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**March 30, 2021**

This brochure provides information about the qualifications and business practices of StraightLine Group LLC. If you have any questions about this brochure please contact us at 866-401-5238, or by email at [info@straightline.com](mailto:info@straightline.com).

The information in this brochure has not been approved of or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment advisor. Registration of an advisor does not imply a certain level of skill or training.

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



## ITEM 2: SUMMARY OF MATERIAL CHANGES

This Brochure is dated March 30, 2021.

Since our last brochure, dated March 30, 2020, we have had no material changes.

Pursuant to SEC Rules, we will ensure that you receive a summary of material changes, if any, to this and subsequent Brochures within 120 days of the close of our fiscal year. We will also, at that time, offer to send you the then-current Brochure. We may further provide other ongoing disclosure information about material changes as necessary.

We will 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, free of charge, by contacting Doris Karras, our Chief Compliance Officer at 866-401-5238 or by emailing us at [info@straightline.com](mailto:info@straightline.com). You may also access the brochure online via the “Legal” link at the bottom of any page at [www.straightline.com](http://www.straightline.com)

Additional information about us 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 us who are registered, or are required to be registered, as one of our investment advisor representatives of our firm.



### ITEM 3: TABLE OF CONTENTS

Item 2: Summary of Material Changes.....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	6
Item 6: Performance Based Fees .....	9
Item 7: Types of Clients .....	9
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss .....	9
Item 9: Disciplinary Information that involves StraightLine or one of its Management Persons.....	12
Item 10: Other Financial Industry Activities and Affiliations.....	12
Item 11: Code of Ethics or Interest in Client Transactions and Personal Trading.....	12
Item 12: Brokerage Practices.....	14
Item 13: Review of Accounts.....	16
Item 14: Client Referrals and Other Compensation .....	17
Item 15: Custody .....	17
Item 16: Investment Discretion .....	17
Item 17: Voting Client Securities .....	17
Item 18: Financial Information.....	18



## **ITEM 4: ADVISORY BUSINESS**

We have been in continuous operation since our incorporation in June, 2002. We offer financial advisory services to clients on either their employer sponsored retirement program accounts or their personal investment accounts. We also offer advice to sponsors of 401(k) and 403(b) plans. With respect to our 401(k) and 403(b) business, we have always been a “fee only” advisor. Our compensation is not commission based but is either a flat fee or is calculated as a percentage of assets under management.

Michael F. Bisaro, President and CEO is our owner. Our executive officers include Bethany W. Mosshart, Chief Operating Officer/Director of Administration, Steven F. Mosshart, Chief Investment Strategist, and Doris C. Karras, our Chief Compliance Officer. Additional information about our personnel may be found in our brochure supplement.

### **Service to Individuals**

#### ***Full Service Employer Sponsored Retirement Plan Assistance***

For individuals who participate in an employer sponsored retirement plan such as a 401(k) or 403(b), we offer discretionary account management, meaning we determine how to invest your account assets and then we actively manage the account for you. We call this full service. We make strategic reallocation decisions periodically and, using either an advisor login or your internet user name and password, implement those changes in your account.

We analyze the funds available in your employer’s plan and we select the funds we will recommend to you. If you become our client, we meet with you in person or by phone to determine your risk tolerance and overall goals for investment of your account. After signing an agreement to work together, we use a questionnaire to help us decide which model allocation is appropriate for you. We will communicate with you via email or U.S. Mail at least quarterly with market information and account updates. We will also send you communications whenever we make a change to your account allocations.

#### ***Advice Only Assistance***

We also offer a non-discretionary advice service. If you become an advice client, we will gather all the same information from you that we would if you were a full service client. The difference is that instead of implementing the changes we recommend for you we will send you our recommendations. It is up to you to make our recommended changes, but you are not obligated to do so.



## ***STARs***

We also manage personal investment accounts such as IRAs, joint accounts or individual accounts on a discretionary basis using the same research based process and risk assessment, and discretionary management style as in our full service retirement account management service. We generally recommend using Charles Schwab & Co., Inc. (Schwab) as the account custodian and we actively manage these accounts on their platform. We call this service **STARs**, which stands for StraightLine's Targeted Allocation Recommendations.

If you become a STARs client after an initial consultation, signing an agreement to work together and information gathering, your account(s) will be opened at Schwab. Once assets are received at Schwab we begin our discretionary management program, investing your account in stocks and bonds, or in mutual funds. In most cases we use mutual funds to provide the diversification and market coverage we feel is necessary for you, depending on your risk tolerance and financial circumstances. Through our relationship with Schwab and by using their registered investment advisor platform of services, we have access to institutional shares, one of the lowest cost groups of mutual funds available. Please see "***STARs Management Fees***" beginning on page 7 for more information on the Schwab platform.

StraightLine now works with sub-adviser to provide some additional fixed income and equity opportunities for clients whose investment and risk profiles, as well as their total assets (generally \$500,000 investable assets), make these choices appropriate. Separate accounts will be created on Schwab's Managed Account platform for these investments. A premium will be paid for any bond purchases that take place through this account. For the new equity strategies, a separate management fee, ranging from .40% to .60% will be paid by the client, in addition to StraightLine's regular management fee. That fee will be similar to the internal fees charged by mutual fund managers.

Fund selection is based on a wide variety of factors that our Research Department studies including cost, performance of the fund itself vs. its peers and the industry as a whole. We also consider factors such as how long the manager has been in charge, style drift (if it is billed as a certain type of fund, we make sure that's how it is actually invested). We use a variety of tools in this extensive research process, as well as information about the larger economic picture, historic market information, etc.

## ***Financial Planning***

We are often asked to provide help in planning for future savings and spending. We use a number of tools to help us gather pertinent information about a client's financial situation, needs, budgets, years to work, etc. We use those tools and systems to evaluate the information gathered and then



make recommendations based on the reports generated. We meet once to gather information and then, after using a computer modeling system, meet again to share and discuss the results of our research. At the second meeting we share our recommendations for future investment of accounts at either a fund specific or asset class level. Clients can also choose to continue to receive our asset based recommendations in an ongoing fashion.

### **Services to Plan Sponsors**

We also provide investment advice to plan sponsors. Every plan should have a clear investment policy that sets out how the plan is to be run and how its performance and the performance of its investments are analyzed and reviewed. We assist plan sponsors with development and review their investment policy statement. We begin with a general meeting to obtain background information and determine the scope of services required. Once the investment policy statement is finalized, we can also assist in the selection of investment categories as well as specific investment choices. We offer an independent view of the funds and investment vehicles available.

We also assist plan sponsors in periodic reviews of investment choices. The specific services we provide to a plan sponsor may vary depending on our relationship. Thus, our agreement with the plan sponsor will describe the specific services we agree to provide the plan sponsor.

We are also contracted to offer educational services to plan participants. We provide a variety of seminars that, at plan sponsor request and expense, offer unbiased and clear content for their employees' benefit.

In any of our services, our clients may place reasonable restrictions on their accounts making it possible for a client to exclude a certain market sector or particular securities.

### **Assets Under Management**

We manage assets on both a discretionary and non-discretionary basis. As of December 31, 2020, we had \$1,001,745,133 in client assets managed on a discretionary basis and \$55,083,164 in client assets managed on a non-discretionary basis.

## **Item 5: FEES AND COMPENSATION**

### **Fees for Individual Services**

#### ***Full Service Fees***

The fee for this service currently ranges from \$0 (if the starting account balance is \$0) up to \$1,200 per year. Our fees are negotiable based on our discussions with you or your employer. Our fee is for 12 months of service and will be billed quarterly. Our fee can be paid from your plan account,



by the plan sponsor, or directly by you, as determined at the time the service begins. If you are paying directly for the service, you can pay by check or credit card.

### ***Advice Only Fees***

The maximum fee for this service is currently \$400 per year. The fee is negotiable based on our discussions with you or your employer. The fee is for 12 months of service. The fee is billed quarterly or annually. It can be paid from your plan account, by the plan sponsor, or by you, as determined at the time the service begins. If you are paying for the service, you can pay by check or credit card.

### ***STARs Management Fees***

Our STARs management fees are paid quarterly, in advance. These fees are typically deducted from your account. Based on our agreement with you, however, you may pay the fee directly, either by credit card or check. Fees vary from client to client based upon the types of securities being managed and the size of the account. Fees typically range from a low of 0.5% per year to a high of 2.0% per year.

All portfolio management fees and the minimum account size are negotiable, so clients receiving similar services may pay different fees. Transaction fees may be charged by the custodian in addition to our management fees. Through our relationship with Schwab we have access to institutional shares, one of the lowest cost groups of mutual funds available. These are generally no load funds which mean there is no charge to buy or sell shares in the fund. Occasionally we choose a fund with a fee charged by Schwab for buying or selling the fund (typically no more than \$25 per transaction per account). If we recommend that you purchase or sell an individual stock or ETF, you will incur brokerage transaction fees, which currently range from \$0 to \$4.95.

The fee for STARs management is based on the market value of the assets in the account, including cash balances and money market fund balances. The initial fee is charged from the date the account is funded through the end of that calendar quarter, if the account is opened for more than 30 days before the quarter ends.

After the initial period, our fee is charged quarterly, in advance, and is based on the market value of the assets in the account on the date of the close of the previous quarter. For example, a fee charged on January 1 for first quarter fees, would be calculated using the account value as of December 31 close of business. No adjustments are made to the fee for changes in market value during the quarter, or for deposits or withdrawals. We may, at our discretion, combine the value of related accounts for fee calculation purposes.



We may amend our fees with advance written notice to you, in accordance with the terms in our agreement with you.

### ***Financial Planning Fees***

There are two levels of service for Financial Planning. If a client requests fund specific recommendations at their second meeting, the one-time cost for the two meetings is \$1,500. If the client prefers to have asset class based recommendations (not a specific fund in which to invest, but a broad class recommendation such as International, or Large Cap growth, for instance) the one time cost for the two meetings is \$1,000. Clients of either type can enroll for continuing asset class recommendations, which would be sent at such time as changes were being made to our full service client accounts in STARs. The annual cost for continuing service is \$400.

### **Fees to Plan Sponsors**

We negotiate our fees with Plan Sponsors on a case by case basis and the fees are set forth in our agreements with the Plan Sponsor. Generally these fees are based on total plan assets. Fees for education services are \$1,750/day/educator which is charged for creation and delivery of materials, presentations and travel. Travel outside the Midwest may involve higher charges.

### **Fees Charged by Others**

Mutual funds of all types charge their shareholders various fees and expenses associated with, for example, the establishment and operation of the fund, its management, servicing, etc. All fund fees are explained in the current prospectus for each fund, which is available from the fund. Copies of prospectuses can also be requested by contacting us at [info@straightline.com](mailto:info@straightline.com).

With any type of mutual fund investment the investor pays those fund fees, though they are not always clearly visible. If you invest in mutual funds, you will pay those fees in addition to our management fee. Generally speaking, most mutual funds (though not all share classes) may be purchased directly, without using our services, and without incurring our advisory fees.

For our sub-managed accounts, held on Schwab's Managed Account platform, there will be additional fees paid to the sub-adviser. A premium will be paid for any bond purchases, which will be included in the price of the bond(s). For the equity strategies, a separate management fee, ranging from .40% to .60% will be paid directly from the account on the platform, in addition to StraightLine's regular management fee. That fee will be similar to the internal fees charged by mutual fund managers. Generally speaking, you can purchase bonds and equities (stocks) directly without incurring our advisory or sub-advisory fees.



## **Cancellation and Refunds**

You may terminate our agreement at any time by written notice and we may terminate your agreement in the same manner. We will provide a pro-rated refund of any pre-paid, unused fee to you within 30 days of termination, provided more than 30 days remain in the billing period.

## **Other Compensation Received by StraightLine**

We are a licensed insurance agency with the State of Michigan and some of our investment advisor representatives are licensed insurance agents. As part of our investment advice, we may recommend the purchase of life insurance or fixed annuities. If you choose to purchase an insurance product from us, we will receive a commission equal to the first year's premium directly from the insurance company. This may create a conflict of interest. To mitigate this conflict, you are free to purchase any recommended life insurance from an agent of your choice.

### **ITEM 6: PERFORMANCE BASED FEES**

We do not charge any performance based fees.

### **ITEM 7: TYPES OF CLIENTS**

We work with individuals, charitable organizations, corporations, pension and profit sharing plans, universities and other employers to provide our services. We do not advise or manage any mutual funds or other investment companies. We do not have a minimum account size.

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

We work with you to determine your risk model as the first step in setting up an appropriate investment strategy for you. We use a questionnaire to help us learn about your timeframe, total assets, attitude toward risk and loss and familiarity with investing. The answers to these questions, along with personal conversations and individualized questions and answers help us select a model for your investments. You are always free to select a more or less aggressive model than what we recommend from this process. We ask that you keep us up to date on major life changes and situations that could affect your investment needs such as the birth of children, college savings, retirement and illness.

It is important that you know that ALL investments carry risk of loss. Different investments have different risks. Matching a client's risk profile to the appropriate model and exposure to risk is extremely important. It is generally established that there is a trade off in investing between risk and reward. While stocks can be very risky as investments they can also yield high returns.



We have entered into a sub-advisory relationship to develop customized investment strategies based on the specific investment needs, goals and objectives of our clients. Under this arrangement, the sub-adviser will assist Straightline in developing model portfolios, assessing funds and investments and continuing to evaluate economic data and how it may affect our model portfolios, clients and their accounts. We will retain the right to replace the sub-adviser on a discretionary basis. While clients will not have a direct contractual relationship with the sub-adviser, Straightline will provide the client with the sub-adviser's firm brochure (Part 2 of Form ADV).

In addition, we offer access to separately managed accounts through our sub-adviser, which are available to clients whose accounts meet the sub-adviser's minimums (generally \$500,000 investable assets). In this situation you will help you open a separate account on Schwab's Managed Account platform, and you would sign an addendum to our normal agreement, accepting the sub-adviser's management and fee.

We have developed five model portfolios that we use for investing. The most aggressive of these is currently invested primarily in equity mutual funds and ETFs, so they are tied directly to the markets, both domestic and foreign. This portfolio carries the highest degree of risk of loss if the stock markets lose value. When the stock markets are moving in a positive manner, however, this portfolio may take advantage of those increases the most.

At this time our least aggressive model portfolio allocates a very small percentage of the account to equity funds. The remainder of the portfolio is invested in "fixed income" funds. These are mutual funds that are typically invested in bonds of corporations or municipalities, cash or cash equivalents and are considered less risky. While these funds have less risk associated with them, they also typically yield a lower return than the more aggressive funds that are invested all in equities.

Balancing risk and stability is extremely important for us and our clients. As our portfolios become more aggressive the amount we allocate to equities increases and the amount we allocate to fixed income funds decreases. Our current models (subject to modification as needed) and their respective percentages of equity to fixed income, from least aggressive to most aggressive, are:

20% equity funds – 80% fixed income  
40% equity funds – 60% fixed income  
60% equity funds – 40% fixed income  
80% equity funds – 20% fixed income  
100% equity funds



If you have a STARs account, we will generally allocate at least 2% of your portfolio to cash. The balance of your account will be allocated in accordance with the percentages of your selected model as set forth above. It should be noted that these are our current allocation models. The models may be adjusted from time to time based upon market, world and economic changes.

In general we choose to recommend investments in mutual funds. A mutual fund is a way for investors to combine their funds and have them managed by a professional. Generally individuals buy shares in the fund and the fund manager uses those dollars to invest in the fund's stated strategy of assets. The fund manager charges a fee for his/her work. The fund's value reflects the net asset value (NAV – which is the value of all of the investments held in it), less this fee. Funds are designed to invest in a certain way (all in big companies, perhaps, or all in foreign, small companies, for example.) There are many different ways for funds to be designed, managed, invested, etc. There are also a number of ways for the fund to charge fees.

We use a number of tools to analyze the investment choices available to all our clients. For our retirement account clients we do a thorough review of the fund choices offered within their plans. Using tools such as Morningstar (to help us investigate the stocks or bonds held within the funds, the fees and performance) we select the funds most likely to meet the clients' needs in as many market sectors as possible.

We use the same processes with our STARs service, but at Schwab we are not restricted to just the funds and investments offered within a retirement plan. We analyze a far wider group of choices and again, using many comparative items, choose the funds we think will best meet our clients' needs.

We do historic comparisons and study current and past economic situations and results. We also use a number of different financial planning strategies to determine the allocation percentages we think will work best for our clients, keeping in mind their age, risk model and investment goals. There are a number of complex financial planning theories and tools to help us determine the funds, market sectors and timing of our investment decisions. Our Research Department reads, digests, discusses and monitors numerous financial publications, websites and programs to keep up with the markets, economic and governmental situations. They make decisions about when to make a change to an account's holdings both from an investment and allocation standpoint.

There have been some trends established in the markets over time. Historically market sectors seem to perform well for a few years, then not as well as some others, and then rise again. Periodically we will rebalance the accounts we manage to take advantage of a market sector that appears ready to rebound or recover. We may also adjust our holdings in a sector that appears on



the verge of dropping. By carefully monitoring all these variables we strive to maximize return while minimizing risk for our clients.

There is always a risk of loss when investing in anything that does not have a fixed, guaranteed rate of return. Understanding our clients' needs and desires for their accounts is as important as making sure they understand our plan for them. Communication about our strategies, ideas, plans, etc., as well as about any moves made in their accounts is one of the critical features of our work.

#### **ITEM 9: DISCIPLINARY INFORMATION THAT INVOLVES STRAIGHTLINE OR ONE OF ITS MANAGEMENT PERSONS**

It is extremely important to us that you trust us and feel confident of the work we are performing for you. This section contains the disclosures required by the SEC.

Neither StraightLine nor anyone at StraightLine has been involved in an administrative proceeding before the SEC or any other federal regulatory agency, any state regulatory agency, or any foreign regulatory agency that has resulted in any sanction, suspension or limit.

#### **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As described under "Other Compensation Received by StraightLine" beginning on page 9 of this brochure, we are a licensed insurance agency and a number of our investment advisor representatives are also licensed to sell life insurance and insurance related investment products. Our representatives work directly with the insurance providers and often work with Comprehensive Planning, Inc., an independent general agent and wholesaler of life insurance and fixed annuities, located in Troy, Michigan. Fees or commissions charged are set by the insurance company and are paid to us from the insurance company not from Comprehensive Planning, Inc.

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

##### **Code of Ethics**

We have adopted a Code of Ethics (the "Code") describing the standards of business conduct we expect all officers, directors, employees, and advisory representatives to follow. The Code also describes certain reporting requirements with which particular individuals associated with or employed by us must comply. We will provide a copy of the Code to you upon request.

Our principals and representatives will often own the same securities we recommend to you or our other clients. Generally, these securities will be shares of open ended mutual funds or stocks and



bonds actively traded on a national securities exchange or market where the time and size of their purchases or sales will not affect transactions for you or our other clients. If we do recommend the purchase or sale of a thinly traded security to you, we will ensure that our principals' and representatives' transactions do not adversely affect you nor improperly benefit them, typically by completing our principals' and representatives' transactions after all your and other client transactions have been made. Orders for your account and our own accounts may sometimes be aggregated or "batched" into one large order in accordance with our trade aggregation and allocation policy (described in connection with our brokerage placement practices below). Aggregated orders may achieve better execution for all participating accounts and those benefits will be fairly allocated among all participating accounts.

Our Code of Ethics is available for review at any time. Clients can email us at [info@straightline.com](mailto:info@straightline.com), or call us at 866-401-5238 to request a copy.

### **Interest in Client Transactions**

As described under "Other Financial Industry Activities and Affiliations" above, we are a licensed insurance agency and some of our investment advisor representatives are licensed insurance agents. From time to time, we will recommend the purchase of life insurance or a fixed annuity. An annuity is an insurance product that is sometimes appropriate for a client's fixed income allocation. In that event, we will be paid a commission on the sale of insurance products and although we do not charge an advisory fee in addition to the commission, the first year commission is likely greater than an advisory fee on the same investment size. Thus, we may have an incentive to recommend insurance products. To mitigate this conflict, we inform clients that they may use an insurance agent of their choice to purchase an insurance product.

We may, from time to time, secure loans for expansion or operating capital from outside sources, including current clients. A loan from a current client could cause a conflict of interest. We believe that we treat all clients fairly. If, however, we owe money to clients that could result in us favoring clients who are lenders over clients who are not. We have not and will not favor clients who are lenders over other clients, but we also recognize the importance of disclosing the potential conflict of interest to you.

### **Personal Trading**

Our representatives may buy or sell securities identical to those which may be offered as investment options in any of our portfolios. We always place a priority on client transactions. Our representatives may not engage in a transaction in any security being considered for trading in our clients' accounts in their own account until the client transaction is completed or until a decision



has been made not to trade the client's account. Client transactions will be completed before any orders are placed for proprietary trades.

Our representatives are aware of their fiduciary duty to our clients and the prohibitions against the use of any insider information. We retain records of all proprietary trading activities of our representatives. Whenever we deem that there may appear to be a conflict of interest, we will inform affected clients of the holdings involved prior to placing any orders.

## **ITEM 12: BROKERAGE PRACTICES**

Generally, we do not recommend brokers for our retirement account management clients and, instead, trade through the custodian selected by the plan sponsor.

For our STARs clients, we recommend Schwab as your custodian. Schwab provides us with access to their institutional trading and custody services, computer access to client accounts, research, and the quotes and data needed by us for servicing our clients. These services are provided to us at minimal or no cost. We work with Schwab because we believe Schwab provides the best services for our clients. We are an independent company; we are not owned, operated by or affiliated with Schwab. Schwab generally does not charge separately for custody, but is compensated through commissions or other transaction-related fees for securities that are executed through Schwab or that settle into Schwab accounts. Typically, we do not use funds that charge transaction fees, but when those funds are the best choice in the opinion of our Research Department, we will utilize them. Trades in equities or ETFs carry a transaction fee that is imposed by Schwab and paid directly by the client.

Schwab does make available to us other products and services that benefit us, but do not directly benefit our clients' accounts. Some of these products and services help us administer and manage the accounts, such as software and other programs that gives us access to account data like trade confirmations and statements and facilitate trading. Other services provide research, pricing and market data, for our use. Recordkeeping and client reporting are also some of the services Schwab provides. Many of these services are used to service all or most of our accounts, whether they are held at Schwab or not.

Schwab also makes available other services to help us develop our business. These can include consulting and publications, hosting conferences with speakers and educational meetings on a variety of topics. Schwab may discount or waive fees it might otherwise charge for some of these services.

We chose to work with Schwab due to their good client services, robust online applications for clients, and the access we have to institutional class mutual fund shares. In addition, we are often



able to purchase mutual fund shares for our clients even if an individual purchase does not meet the mutual fund minimum purchase requirements.

We do not receive any other “soft dollar” benefits from this relationship. We use the research Schwab provides, as well as numerous other research programs and resources, to develop model portfolios for all of our clients. No group of clients benefits more than another from our relationship with Schwab. Currently our STARs accounts are all held at Schwab, though in the future, if it becomes advantageous for our clients, we may recommend another custodian.

### **Multiple Day Trade Execution**

With our retirement account clients, we often have a large volume of trades. These clients’ accounts are all invested in mutual funds which trade at the same price at the end of the day, regardless of the time of day the trade was initiated. We will make every attempt to process mutual fund trades for all of these clients over a weekend and on the following Monday so that all clients will receive the same price. If we cannot complete all trades on the same day, it is possible that clients trading on different days will receive a higher or lower price. We cannot aggregate these trades because the accounts are at different custodians.

Some of our clients have their accounts custodied with TIAA because the Plan Sponsor of their retirement plan has chosen TIAA. In that case, we may send trading instructions to TIAA. We cannot assure that TIAA will execute the trades in the same day. It has been the policy of TIAA to give all clients the same price as of the day the trades were requested by us.

For non-discretionary clients we strive to trade orders immediately upon receipt of instructions from the client, but in no event more than 24 hours after receipt.

### **“Bunched” Trades**

For STARs clients, which are custodied at Schwab, from time to time, we may “bunch” client orders for the purpose of achieving better execution than what could be achieved executing a client’s order individually. We are aware of our responsibilities to each and every client and we only bunch client orders when we have determined that it is best for each client.

### **Directed Brokerage**

Clients sometime direct us in writing to use a particular broker-dealer to execute some or all of their transactions. In that case, the client will negotiate the terms and arrangements for the account with that broker-dealer, and we will not be able to seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account. We have a



“duty of best execution”, which means we will do our best to get trades accomplished quickly and efficiently. We may decline a client’s request to direct brokerage if, in our sole discretion, the arrangements would result in poorly executed trading.

### **Trade Errors**

Clients should be aware that errors may occur when orders are processed by us. We will attempt to correct the error as soon as possible and in a manner that the affected client(s) are not disadvantaged and bear no losses.

## **ITEM 13: REVIEW OF ACCOUNTS**

We offer investment advice and discretionary account services via the internet and in person. Our services are provided for the participant’s retirement plan account and for accounts outside of retirement plans. Clients may review balances in their accounts via the internet. We ask that clients visit our website, [www.straightline.com](http://www.straightline.com), at least quarterly to review accounts. This helps us stay up to date on any financial or personal information that may have changed. This is important, as it can affect how an account should be invested or what risk model we should use.

Retirement account clients also have open access to their account(s) via their employer sponsored website, or with direct contact with their account custodian. You will receive statements from the custodian or plan sponsor, as the case may be, in addition to any update we provide. STARs clients can access their accounts through Schwab’s website.

We monitor the investments in client accounts on an ongoing basis. We will review and/or update accounts under management on a semi-annual or more frequent basis as it is deemed necessary. We review allocation models and update them as economic events warrant.

Account reviews and allocation models are updated by members of our investment committee. The committee is made up of members of the executive staff and other members of the research staff.

We provide newsletters on a quarterly basis. We may provide other reports to both individuals and to the corporate plan sponsors that are our clients. These reports include details on account activity, investment performance, allocation recommendations and economic outlooks. These reports are available upon request for both plan sponsors and individual clients.

We may provide account reports or statements periodically as a service. These reports do not replace statements and information provided directly by account custodians. Clients should reconcile all statements and reports with those provided by their custodian and should contact the custodian or us immediately at 866-401-5238 if there are questions.



## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

We do not pay anyone for client referrals. We receive commissions for the sale of insurance products as described under “Other Compensation Received by StraightLine” beginning on page 9.

## **ITEM 15: CUSTODY**

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains the client's investment assets. Although such arrangements are between the client and their custodian, broker-dealer, bank, other qualified custodian or the plan sponsor, StraightLine urges clients to carefully review their statements.

Although we do not take physical custody of any assets in client accounts, we are deemed to have custody by the SEC because we have the login credentials for some of our retirement account clients. We do not have the authority to withdraw funds or securities, or to transfer them to an account not in the client's name.

Employee retirement accounts are held on the platform of the custodian selected by the plan sponsor. Schwab has custody of our STARs client accounts.

## **ITEM 16: INVESTMENT DISCRETION**

We offer discretionary account services to individuals through our management of an employer sponsored retirement or STARs account. Individuals may subscribe to our services by accessing our website, opening an account by supplying a username and password, agreeing to the terms of the Services Agreement, completing a risk profile questionnaire, and paying the applicable fee. We will manage accounts on a limited discretionary basis as deemed appropriate. Having discretion means clients take our direction about where to open accounts, give us authority to purchase and sell investments in the amounts and at the times we feel appropriate. Typically, client portfolios contain mutual fund shares. In certain circumstances, within an employer's retirement account, individual securities may be held (generally company stock in the form of a unitized fund). Based on changes to client personal situation, the markets and/or the economy, we may make allocation changes to accounts as we deem necessary.

## **ITEM 17: VOTING CLIENT SECURITIES**

We do not vote proxies on behalf of clients. Clients will receive their proxy materials from either their custodian or a transfer agent, depending on the security held.



## **ITEM 18: FINANCIAL INFORMATION**

We do not collect more than \$1,200 per client more than 6 months in advance so we are not required to include a balance sheet with this filing. There are no financial conditions likely to impair us from meeting our obligations to our clients.

