

Guideline Investments LLC - Form ADV Part 2A

Updated: March 30, 2018

ITEM 1: GUIDELINE INVESTMENTS, LLC

This brochure provides information about the qualifications and business practices of Guideline Investments, LLC, an SEC-registered investment adviser located at 3050 S Delaware St #202, San Mateo, CA 94403.

The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration does not imply a certain level of skill or training.

Additional information about Guideline Investments, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

If you have any questions about the contents of this brochure, please contact us at (888) 228-3491 or hello@guideline.com. You may also visit our website at www.guideline.com.

Guideline Investments, LLC’s CRD number is: 281515.

ITEM 2: MATERIAL CHANGES

This brochure was published on March 30, 2018. It includes the following material changes from our previous brochure dated October 24, 2017.

Item 4A: Firm

Guideline Technologies, Inc., the principal owner of Guideline Investments, LLC, has changed its name to Guideline, Inc.

Item 5A: Fees

Guideline, Inc. charges plan sponsors a recurring monthly fee of \$4-\$8 per plan participant, with a minimum account fee of \$40 per plan, which covers the first 5 participants.

Item 8C. Exchange Traded Funds

Guideline does not offer Exchange Traded Funds in its investment menu.

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ITEM 4: ADVISORY BUSINESS

This brochure was written to help you learn more about Guideline's investment management business. If you cannot find what you are looking for here, please direct your questions to hello@guideline.com, our website www.guideline.com, or by calling us at (888) 228-3491.

A. Firm

Guideline Investments, LLC (hereinafter "Guideline") is a Limited Liability Company, formed on September 2015, and organized in the State of California. Its principal owner is Guideline, Inc., a Delaware Corporation.

B. Services

Guideline provides investment management fiduciary services for retirement plans administered by Guideline, Inc.

Guideline's services include investment research, selection, monitoring, and management of qualified default investments and portfolios for retirement plans. Guideline exercises full authority to manage retirement plan assets pursuant to Section 3(38) of the Employee Retirement Income Security Act of 1974 ("ERISA").

Guideline also provides investment recommendations to retirement plan participants via its proprietary software, and primarily recommends managed portfolios comprised of mutual funds.

Guideline's investment decisions are made in the best interest of retirement plan participants. Guideline's economic, investment, and other financial interests are not taken into consideration when making investment decisions.

C. Client-Tailored Services and Client Restrictions

Guideline offers the same ERISA 3(38) investment management and advisory services described in the "Services" section above to all retirement plan clients.

These services include automated investment advice to retirement plan participants via our proprietary software. Pursuant to ERISA Section 404(c), Guideline provides a selection of

diversified investments representing a range of risk/return characteristics. Participants can choose to invest in one of our managed portfolios - recommended based on the participant's reported risk tolerance and estimated time until retirement - or create a custom portfolio from our investment menu.

Clients may not impose restrictions on investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

In a wrap fee investment program, the investor pays one stated fee to cover management fees, transaction costs, fund expenses, and other administrative fees. Guideline does not participate in any such wrap fee program.

E. Client Assets

As of March 30, 2018, Guideline managed \$340 MM in retirement plan assets on a discretionary basis, and did not manage any non-discretionary assets.

ITEM 5: FEES AND COMPENSATION

A. Fees

Guideline's 3(38) investment management services are rendered to clients of Guideline, Inc. at no charge.

However, Guideline, Inc. charges plan sponsors a one-time fee of \$500 to setup a 401(k) plan, and a recurring monthly fee of \$4-\$8 per plan participant. The minimum \$40 monthly fee covers the first 5 participants per plan for retirement plan services. These fees are negotiable.

Guideline, Inc. provides a detailed schedule of fees to plan sponsors upon entering into a contract for services. Guideline, Inc. also furnishes a detailed schedule of administrative fees to plan participants in a fee disclosure statement upon enrollment and on an annual basis. Neither Guideline nor Guideline, Inc. charges 401(k) plan participants any fees for plan administration or

Assets Under Management (AUM) unless they have terminated employment with the company sponsoring their retirement plan.

Guideline, Inc. permits plan sponsors to terminate services with ninety (90) days' notice, which will also terminate advisory services. Applicable termination fees are set forth in Guideline, Inc.'s fee disclosure.

B. Billing & Payment

Monthly invoices are sent by Guideline, Inc. following the end of the month in which services were provided. Fees are paid via electronic fund transfer.

C. Third Party Fees

Plan sponsors and participants are responsible for the payment of third party fees to Guideline, Inc., including but not limited to third party fees that are billed to Guideline, Inc. by the custodian. Plan sponsors and participants are also responsible for the payment of third party brokerage fees, mutual fund fees, transaction fees, and other investment-related fees.

D. Prepayment of Fees

Prepayment of fees is not accepted.

E. Compensation For the Sale of Securities to Clients

Neither Guideline nor any supervised persons accept compensation for the sale of securities or other investment products.

ITEM 6: PERFORMANCE-BASED FEES

Neither Guideline nor its supervised persons accept performance-based fees on a share of capital gains on, or capital appreciation of, the assets of a client.

ITEM 7: TYPES OF CLIENTS

Guideline provides ERISA 3(38) investment management and advisory services to retirement plans and participants managed by Guideline, Inc.

Guideline, Inc. requires plans to have a minimum account fee of \$40 per month.

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

A. Methods of Analysis and Investment Strategies

Guideline's investment philosophy has four primary principles:

- (1) save adequately,
- (2) limit investment costs by using low-cost index funds,
- (3) diversify broadly across the major asset classes, using index funds to track those asset classes, investing over time with regular contributions from payroll, and
- (4) play the long game by viewing retirement investing and planning as a long-term activity.

For diversification, Guideline adheres to modern portfolio theory, a theory of investment which attempts to maximize portfolio return for a given amount of risk, or minimize risk for a given level of return.

Investors should be aware that investing in securities involves a risk of loss that the investor should be prepared to bear.

B. Material Risks

Modern Portfolio Theory assumes that investors are risk averse and will only take on increased risk if compensated with higher expected returns. Following the same line of logic, an investor who wants higher returns will need to accept greater risk. Different investors will evaluate the trade-off differently based on their own individual risk aversion. When choosing between portfolios, the implication is that a rational investor will invest in the portfolio with the most favorable risk-to-expected-return profile.

Long term investing is designed to capture market rates of both return and risk. Investing in the capital markets can expose clients to various types of risk that will typically surface at different intervals during the time the client owns the investments. These risks include, but are not limited to, market risk, political and regulatory risk, interest rate risk, credit and inflation (purchasing power) risk.

C. Risks of Specific Securities

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the Federal Deposit Insurance Corporation (“FDIC”) or any other government agency:

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Investors may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. Primary asset classes of the funds represented in Guideline portfolios include stocks or “equities”, bonds or “fixed income”, and cash equivalents (lower risk).

ITEM 9: DISCIPLINARY INFORMATION

A. Criminal or Civil Actions

Guideline has no criminal or civil actions to report.

B. Administrative Proceedings

Guideline has no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

Guideline has no self-regulatory organization proceedings to report.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Broker-Dealer or Broker-Dealer Representative Registration

Neither Guideline nor its representatives are registered as, or have pending applications to register as, a broker/dealer or a representative of a broker/dealer.

B. Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor Registration

Neither Guideline nor its representatives are registered as, or have pending applications to register as, either a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor or an associated person of the foregoing entities.

C. Material Relationships and Possible Conflicts of Interests

Guideline and its representatives are committed to acting in the best interest of its clients. Clients are not required to use the services of any Guideline representative in connection with the individual representative's activities outside of Guideline.

Carol B. Ho is a licensed attorney. Ms. Ho shall not provide legal advice to clients. Clients should be aware that provision of any legal advice by Ms. Ho may involve a conflict of interest.

Nicolle Willson is an independent licensed insurance agent. Ms. Willson shall not provide insurance services to clients. Clients should be aware that provision of any insurance services that would pay a commission or other compensation may involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment advisor.

D. Material Conflicts of Interest From Other Investment Advisers or Managers

Guideline does not recommend or select other investment advisors to clients for which it receives compensation. Nor does Guideline maintain other business relationships with such advisors, as this would create a material conflict of interest.

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

A. Code of Ethics

Guideline has a written Code of Ethics pursuant to SEC rule 204A-1 or similar state rules that covers the following areas:

Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions.

Guideline's Code of Ethics is available upon request to any client or prospective client, at no charge.

B. Recommendations Involving Material Financial Interests

Guideline does not recommend that clients buy or sell any security in which a related person to Guideline or Guideline has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

Guideline's representatives may buy or sell mutual funds for themselves that Guideline also recommends to clients. Though this may provide an opportunity for Guideline representatives to

buy or sell the same securities before or after recommending the same securities to clients, Guideline does not believe any such transaction could potentially create a conflict of interest.

Guideline documents any and all transactions that could possibly be construed as a conflict of interest. Guideline does not engage in trading that operates to a client's disadvantage when similar securities are being bought or sold. Representatives of Guideline adhere to fiduciary standards mandated by applicable federal and/or state securities regulations as well as ERISA. Plan investments are managed for the exclusive benefit of plan participants.

D. Trading Securities At or Around the Same Time as Clients' Securities

From time to time, representatives of Guideline may buy or sell securities for themselves at or around the same time as clients. Though this may provide an opportunity for representatives of Guideline to buy or sell securities before or after recommending securities to clients, Guideline representatives do not profit off of the recommendations they provide to clients. Guideline does not believe such transactions could potentially create a conflict of interest.

Guideline documents any and all transactions that could possibly be construed as a conflict of interest. Guideline does not engage in trading that operates to the client's disadvantage when similar securities are being bought or sold. Representatives of Guideline adhere to its fiduciary standards mandated by ERISA and applicable federal and/or state securities regulations. Plan investments are managed for the exclusive benefit of plan participants.

ITEM 12: BROKERAGE PRACTICES

A. Selection of Custodians and/or Broker-Dealers

Guideline, Inc. requires its clients to use Benefit Trust Company as their custodian.

Custodians and/or broker-dealers are selected based on the duty of Guideline, Inc. to seek "best execution." This duty drives Guideline, Inc. to seek the most favorable terms of execution of securities transactions for the client, under the circumstances. Guideline, Inc. is committed to negotiating the most reasonable fees for the benefit of clients, which includes selecting only commission-free, low expense ratio mutual funds that trade at NAV at the end of a given day.

Research and Other Soft-Dollar Benefits

Guideline conducts its own investment research. Currently, Guideline does not have a soft dollar program or any plans to implement one.

Brokerage for Client Referrals

Guideline receives no referrals from a broker-dealer and/or third party in exchange for use of that broker-dealer and/or third party.

Directed Brokerage

Guideline does not require clients to execute transactions through a specified broker-dealer (not all advisers require their clients to utilize a direct brokerage).

B. Aggregating (Block) Trading for Multiple Client Accounts

Guideline maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

ITEM 13: REVIEW OF ACCOUNTS

A. Frequency of Reviews and Who Makes Those Reviews

Guideline's Investment Committee reviews our managed investment portfolios on a quarterly basis to ensure portfolio characteristics and investment performance adhere to the defined portfolio goals. Guideline's Investment Committee is composed of Guideline investment adviser representatives.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Non-periodic reviews may be triggered by material market, economic or political events, or by changes in clients' financial situations, such as retirement, termination of employment, or disability.

C. Content and Frequency of Regular Reports Provided to Clients Regarding their Accounts

Guideline provides plan participants with a quarterly report detailing the client's account, including: assets held, asset value, and calculation of fees. Clients may also view their account balance and transactions from their online dashboard, updated daily.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

Guideline does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Guideline's clients.

B. Compensation to Non-Advisory Personnel for Client Referrals

Guideline may enter into written arrangements with third parties to act as solicitors for Guideline's services. Solicitor relationships will be fully disclosed to each client to the extent required by applicable law. Guideline will ensure that each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Investment Advisers Act, as applicable.

ITEM 15: CUSTODY

Guideline does not take custody of client accounts at any time. Custody of client accounts is held by Benefit Trust Company. Guideline reviews client account information against custodial account statements to ensure accurate accounting of funds.

ITEM 16: INVESTMENT DISCRETION

Guideline exercises discretionary trading authority with regard to funds invested in Guideline's managed portfolios. This enables Guideline to buy, sell, and specify the number of securities in a participant's account without first obtaining the participant's specific consent. This authority is limited to the transfer or exchange of participant funds between asset classes within mutual fund families and/or other securities to achieve results consistent with the goals of the client's selected investment portfolio. This discretion does not extend to clients who have created a custom portfolio.

ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)

Proxy voting is carried out by the mutual fund manager for each security the fund holds. Clients should direct all proxy questions to the mutual fund manager. Should a fund require proxy votes for its own management, Guideline will assume voting authority for participants in accordance with its proxy voting policies.

ITEM 18: FINANCIAL INFORMATION

A. Balance Sheet

Guideline is not required to include a balance sheet with this brochure, because it neither requires nor solicits prepayment of more than \$1,200 in fees per client.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither Guideline nor its management have any financial condition that is likely to reasonably impair Guideline's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions

Guideline has not been the subject of a bankruptcy petition at any time during the last ten years.