoreline generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, Shoreline also works in coordination and support with retirement plan partners such as Buckingham Strategic Partners, 401GO, Ubiquity, and Transamerica. Retirement plan clients will engage both Shoreline and the retirement plan partner of the client's choice. Shoreline does not serve as a 3(38) advisor, but may serve as a 3(21) advisor. Retirement plan partners will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

Shoreline will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Miscellaneous**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent specifically requested, Shoreline will generally provide planning and consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. **Please Note:** Shoreline **does not** serve as a law firm, CPA firm, or insurance agency, and no portion of our services should be construed as same. Accordingly, Shoreline **does not** prepare legal documents, tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including Shoreline's affiliated CPA firms, including Shore & Company, P.C. ("Shore & Co"), for tax preparation services per the terms and conditions of a separate agreement and fee (See Item 10 below). The client is under no obligation to engage the services of any such recommended professional, including Shore & Co for tax preparation services. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Shoreline and/or its representatives. **Please Also Note:** If the client engages any unaffiliated professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** Shoreline, shall be responsible for the quality and competency of the services provided.

**Tax Preparation Services.** To the extent requested to do so by a client, Shore & Co shall provide tax preparation services for a separate fee per the terms and conditions of a separate written agreement. No client is under any obligation to engage Shore & Co for tax preparation services.

**Retirement Rollovers - Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Shoreline recommends that a client roll over their retirement plan assets into an account to be managed by Shoreline, such a recommendation creates a **conflict of interest** if Shoreline will earn new (or increase its current) compensation as a result of the rollover. When acting in such capacity, Shoreline serves as a fiduciary under the Employee Retirement Income Security Act (ERISA), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by Shoreline.**

**Custodian Charges - Additional Fees:** As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Shoreline generally recommends that Charles Schwab & Company, Inc. ("Schwab") serve as the broker-dealer/custodian for client wealth advisory assets. Broker-dealers such as Schwab charge transaction fees for effecting securities transactions. In addition to Shoreline's investment advisory fee referenced in Item 5 below, the client will also incur transaction fees to purchase securities for the client's account (i.e., mutual funds exchange traded funds, individual equity and fixed income securities, etc.)

**Use of DFA Mutual Funds:** Shoreline utilizes mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client was to terminate Shoreline's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply. **Please Note:** In addition to Shoreline's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Tradeaway/Prime Broker Fees.** Buckingham Strategic Partners, as our fixed income sub-adviser, shall generally purchase individual fixed income securities through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (i.e., Schwab).

**Portfolio Activity.** Shoreline has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Shoreline will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Shoreline determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Shoreline will be profitable or equal any specific performance level(s).

**Client Obligations.** In performing our services, Shoreline shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to



promptly notify Shoreline if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Shoreline) will be profitable or equal any specific performance level(s).

**ANY QUESTIONS:** Shoreline's Chief Compliance Officer, Marion (Bud) Shore, remains available to address any questions that a client or prospective client may have regarding the above miscellaneous section.

## **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable. Minimum account sizes may also be waived when a person demonstrates an ability to meet the minimum account size in a reasonable period of time through additional contributions.

Shoreline has contracted with Buckingham Strategic Partners for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. Shoreline pays a fee for Buckingham Strategic Partners services based on management fees paid to Shoreline on accounts that use Buckingham Strategic Partners. The fee paid by Shoreline to Buckingham Strategic Partners consists of a portion of the fee paid by clients to Shoreline and varies based on the total client assets participating in Buckingham Strategic Partners through Shoreline. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by Shoreline is established in a client's written agreement with Shoreline. Wealth Advisory and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which Shoreline calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

For Wealth Advisory and Employee Benefit Plan Services, Shoreline will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to Shoreline or its designated service provider, Buckingham Strategic Partners, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third-party administrators will calculate and debit Shoreline's fee and remit such fee to Shoreline.

A client may terminate an agreement without penalty by providing written notice of such cancellation to Shoreline within five (5) business days of the date hereof (the "Grace Period"). Thereafter, either party may terminate this Agreement without penalty upon thirty (30) days-notice in writing to the other party. Termination of this Agreement will not affect (a) the validity of any action previously taken by Shoreline under this Agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or (c) Client's obligation to pay advisor fees (prorated through the date of termination). On the termination of this Agreement, Shoreline will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the Account. Upon termination of an agreement, Shoreline will calculate the number of days left in a quarter and provide a refund to the client of those pre-paid, unearned fees from the date of termination. This refund will be provided to the client directly into the client's brokerage account or via check.

Shoreline's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to Shoreline for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to Shoreline's fee, and Shoreline shall not receive any portion of these commissions, fees, and costs. Neither Shoreline nor any Supervised Person of Shoreline receive any compensation, including any commissions or markups, for the sale of securities or other investment products.

## **Advisory Fees**

### **Wealth Advisory Services:**

The annual fee for wealth advisory services will be charged as a percentage of assets under management, according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)**</b>
First \$500,000	1.25%
Next \$500,000	.90%
Next \$1,000,000	.70%
Next \$1,000,000	.50%
Next \$2,000,000	.40%
Over \$5,000,000	.35%

All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan.

<b>Value of Included Assets</b>	<b>Shoreline Annual Fee</b>	<b>Buckingham Strategic Partners Annual Fee</b>	<b>Total Fee**</b>
On the first \$1 million	0.80%	0.20%	1.00%
On the next \$1 million	0.60%	0.15%	0.75%
On the next \$3 million	0.45%	0.15%	0.60%
On the next \$5 million	0.32%	0.08%	0.40%
On all amounts > \$10 million	0.30%	0.05%	0.35%

\*\*Pre-existing wealth advisory and retirement plan clients will continue to be billed management fees as originally contracted for which generally will be lower than the schedules above. This fee rates apply to new wealth advisory and retirement plan clients. Shoreline, in its sole discretion, may charge a flat fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, negotiations with client, etc.). Please Note: As result of the above, similarly situated clients could pay

different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Shoreline does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

Shoreline provides services to individuals, qualified retirement plans, charitable organizations, municipal government entities, trusts and small businesses.

Shoreline does not have a minimum account size for wealth advisory services although as noted in Item 4 it may include financial planning services to clients with at least \$500,000 in assets under management at no additional cost. A separate minimum account size of \$500,000 is generally required for fixed income portfolio management services. These minimum account sizes may be negotiable under certain circumstances.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### *Methods of Analysis and Investment Strategy*

Shoreline's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Shoreline's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Shoreline recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. Shoreline selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, Shoreline's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. Shoreline's investment philosophy is designed for investors who desire a buy

and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that Shoreline's strategy seeks to minimize.

In the implementation of investment plans, Shoreline therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. Shoreline may also utilize Exchange Traded Funds (ETFs) to represent a market sector. If appropriate for a particular client, Shoreline recommends certain alternatives that are still registered investment company funds.

Clients may hold or retain other types of assets as well, and Shoreline may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

Shoreline's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

Academic evidence supports modest use of alternative investment strategies and if appropriate for client specific situations. While Shoreline is generally skeptical of most alternative investment strategies, Shoreline believes there are a few alternative strategies accessed in mutual fund form that can enhance portfolio forward-looking forecasted returns and/or reduce portfolio volatility. Allocations here, however, should be relatively modest since some of these strategies have relatively high expense ratios and can be tax inefficient.

Shoreline receives supporting research from Buckingham Strategic Partners and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). Shoreline utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to Shoreline.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Shoreline relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, Shoreline may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

### Risk of Loss

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Shoreline may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Shoreline's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Shoreline may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

Certain alternative mutual funds (registered under the Investment Company Act of 1940) utilized by Shoreline may employ use of derivatives, options, futures and/or short sales. Use of derivatives, options or futures by a Fund may be for purposes of gaining exposure to

a particular asset group, for hedging purposes or for leverage purposes. The use of derivatives, options and futures exposes the funds to additional risks and transaction costs. In addition, if the Fund uses leverage through activities such as entering into short sales or purchasing derivative instruments, there are additional risk, including the fund having the risk that losses may exceed the net assets of the fund. The net asset value of a fund while employing leverage will be more volatile and sensitive to market movements. Clients should carefully review the fund's prospectus to more fully understand the risk of funds employing the use of derivatives, options, futures and/or short sales. Investments in these funds should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment. The risk of loss described herein should not be considered to be an exhaustive list of all the risks which clients should consider.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Shoreline or the integrity of Shoreline's management. Shoreline has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### Affiliated Accounting Firms

Mr. Shore and Mr. Bumbalough of Shoreline are also associated or owners of the accounting firm, Shore & Company, P.C. Shore & Company, P.C. (hereinafter "Shore & Co") may recommend Shoreline to accounting clients in need of advisory services. Shoreline may recommend Shore & Co to advisory clients in need of accounting services. Accounting services provided by Shore & Co are separate and distinct from the advisory services of Shoreline, and are provided for separate and typical compensation. There are no referral fee arrangements between Shoreline and Shore & Co for these recommendations. No Shoreline client is obligated to use Shore & Co for any accounting services.

Mr. Brumbaugh, an associated person of Shoreline, is also the sole-owner and CPA of JD Brumbaugh Business Services, LLC, a tax preparation and accounting services firm.

JD Brumbaugh Business Services, LLC ("JD Brumbaugh") may recommend Shoreline to accounting clients in need of advisory services. Advisory clients of Shoreline who utilize the services of Mr. Brumbaugh may be recommended to JD Brumbaugh for tax and accounting services. Tax and accounting services provided by JD Brumbaugh are separate and distinct from the advisory services of Shoreline and are provided for separate and typical compensation. There are no referral fee arrangements between Shoreline and JD Brumbaugh for these recommendations. No Shoreline client is obligated to use JD Brumbaugh for any accounting services.

Ms. Kelsey, an associated person of Shoreline, is also the sole-proprietor of Kelsey Accounting & Tax, a tax preparation and accounting services firm.

Kelsey Accounting & Tax may recommend Shoreline to clients in need of advisory services. Advisory clients of Shoreline who utilize the services of Ms. Kelsey may be recommended to Kelsey Accounting & Tax for tax and accounting services. Tax and accounting services provided by Kelsey Accounting & Tax are separate and distinct from the advisory services of Shoreline and are provided for separate and typical compensation. There are no referral fee arrangements between Shoreline and Kelsey Accounting & Tax for these recommendations. No Shoreline client is obligated to use Kelsey Accounting & Tax for any accounting services.

#### Individual Licensed Insurance Agent

Mr. Mark Lux, in his individual capacity, is licensed to sell life, accident and health and property and casualty insurance products. Mr. Lux does not sell insurance products to individuals who are clients of Shoreline.

#### Individual Outside Business Activity

Mr. Marion (Bud) Shore, in his separate capacity, serves on the Board of Directors for Citizens State Bank, which is a privately held company. Shoreline is not affiliated with Citizens State Bank and the advisory activities of Shoreline are separate and distinct from the business activities of Citizens State Bank. As a Director of Citizens State Bank, Mr. Shore is deemed to be a control person of the firm. As this situation may represent a potential conflict of interest, Shoreline has established written policies and procedures with respect to insider trading, protection of confidential information and the reporting of personal securities transactions by employees.

Mr. Marion Shore serves as a Director of the Earlham College Foundation. Mr. Shore does not receive compensation for his role as a director of the foundation.



### Buckingham Strategic Partners

As described above in Item 4, Shoreline may exercise discretionary authority provided by a client to select an independent third-party investment manager for the management of portfolios of individual fixed income securities. Shoreline selects Buckingham Strategic Partners for such fixed income management. Shoreline also contracts with Buckingham Strategic Partners for back office services and assistance with portfolio modeling. Shoreline has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that Buckingham Strategic Partners effectively provides both the back-office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of Shoreline continuously makes this assessment. While Shoreline has a contract with Buckingham Strategic Partners governing a time period for back office services, Shoreline has no such fixed commitment to the selection of Buckingham Strategic Partners for fixed income management services and may select another investment manager for clients upon reasonable notice to Buckingham Strategic Partners.

Neither Shoreline nor any management person of Shoreline is registered or has an application to register as a broker-dealer, a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

**Please Note: Conflict of Interest.** The recommendation by a Shoreline representative that a client engage an affiliated accounting firm presents a conflict of interest, because the representative (and/or the affiliated firm) shall derive compensation from such separate engagement.

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

Shoreline has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Shoreline's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Shoreline's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Shoreline may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of Shoreline that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Shoreline requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. Shoreline also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

Shoreline's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Shoreline requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Shoreline will provide a complete copy of its Code of Ethics to any client or prospective upon request.

It is Shoreline's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Shoreline will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Shoreline arranges for the execution of securities transactions with the operational assistance of Buckingham Strategic Partners. Through Buckingham Strategic Partners, Shoreline may participate in the Schwab Advisor Services ("SAS") program offered to independent investment advisers by Charles Schwab & Company, Inc ("Schwab"). Schwab is an unaffiliated SEC registered broker dealer and FINRA member broker dealer.

The Schwab brokerage program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Shoreline regularly reviews this program to ensure that its recommendations are consistent with its fiduciary duty.

This trading platform is essential to Shoreline's service arrangements and capabilities, and Shoreline may not accept clients who direct the use of other brokers. As part of these programs, Shoreline receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As Shoreline will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid for mutual fund and equity securities transactions, clients must direct Shoreline as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Shoreline will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

Shoreline will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by Shoreline on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

Schwab does not generally charge clients a custody fee and is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While Shoreline will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

Shoreline does not have any arrangements to compensate any broker dealer for client referrals.

Shoreline does not maintain any client trade error gains. Shoreline makes client whole with respect to any trade error losses incurred by client caused by Shoreline.

Shoreline generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which Shoreline arranges transactions. Buckingham Strategic Partners, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case a Shoreline client's orders may be aggregated with an order for another client of

Buckingham Strategic Partners who is not a Shoreline client. See Buckingham Strategic Partners Form ADV Part 2.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Wealth Advisory Services:**

Account assets are supervised continuously and formally reviewed quarterly by the firm's Investment Adviser Representatives. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third-party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

### **Reports:**

All clients will receive quarterly performance reports, prepared by Buckingham Strategic Partners and reviewed by Shoreline, that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account

custodian, which will outline the client's current positions, current market value and the fees charged to their accounts.

### **Employee Benefit Retirement Plan Services:**

Employee Benefit Retirement Plan clients generally receive statements only from their account custodian.

Plan sponsors are provided with quarterly information and annual performance reviews from Shoreline. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

## **Item 14 – Client Referrals and Other Compensation**

### **Client Referrals**

Shoreline does not compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals.

### **Other Compensation**

As indicated under the disclosure for Item 12, Schwab Advisor Services (“SAS”) provides Shoreline with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit Shoreline but may not benefit its clients' accounts. Many of the products and services assist Shoreline in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Shoreline's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Shoreline's accounts. SAS also makes available to Shoreline other services intended to help Shoreline manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Shoreline does not, however, enter into any commitments with SAS for transaction levels in exchange for any services or products from brokers. While as a fiduciary, Shoreline endeavors to act in its clients' best

interests, Shoreline's requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Shoreline of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by SAS, which may create a potential conflict of interest.

Shoreline also receives software from DFA, which Shoreline utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for Shoreline personnel. These services are designed to assist Shoreline plan and design its services for business growth.

Shoreline's clients do not pay more for investment transactions effected and/or assets maintained at Schwab (or any other institution) as result of this arrangement. There is no corresponding commitment made by Shoreline to Schwab, DFA, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

## **Item 15 – Custody**

Shoreline (through Buckingham Strategic Partners) shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Note:** To the extent that Shoreline provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Shoreline with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Shoreline's advisory fee calculation.

Shoreline is also deemed to have custody because a supervised person of the firm is co-trustee for a trust of an advisory client. In addition, certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Shoreline to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

## **Item 16 – Investment Discretion**

Shoreline requests that it be provided with written authority to determine which securities

and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third-party money manager for fixed income accounts. Procedurally, a client will be engaged with Shoreline through an Wealth Advisory Agreement and an Investment Policy Statement (“IPS”) which contains this discretionary authority. In addition, a Client will execute a limited power of attorney to allow Shoreline to execute securities transactions. Any limitations on this discretionary authority shall be included in the IPS. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing and incorporated into the IPS.

When selecting securities and determining amounts, Shoreline observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to Shoreline in writing.

## **Item 17 – Voting Client Securities**

Proxy Voting: As a matter of firm policy and practice, Shoreline does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients’ investment portfolios. Shoreline, however, may provide advice to clients regarding the clients’ voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Shoreline will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client’s account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements. If desired, clients may direct Shoreline to transmit copies of class action notices to the client or a third party. Upon such direction, Shoreline will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Shoreline’s financial condition. Shoreline has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

**ANY QUESTIONS:** Shoreline's Chief Compliance Officer, Marion (Bud) Shore, remains available to address any questions regarding this Part 2A.