

# **South Shore Capital Advisors, LLC**

## **Form ADV Part 2A**

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*This FORM ADV Part 2A provides information about the qualifications and business practices of South Shore Capital Advisors, LLC. If you have any questions about the contents of this FORM ADV Part 2A, please contact us at 781-740-9310. The information in this FORM ADV Part 2A has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional Information about South Shore Capital Advisors is available at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Registration as an investment adviser does not imply any level of skill or training.*

## **II. Summary of Material Changes**

The material changes in this brochure from the last annual updating amendment on 03/17/2021 of South Shore Capital Advisors, LLC, are described below. Material changes relate to South Shore Capital Advisors, LLC's policies, practices or conflicts of interests.

- South Shore Capital Advisors, LLC no longer advises on 401K plans (Items 4, 5 and 7).
- South Shore Capital Advisors, LLC no longer advises a private fund. (Item 10).

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## **IV. Advisory Business**

South Shore Capital Advisors, LLC is an independent registered investment adviser with offices in Cohasset, MA and Newport, R.I. The firm was founded in 2006 by Taylor Thomas, and he was joined in the business in 2008 by his brother Lowell Thomas. The firm manages \$192,494,390 as of December 2021. This is comprised of \$102,747,608 in discretionary assets and \$89,746,782 in non-discretionary assets. We manage separate accounts comprised of stocks, bonds, and mutual funds. We also invest in options on behalf of some clients; however, this is not a material part of our business, nor are options an aspect of our core strategies. The portfolios we manage may be customized for individual clients allowing them to restrict us from investing in certain securities or types of securities.

The principal owners of the business are Taylor Thomas and Lowell Thomas. They are the only members of South Shore Capital Advisors, LLC.

### **Discretionary Portfolio Management**

We provide discretionary management of client portfolios. Our clients engage us to perform these services by signing an investment advisory agreement that authorizes us to manage their accounts and lays out the terms of the relationship. The portfolios are customized to fit individual client investment objectives, and risk profiles that are ascertained through in depth conversations at the outset of a relationship, and that are reviewed regularly. Our client portfolios are globally diversified and contain a mix of individual stocks, individual bonds, stock and bond mutual funds and cash. We believe that in today's environment, global portfolios are superior to purely domestic U.S. portfolios for meeting most of our client's long term investment objectives. When possible this is best accomplished by the selection of carefully researched individual securities.

### **Financial Planning**

When called upon to do so, we will develop a detailed financial plan for a client that takes into consideration key factors about their expected cash flow needs, risk tolerance, life expectancy and tax situation. Our analyses are cash flow and spending driven. We use our own informed judgment as investment managers to develop prudent and conservative return assumptions. This type of financial planning is performed as part of our overall offering and we do not charge a separate fee for it.

### **Subscription Services**

South Shore Capital Advisors, LLC provides a quarterly electronic newsletter free of charge. The newsletter presents factual information about the largest holdings of a group of global portfolio managers tracked by Lipper Mutual Fund research.

We do not manage assets in any wrap fee programs.

## **V. Fees and Compensation**

South Shore Capital Advisors, LLC is a registered investment adviser that is paid only through the receipt of fees based on assets under management. Neither the firm nor its principals receive compensation for selling any product. Our fee schedule is as follows:

<b>Account Size</b>	<b>Fee</b>
\$100,000 - \$500,000	2%
Next \$500,000	1%
Next \$2 million	0.85%
Next \$2 million	0.75%
Additional Assets	Negotiable

Client fees are deducted quarterly in arrears from client accounts. If a client has been with the firm for less than one full quarter, then the fees will be prorated appropriately. Client fees are deducted directly from client accounts by the custodians.

In addition to the fees that South Shore Capital Advisors, LLC charges for the management of the client accounts, clients may pay other expenses such as commissions for trading, custodial fees, mutual fund expenses, transfer taxes, wire transfer and electronic funds fees. Our fees are negotiable. For further discussion of Brokerage Fees see the section XII Brokerage Practices.

## **VI. Performance Fees and Side-by-Side Management**

South Shore Capital Advisors does not manage any accounts for a performance fee.

## **VII. Types of Clients**

Clients of South Shore Capital Advisors include individuals, trusts, high net worth individuals, corporation and other businesses. We generally ask that new clients open a minimum account of \$250,000 to establish a relationship with us.

Prior to engaging South Shore Capital Advisors we ask clients to complete an Investment Advisory Agreement.

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

*Investing involves the risk of loss that clients should be prepared to bear.* We tailor client portfolios based on our informed judgment regarding the acceptable and desired

risk profile of a particular client. This judgment is based on lengthy discussions with our clients that allow us to gain insight into their appetite and capacity for financial risk.

We recognize that virtually all of our clients engage us to take on risk for them and to do our best to manage this risk and generate returns. When choosing individual stocks or bonds we rely on *fundamental analysis* to determine the investment's attractiveness. Analysis includes reviews of company financial reports and investment presentations, reviews of industry research and media publications, and monitoring of global macro economic data from various sources that include government agencies, the World Bank, and the International Monetary Fund. Both Taylor and Lowell Thomas perform research.

*Our strategy* involves purchasing securities that we believe are undervalued and then holding them until they are no longer attractively valued or until our view of the global investing environment has grown more cautious prompting us to reduce the risk profile of client portfolios. In addition to individual stocks and bonds, we will purchase mutual funds for client portfolios when we believe that it is the most efficient way to invest in a particular asset class. In selecting mutual funds we consider the funds fees, the management companies' expertise and the managers' skill, based on reviews of fund holdings, opportunities to meet with or listen to management of the fund, and third party research.

Generally speaking we are not frequent traders of client portfolios. Investment strategies that rely on frequent trading lead to high brokerage expenses and a high frequency of short term capital gains taxes.

We believe that sustainability issues contribute to a company's long-term financial performance; Incorporating these considerations has been shown to enhance long-term risk adjusted returns. Our ESG portfolios seek competitive investment returns from companies that can contribute to and benefit from sustainable, global growth and financial returns.

For specific clients who request that we integrate ESG factors into our investment strategy we manage the process in the following ways:

Process: we ascertain ESG investing goals by having clients fill out an ESG Risk/Reward Goals Investing Questionnaire which uses the UN 17 SDGs as a guiding framework.

Methodology: SSCA applies an ESG filter to securities considered for investments by evaluating according to: 1) 17 UN Sustainable Development Goals, 2) MSCI Rating System, 3) Sustainalytics, a Morningstar company that offers ESG analysis and guidance and 4) Refinitiv's Eikon ESG Scores. SSCA reviews these metrics on an ongoing basis. Our approach to fundamental research exposes our clients to the risk that we may be misled by company managements or third party research providers, or that we may err in our understanding of the business. Because our portfolios are globally diversified our clients are also exposed to currency risk, and political risk. Bond investments, both

domestic and international, are exposed to the risk of principal loss when interest rates rise or if credit conditions deteriorate.

We advise clients to notify us promptly if there are changes to their financial situation or investment objectives or if they want to place restrictions on our investment services.

## **IX. Disciplinary Information**

Taylor Thomas, Lowell Thomas and Caitlin Appleton are not now, nor have they been in the past subject to any material legal or disciplinary events.

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

Taylor Thomas does not have material financial industry affiliations other than with his own business.

As a firm, and as principals, we do not believe that we have any material relationships that could create a conflict of interest for us. Examples of this type of relationship are:

- Broker dealer affiliation
- Lawyer or law firm
- Accountant or accounting firm
- Insurance company or agency
- Pension consultant
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships

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

South Shore Capital Advisors has adopted a code of ethics in recognition that high ethical standards are critical to maintaining the public's trust in the financial markets and in the investment profession. We require that all those affiliated with the firm act with integrity in all of the dealings with clients, coworkers and other industry professionals. As an investment adviser registered under the Investment Advisers Act of 1940, we are charged with the duty to act as a fiduciary on behalf of our clients. This means that we must place our clients' interests ahead of our own. We are also required to adhere to all applicable securities laws.

In accordance with the fiduciary standard by which we conduct ourselves, South Shore Capital Advisors asks that its employees observe the following standards:

Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients and prospective clients. Further, employees must adhere to all applicable regulations governing registered investment advisory practices.

No employee of South Shore Capital Advisors, while aware of material non public information about a company, is permitted to purchase or sell securities of that company until the information becomes publicly disseminated. Additionally, “access persons” must put the interests of the clients ahead of their own. While our employees may buy and sell securities for their personal accounts that are identical to or different from those recommended to clients it is our policy that no employee shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with the code of ethics, South Shore Capital Advisors requires that any “access persons” must provide annual holdings reports and quarterly transaction reports to the firm’s Chief Compliance Officer. Employees are also required to seek approval from the Chief Compliance Officer prior to investing in any IPOs and private placements. South Shore Capital Advisors will provide a copy of its code of ethics to any client or prospective client upon request.

## **XII. Brokerage Practices**

### **Custodians and Brokers We Use**

South Shore Capital Advisors, LLC does not maintain physical custody of your assets, although we may be deemed to have custody of your assets if you give us the authority to withdraw assets from your account. Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or a bank. We recommend that our clients use Charles Schwab, Fidelity or Bordier & Cie. Schwab and Fidelity are registered broker dealers. Bordier & Cie is a Swiss bank regulated by the Swiss Financial Market Supervisory Authority FINMA. Clients may also ask us to manage a portfolio held at a custodian of their choosing. While we may recommend that a client uses Charles Schwab, Fidelity or Bordier & Cie. as a custodian, the client decides whether or not to do so and will open accounts with the custodians by entering into an account agreement with them.

We are independently owned and operated and not affiliated with any of the above firms.

These custodians will hold your assets, and Fidelity and Charles Schwab may buy and sell securities when we instruct them to. Bordier & Cie acts solely as a custodian and not as a broker for our clients.

Clients make the decision about where to custody their assets and they open the account directly with the custodian.

We do not open the accounts for our clients though we may assist them in doing so.



Even though a client account is located at one of the above custodians we can still use other brokers to execute trades for your account as described below.

Clients receive statements from the custodians and they should review these carefully.

### **How We Select Brokers and Custodians**

We consider a wide range of factors, including:

- Capability to execute, clear and settle trades for your account
- Capability to facilitate transfers and payments to and from your accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services
- Reputation, financial strength and stability

### **Your Brokerage and Custody Costs**

Charles Schwab and Fidelity do not charge our clients separate custody fees. Bordier & Cie charges separate custody fees. Clients are responsible for the payment of all third party fees (i.e., custodian fees, commissions (if any), brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by South Shore Capital Advisors, LLC.

### **Research and Other Soft Dollar Benefits**

Consistent with obtaining best execution, brokerage transactions may be directed to a broker dealer in return for research and/or services that assist South Shore Capital Advisors in our decision making process. This research generally benefits all clients, though there will be times when commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio.

We believe that it is in our clients' interests that we negotiate competitive commission rates for them, though we recognize that at times they may pay higher commissions than might be charged by another broker dealer. This poses a conflict of interest that must be managed by the firm's principals.

During the past year, we have received research reports on individual companies, economic research, and individual consultation with representatives from the firms where we have executed transactions. From time to time some of these firms also have invited us to informational events that they have sponsored. Because we do not produce or pay for this research, we receive a benefit and we may have an incentive to recommend a custodian based on our interests rather than the clients.

South Shore Capital Advisors may receive software and support, without cost, from broker dealers where our client assets are held in custody. However, we believe that the

custodians we recommend are the best in the industry based on reputation, high levels of service, and sound capital bases. At all times we work to put the interests of the client first.

Transactions for each client will be effected independently, unless South Shore Capital Advisors decides to purchase or sell the same securities for several clients at exactly the same time. In those cases we may combine or “batch” orders to obtain best execution. In these circumstances transactions will be average priced and the allocations to client accounts will be prorated. When allocations are prorated the manager reserves the right to exercise broad latitude in determining which client accounts receive the allocation with the underlying goal of providing equal treatment to all clients.

#### **Brokerage for Client Referrals**

We do not exchange brokerage for client referrals.

#### **Directed Brokerage**

We recommend that our clients choose Charles Schwab or Fidelity as their custodian. We believe that they offer high levels of service and competitive rates. We may allow a client to choose a broker or custodian different from the above but we reserve the right to decline this request. Also, in instances where clients direct the brokerage we may not be able to ensure that a client is receiving the best execution.

### **XIII. Review of Accounts**

Client accounts are reviewed on an ongoing basis though they will receive a thorough review at least quarterly. Reviews are conducted by the principal of the firm with primary responsibility for the management of the account.

### **XIV. Client Referrals and Other Compensation**

South Shore Capital Advisors does not pay referral fees for clients. We do not receive compensation from others who work with our clients aside from those mentioned above in the sections covering custodial and brokerage practices.

### **XV. Custody**

South Shore Capital Advisors, LLC does not maintain physical custody of your assets, although we may be deemed to have custody of your assets if you give us the authority to withdraw assets from your account. Clients receive statements from the custodians and should review these statements carefully.

## **XVI. Investment Discretion**

Our clients may grant us investment discretion over their portfolios. We receive this investment discretion from clients when they complete our Engagement for Investment Advisory and Management Services agreement and initial the Discretionary Trading Authorization section of that agreement.

South Shore Capital Advisors asks that each client sign an Engagement For Investment Advisory and Management Services Agreement. Charles Schwab and Fidelity include the limited power of attorney on the new account form.

## **XVII. Voting Client Securities**

We do not vote client securities.

Clients may obtain a copy of our proxy voting policies and procedures upon request.

The custodian of your assets is responsible for you receiving the proxy materials from the companies in your portfolio.

Clients may contact us with questions about a particular solicitation.

## **XVIII. Financial Information**

Registered investment advisers are required in this item to provide you with certain disclosures and information about their financial condition.

South Shore Capital Advisors does not require any advance payment of client fees. Additionally, South Shore Capital Advisors, LLC 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.