



**Item 1 – Cover Page**

# **Bayshore Wealth Advisors**

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**March 22, 2018**

This Brochure provides information about the qualifications and business practices of Bayshore Wealth Advisors [“Bayshore”]. If you have any questions about the contents of this Brochure, please contact us at (786) 888-9400. 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.

Bayshore 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 Bayshore also is 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 Bayshore is 144191.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes. The last annual update of our Brochure was March 3, 2017.

We do not have material changes for our current Brochure, however, please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 22, 2018.

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 Gabriel M. Bustamante, Managing Member at (768) 888-9400.

Additional information about Bayshore is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Bayshore who are registered, or are required to be registered, as investment adviser representatives of Bayshore.

(Brochure Date: 03/22/2018)

(Date of Most Recent Annual Updating Amendment: 03/22/2018)

### Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes .....	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	4
Item 6 – Performance-Based Fees and Side-By-Side Management.....	6
Item 7 – Types of Clients .....	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9 – Disciplinary Information .....	9
Item 10 – Other Financial Industry Activities and Affiliations.....	9
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading .....	10
Item 12 – Brokerage Practices.....	11
Item 13 – Review of Accounts .....	13
Item 14 – Client Referrals and Other Compensation .....	15
Item 15 – Custody .....	16
Item 16 – Investment Discretion .....	16
Item 17 – Voting Client Securities .....	16
Item 18 – Financial Information.....	17

## **Item 4 – Advisory Business**

Bayshore Asset Management, LLC d/b/a Bayshore Wealth Advisors is a fee-only investment advisor owned by Gabriel M. and Marta C. Bustamante as tenants by the entirety. The Managing Member and President of Bayshore is Mr. Gabriel M. Bustamante. Bayshore has been providing advisory services since 2007.

As of December 31, 2017, Bayshore managed \$396,920,494 on a discretionary basis and \$2,700,669 on a nondiscretionary basis. In addition, we advised on \$1,000,519 in participant-directed retirement plans.

### **Advisory Services:**

Bayshore manages investment portfolios for individuals, trusts, family limited partnerships and LLC's, private foundations, pension or profit sharing plans and qualified retirement plans. Bayshore works with clients to determine the client's specific investment objectives.. These objectives may be set forth in a written investment policy statement (IPS) that describes an asset allocation that conforms to a client's risk tolerance level and expected rate of return requirements.

Bayshore uses investment and portfolio allocation software to evaluate alternative portfolio designs. Bayshore evaluates the client's existing investments with respect to the client's investment policy statement and works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Bayshore. Bayshore then continuously monitors client's portfolio holdings and the overall asset allocation strategy and holds regular review meetings with the client regarding the account, as necessary.

Bayshore will typically create a portfolio of no-load, passively managed mutual funds, and, where appropriate, individual fixed income securities, and may use model portfolios if the models match the client's investment policy. Bayshore will allocate a client's assets among various investments taking into consideration the client's unique ability, need and willingness to take risk.

Mutual funds or Exchange Traded Funds (ETFs) that follow a passive investment philosophy generally have low holdings turnover. Consequently, the fund expenses are generally lower than fees and expenses charged by other types of funds. Client portfolios may also include some individual equity securities but these are generally part of clients' investment holdings prior to working with Bayshore. Bayshore manages portfolios on a discretionary and in more limited circumstances, on a non-discretionary basis.

A client may impose any reasonable restrictions on Bayshore's discretionary authority, including restrictions on the types of securities in which Bayshore may invest client's assets and on specific securities, which the client may believe to be appropriate.

For clients with a fixed income allocation, Bayshore generally recommends customized, laddered bond portfolios to clients. Bayshore will typically request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. Bayshore will prepare a separate Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services. Complete customized, laddered fixed income portfolios generally require a minimum level of assets allocated to fixed income. Low-cost passively managed fixed income mutual funds may be used for smaller allocated amounts.

Pursuant to its discretionary authority, Bayshore 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). It is the firm's policy to hold most, but not all, fixed income assets in client portfolios until maturation absent a material change in credit quality or other investment decisions such as tax-loss harvesting opportunities. The manager will obtain Bayshore's consent prior to the sale of any client securities.

Additionally, for clients holding certificate of deposits (CDs), Bayshore provides regular credit surveillance of the banking institution holding the deposit and regularly monitors the total CD positions to ensure principal invested in CDs does not exceed FDIC insurance limits. For accounts linked by the same taxpayer identification number, Bayshore examines CD positions within accounts under Bayshore's management to look for breaches of FDIC insurance limits on principal invested in CDs. The firm does not monitor for CD positions held away from Bayshore. If clients hold CD positions elsewhere, it is their duty to inform Bayshore.

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

For certain clients, in addition to managing the client's investment portfolio, Bayshore may provide various wealth management services including retirement planning, charitable gift planning, college planning, risk management counsel, establishment of and counsel on retirement plans, income and estate tax planning and assistance with assets outside Bayshore's direct management, among other things.

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

Bayshore also offers advisory services to participant-directed employee retirement benefit plans. Bayshore 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.

Bayshore will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles. Bayshore will recommend changes in the plan's investment vehicles as may be appropriate from time to time. Bayshore generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, Bayshore also works in coordination and support with BAM Advisor Services, LLC ("BAM"). Retirement plan clients will engage both Bayshore and BAM. BAM 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.

Bayshore 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.

### **Consulting Services:**

Clients can also receive advice on isolated areas of concern such as estate planning, retirement planning, reviewing a client's existing portfolio, or any other specific topic. Bayshore also provides specific consultation and administrative services regarding investment and financial concerns of the client. This service may be offered for either an hourly fee or for a fixed fee at Bayshore's discretion.

Additionally, Bayshore provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning and/or income tax planning advice.

## **Item 5 – Fees and Compensation**

Bayshore has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. Bayshore has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. Bayshore pays a fee for BAM services based on management fees paid to Bayshore on accounts which use BAM Advisor Services. The fee paid by Bayshore to BAM consists of a portion of the fee paid by clients to Bayshore and varies based on the total client assets participating in BAM Advisor Services through Bayshore. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by Bayshore is established in a client's written agreement with Bayshore. Generally, Investment Management and Employee Benefit Plan clients will have fees charged 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 Bayshore 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 or date assets transferred in).

For Investment Management and Employee Benefit Plan Services, Bayshore 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 Bayshore or its designated service provider, BAM, to withdraw fees from the account.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account at any time after the required 30-day notice, any prepaid, unearned fees will be promptly refunded.

In certain circumstances, fees and account minimums may be negotiable based on family relations, firm affiliations or individual circumstances. Associates of Bayshore are not charged fees on either their personal accounts or accounts of immediate family members.

Bayshore'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 Bayshore 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 Bayshore's fee, and Bayshore shall not receive any portion of these commissions, fees, and costs.

### **Advisory Services**

The annual fee for 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>
On the first \$1,000,000	1.00%
On the next \$1,000,000	0.90%
On the next \$1,000,000	0.80%
On the next \$1,000,000	0.70%
On the next \$1,000,000	0.60%
On all amounts thereafter	0.50%

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>Assets Under Management</b>	<b>BAM's Annual Fee</b>	<b>Bayshore's Annual Fee</b>	<b>Total Fee</b>
On the first \$1,000,000	0.20%	0.80%	1.00%
On the next \$4,000,000	0.15%	0.65%	0.80%
On the next \$5,000,000	0.075%	0.425%	0.50%
On all amounts above \$10,000,000	0.05%	0.45%	0.50%

### **Consulting Services:**

Consulting services may be charged on an hourly basis, ranging from \$250 to \$450 per hour, or for a fixed fee. If appropriate, an estimate for total hours will be determined at the start of the advisory relationship. A retainer may be requested upon completion of



Bayshore's fact-finding session with the client, however, advance payment will never exceed \$1200 for work that will not be completed within six months. The balance will be due upon completion of the consulting service. Bayshore's consulting fee(s) will be determined on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

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

Bayshore 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**

Bayshore provides services to individuals, trusts, family limited partnerships and LLC's, private foundations, pension or profit sharing plans and qualified retirement plans.

Bayshore requires a minimum account of \$1,000,000 for Investment Management Services. This account size may be negotiable under certain circumstances.

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

### *Methods of Analysis and Investment Strategy*

Bayshore's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Bayshore'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. Bayshore recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. Bayshore 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, Bayshore'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. Bayshore'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 Bayshore's strategy seeks to minimize.

In the implementation of investment plans, Bayshore therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. Bayshore may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and Bayshore 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.

Bayshore'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.

Bayshore receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). Bayshore 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 Bayshore.

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

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Bayshore 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, Bayshore 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 Bayshore 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 Bayshore'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 Bayshore 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.

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

#### Interval Fund Risk:

An interval fund is a type of closed-end fund containing shares that do not trade on the secondary market. Instead, the fund periodically offers to buy back a percentage of outstanding shares at net asset value.

The rules for interval funds, along with the types of assets held, make this investment largely illiquid compared with other funds. The primary reasons for investors to consider investing in interval funds Bayshore may utilize include, but are not limited to, gaining exposure to certain risk categories that provide diversified sources of expected returns, part of which may be in the form of illiquidity premiums. Access to the intended risk and expected return characteristics may not otherwise be available in more liquid, traditional investment vehicles.

Where appropriate, Bayshore may utilize certain interval funds structured as non-diversified, closed-end management investment companies, registered under the Investment Company Act of 1940. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired, and the fund may suspend or postpone purchases. Clients should carefully review the fund's prospectus to more fully understand the interval fund structure and the corresponding liquidity risks. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment 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.

## **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 Bayshore or the integrity of Bayshore's management. Bayshore has no information applicable to this Item.

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

### BAM Advisor Services, LLC

As described above in Item 4, Bayshore 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. Bayshore selects BAM Advisors Services, LLC for such fixed income management. Bayshore also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. Bayshore has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of Bayshore continuously makes this assessment. While Bayshore has a contract with BAM Advisor Services, LLC governing a time period for back office services, Bayshore has no such fixed commitment to the selection of BAM

Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

**Business Continuation:** In order to ensure continuity of investment advisory services to clients in the event of the death or prolonged incapacity of Bayshore's principal executive officer, Bayshore has contracted with Buckingham Asset Management, LLC ("Buckingham") to act as sub-advisor to clients' portfolios. Bayshore's agreement with Buckingham provides that Buckingham, in consultation with Bayshore's investment advisory representative, may determine, for a period of up to one-hundred eighty (180) days following such death or incapacity, to act as sub-advisor and to provide portfolio management and related services to Bayshore's clients. In the event of the principal executive officer's death or incapacity, and prior to activating Buckingham's sub-advisory authority, Bayshore shall provide written notice to each client.

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

Bayshore has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Bayshore's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Bayshore's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Bayshore may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of Bayshore 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, Bayshore 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 principal. Bayshore 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).

Bayshore'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. Bayshore 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.

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

It is Bayshore's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Bayshore will also not affect cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, 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 hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, 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 adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Bayshore arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, Bayshore may participate in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., the Fidelity Institutional Wealth Services (FIWS) program, sponsored by Fidelity Brokerage Services, LLC ("Fidelity") and the TD Ameritrade Institutional Program offered by TD Ameritrade, Inc. TD Ameritrade Institutional ("TDA") is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. Schwab, Fidelity and TD Ameritrade are unaffiliated SEC-registered broker dealers and FINRA member broker dealers. Each offers to independent advisors services which include custody of securities, trade execution, clearance and settlement transactions.

With respect to retirement plans and after-tax annuities, Bayshore participates in the TIAA-CREF Financial Advisor Program offered to fee-only advisors. Bayshore may also recommend after-tax annuities from Transamerica Financial Life Insurance Company, a member of the AEGON Insurance Group.

The Schwab, Fidelity and TD Ameritrade brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Bayshore regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to Bayshore's service arrangements and capabilities, and Bayshore may not accept clients who direct the use of other brokers. As part of these programs, Bayshore receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As Bayshore 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 Bayshore as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that Bayshore 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.

Bayshore will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by Bayshore 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.

SAS, FIWS and TDA do not generally charge clients a custody fee and are 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 Bayshore 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.

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

When trading client accounts, errors may periodically occur. In all circumstances involving trade errors, clients are "made whole." Bayshore is always responsible for trade error losses. Errors may also result in gains in client accounts, in which case some custodians provide to Bayshore any gains that would have occurred in the client account as a result of the error. For such situations, Bayshore has established a procedure to use such gains to offset any losses for which it is responsible. For clients utilizing TD Ameritrade for brokerage services, TD Ameritrade maintains a policy that any trade error gains will be donated by TD Ameritrade to charity.

Bayshore 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 Bayshore arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in

which case a Bayshore client's order may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an Bayshore client. See BAM Advisor Services, LLC Form ADV Part 2.

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

Bayshore does not arrange for the execution of securities transactions for plans as a part of this service. Transactions are executed directly through employee plan participation.

### **Consulting Services:**

Bayshore's consulting practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Clients will be required to select their own broker dealers and insurance companies for the implementation of consulting recommendations. Bayshore may recommend any one of several brokers. Bayshore clients must independently evaluate these brokers before opening an account. The factors considered by Bayshore when making this recommendation are the broker's ability to provide professional services, Bayshore's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. Bayshore's consulting clients may use any broker or dealer of their choice.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Advisory Services:**

Account assets are supervised continuously and generally formally reviewed quarterly by Gabriel M. Bustamante, Managing Member of Bayshore or Gabriel J. Bustamante, Wealth Advisor. 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.

### **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.

### **Consulting Services:**

Consulting accounts will be reviewed as contracted for at the inception of the advisory relationship.

### **Reports:**

### **Advisory Services**

All investment management and employee benefit retirement plan services clients will receive quarterly performance reports, prepared by BAM and reviewed by Bayshore, 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 and current market value.

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

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

### **Consulting Services**

Consulting Services clients will not typically receive reports due to the nature of the service.

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

### Client Referrals

Bayshore may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. Bayshore is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by Bayshore and all applicable Federal and/or State laws will be observed.

### Other Compensation

As indicated under the disclosure for Item 12, SAS, FIWS and TDA provide Bayshore 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 Bayshore but may not benefit its clients' accounts. Many of the products and services assist Bayshore 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 Bayshore'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 Bayshore's accounts. Recommended brokers also make available to Bayshore other services intended to help Bayshore 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. Bayshore does not, however, enter into any commitments with the broker for transaction levels in exchange for any services or products from brokers. While as a fiduciary, Bayshore endeavors to act in its clients' best interests, Bayshore's requirement that clients maintain their assets in accounts at SAS, FIWS and TDA may be based in part on the benefit to Bayshore 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 Schwab, which may create a potential conflict of interest.

Some of these same benefits may also be available on the TIAA-CREF and AEGON platforms.

Bayshore also receives software from DFA, which Bayshore utilizes in forming assets allocation strategies and producing performance reports. DFA also provides continuing

education for Bayshore personnel. These services are designed to assist Bayshore plan and design its services for business growth.

## **Item 15 – Custody**

Investment Management and Employee Benefit Plan Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Bayshore urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

Bayshore 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. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

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

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

Proxy Voting: As a matter of firm policy and practice, Bayshore does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. However, Bayshore may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Bayshore 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 Bayshore to transmit copies of class action notices to the client or a third party.

Upon such direction, Bayshore 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 Bayshore's financial condition. Bayshore 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.