

## **DISCLOSURE BROCHURE**

(FORM ADV, PART 2A)

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August 15, 2023

This brochure provides information about the qualifications and business practices of Shayne & Jacobs, LLC. If you have any questions about the contents of this brochure, please contact us at 615-250-1600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

## **Summary of Material Changes**

The main reason that we are filing this other-than-annual update to our federal disclosure brochure is that on August 11, 2023, we combined with Jacobs Investment Management, LLC (“JIM”) by acquiring it. The principal of JIM, William E. Jacobs, has become a co-President and co-owner of our firm. We have also changed our name from Shayne & Co., LLC, to Shayne & Jacobs, LLC.

We refer you to the text of the brochure itself, on the following pages, for details.

(Otherwise, we are not summarizing material changes compared to our last filing, which was dated March 29, 2023. By regulation, a summary of material changes is not required for an other-than-annual update.)

Shayne & Jacobs, LLC  
August 15, 2023

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Note: In this document, the word “we” refers to our firm, Shayne & Jacobs, LLC. “You” means the reader, as a prospective or current client. We often speak about things as if you had opened an account with us, even if you have not already.

## **Advisory Business**

### **A) Description of our firm**

We manage investment securities for our clients. Our firm is run by William (Bill) Jacobs and Jonathan (Jon) Shayne. They are also the owners. The firm started as Shayne & Co., LLC, in 1994. We combined with Jacobs Investment Management, LLC, in 2023, by acquiring it, and by making Bill a 50% co-owner with Jon. At that time, we changed our name to Shayne & Jacobs, LLC.

### **B) Description of our services**

We offer portfolio management based on fundamental analysis of corporate financial statements. (See section titled “Methods of Analysis, Investment Strategies, and Risk of Loss” for further details on our investment style.) We manage your account on a discretionary basis.

If there are assets marked “special” on the portfolio appraisals we send you quarterly, we provide either no management services on them, or only such services as we have agreed upon with you.

If you believe that your primary need is financial planning, we may recommend that you go to a firm that specializes in it. We sometimes refer clients to such firms. We do not focus on financial planning ourselves, although some financial planning issues do come up as part of our investment management discussions with clients. Our best fit is with prospective clients who have a long-term investment horizon on a certain amount of capital that we can manage for them without regard to generating a particular level of income.

### **C) Tailoring our services to individual needs and restrictions on investing**

We manage your portfolio with the purpose of reaching investment goals that are suitable for you. We will refuse your account if your goals are not compatible with one of our investment styles. Your account will be separate, not pooled, and held at a brokerage firm or other custodian independent of us. Your name will be on the account and you will retain all indicia of ownership.

You may impose restrictions on investing in certain securities or types of securities.

### **D) Wrap fee programs**

We do not participate in a wrap fee program.

### **E) Assets under management**

At the end of July, 2023, shortly before the combination of the two firms on August 11, 2023, the assets under management of the two firms that constitute our current firm summed to \$463.4 million in discretionary assets. Beyond that, our clients had an additional \$45.5 million in special holdings in their accounts, which are defined in the paragraph immediately below. We assume that all clients of our firms pre-combination will consent to have their accounts managed by us, but, as of the date this document was prepared, we are in the early stages of integrating the operations of the two firms, which will include asking for these consents.

As of December 31, 2022, we managed \$334.3 million in discretionary assets. Beyond that amount, our clients had an additional \$10.4 million in “special holdings” in their accounts. Special holdings are assets for which clients have restricted our discretion to sell. We do not provide regular and continuous management services for special holdings in client accounts.

## **Fees and Compensation**

### **A) How we are compensated for our services**

We charge an annual advisory fee of up to 1% of assets under management, payable quarterly, for new accounts. In effect, this is the maximum advisory fee. We may also arrange with the client to charge separately for special services, although this happens only infrequently.

If you are a prospective new client, we and you will agree, prior to engagement, to a fee rate that is based on the assets under management. At the same time, you and we will also agree to an allocation to stocks and stock funds (“market exposure”), which is typically a range (for example, 55-70%). Generally, we will charge a lower fee than the agreed-upon rate until the account becomes “fully invested,” or in other words, until the market exposure reaches the allocation range. The lower rate would be based on the market exposure on the last day of the quarter as a percentage of the middle of the allocation range. However, this adjustment is discretionary and may vary. In no cases will you be charged more than the agreed-upon rate, and in no cases will the agreed-upon rate be more than 1% annually, payable quarterly.

On August 11, 2023, when we were still called Shayne & Co., LLC, we combined with Jacobs Investment Management, LLC. We have not decided whether to seek approval from clients to integrate our fee schedules for clients whose accounts pre-date the combination. For the foreseeable future, therefore, clients with accounts in existence at the time of the combination will be billed in accordance with the pre-combination rates that applied to their accounts:

Client formerly of Jacobs Investment Management, LLC prior to the combination in August, 2023:

Fees for the company's services are payable quarterly in advance (or, in some cases, based on client history, in arrears). Generally, the fee is 0.25% per quarter of the first \$5,000,000 under management plus 0.175% per quarter of assets above \$5,000,000 but below \$10,000,000; plus 0.125% per quarter of assets above \$10,000,000. In some cases, we have an agreement in place with the client to charge at a different rate.

Clients whose accounts were managed by Shayne & Co., LLC prior to the combination in August, 2023:

In effect we waive some fees, relative to the 1% maximum, by lowering the billing rate as follows, billing separately on each asset class as components of the total bill. These are all annual rates, billed quarterly:

- 1% on equities of operating companies

- 0.35% on equity-oriented mutual funds and ETFs,

- 0.25% on fixed-income-oriented mutual funds and ETFs, other than those with a mandate that requires a majority holding in U.S. Treasury debt

A maximum of 0.5% on U.S. Treasuries, money market funds, and cash (“T/MMF/C”), including mutual funds or ETFs with a mandate that requires a majority holding in U.S. Treasury debt.

The rate on T/MMF/C will be 0% until an account gets to 90% in equities or equity-oriented mutual funds and ETFs. Once the account gets to the 90% threshold, the billing rate on T/MM/C becomes 0.5%, even if the account later goes below the 90% level. However, if the rate on the 6-month U.S. Treasury Bill is below 1.00% at time of, or within three months prior to, billing, we may or may not decide not to charge the 0.5% fee on T/MM/C.

Please note that whether you are a prospective new client, or an existing or pre-combination client of either Jacobs Investment Management, LLC, or Shayne & Co., LLC, we may vary from our standard arrangements where warranted, in our judgment, including by the client relationship and client history.

Any specific agreement with you with regard to fees will take precedence over the foregoing.

To be clear, all of the foregoing fee-related practices result in an annual rate that is, at most, 1%, billed quarterly, and this is true whether you were a pre-combination client of either of our two predecessor firms, or are a prospective client now.

We also provide consultation-only, or in other words, non-discretionary investment advisory services, for a negotiated fee. Generally, this approach will be appropriate only in special circumstances.

## B) How we bill for our fees

Our clients pay us a quarterly management fee. You may choose to pay by check, or have us deduct it from your account. We calculate quarterly fees on the ending value of your account as of the previous quarter's end. For example, fees for the third quarter (July 1 to September 30) are calculated based on the value of your portfolio as of June 30, generally excluding the value of any special assets. The quarterly invoice we send shows how we calculate your fee.

When you pay our management fee by check, payment is due by the end of the quarter. When you allow us to deduct fees directly from your account, we typically will do so during the middle of the last month of the quarter (for example, for the third quarter, we deduct fees around September 15).

We have a small number of accounts that have a history, through Jacobs Investment Management, LLC, of being billed in arrears, rather than at the end of the quarter. These are exceptions to our usual practices.

## C) Other fees or expenses paid in connection with our advisory services

In addition to the advisory fee that clients pay us, clients also pay fees to others. These consist primarily of brokerage firm fees, and fees charged by any mutual fund or exchange-traded fund (together, "fund" or "funds") that they hold.

For brokerage services, we typically use the institutional division of Charles Schwab & Co., Inc.

Our investing generally uses individual securities, including common stocks and U.S. Treasury debt, and funds. To the extent one or more funds are in your portfolio, your investment return will be reduced by fees and expenses that a fund you hold charges. When evaluating our services, you should take into account both the fees that we charge and the fees charged by funds in your account. Funds can charge management fees, fund expense fees, and distribution fees. Some mutual funds impose an initial or deferred sales charge (although we try not to buy funds that have sales charges for our clients). Funds deduct fees from your investment in the fund. Some funds charge an additional fee if you redeem within 90 days of purchase. You will find a description of a fund's fees and expenses in its prospectus. You can invest in a fund on your own, without using our services. See also heading A of this section, above.

We currently are likely to recommend Charles Schwab & Co., Inc., as the custodian for a new account. Schwab does not charge our clients a custodial fee, but it does earn revenue through its cash management and bank deposit products, and such costs can be thought of as a custodial charge of sorts. Schwab charges incidental fees, such as \$25 for a wire transfer or to settle a trade placed with another broker. If you specify a particular

custodian, we are not responsible for negotiating the custody fees your custodian charges you.

When we purchase or sell securities for you, we use a broker as agent to execute the trade, or place the trade directly with a market maker. If we place the trade with a broker, the broker may charge you a commission. If we place the trade with a market maker, the market maker will typically charge you a mark-up or mark-down on the security being traded.

We ask for your written authority to negotiate commission rates with the broker we recommend. You may impose limitations on such authority.

We generally make trades as a block when possible and advantageous for clients. This permits the trading of aggregate blocks of securities coming from or going to multiple client accounts. When your account participates in an aggregate trade, the price for the security will be the average cost per unit for the block.

Broker transaction costs are shared equitably among clients, but may still vary from account to account. Schwab, for example, used to offer a discounted brokerage fee for accounts held by households that custody \$1 million there.

Our negotiated rate with a brokerage firm can cause a minimum commission to be charged on smaller trades. Smaller accounts are more likely to trigger minimum commissions than larger accounts.

A fixed-income dealer may add a mark-up to the unit price of a fixed-income trade that is based on the number of accounts participating in the trade. If your account value is larger, you may pay a higher percentage of the markup than a client with a smaller account. We place large trades with dealers who don't do this type of mark-up, but it is conceivable that we would if we faced very limited options on a particular trade.

Despite such differences among accounts, we still believe the overall trading costs you will pay, even if you receive no discount, are reasonable.

See the section titled "Brokerage Practices" for additional information.

#### D) Refund of fees at termination of advisory contract

You may terminate the investment advisory contract at any time, without previous notice. We have the right to do the same. If you or we terminate our services, we will refund all unearned fees you have paid us. Under our billing method, described above under the heading, "How we bill for our fees," if you allow us to deduct our fee directly from your account, you may have prepaid our quarterly fee by up to half a month. (To calculate your refund at termination, we divide our quarterly management fee by the number of days in the quarter to arrive at a per-day rate for our services. Starting at the day after you or we terminated the contract, we count the days left in the quarter and multiply it by the



per-day rate that applies to your account for the quarter. The product of this multiplication is your refund.)

E) Compensation for the sale of securities or other investment products

We do not accept compensation for the sale of securities or other investment products. We do receive benefits (see section titled “Brokerage Practices”) through participation in the institutional service program at Schwab. However, the benefits we receive do not depend upon the amount of brokerage commissions we direct to them.

**Performance-Based Fees and Side-by-Side Management**

We do not currently bill clients based on performance. We would consider negotiating such an arrangement when it is of interest to a client, regulation permitting.

**Types of Clients**

We offer investment advice to individuals, pension and profit sharing plans, trusts, charitable organizations, and businesses.

We generally prefer a dollar value of \$1,000,000 to open an account for you. This figure is negotiable, and can vary depending on the client and our willingness at any time to undertake new business. In some cases, we would impose no minimum.

**Methods of Analysis, Investment Strategies, and Risk of Loss**

A) Method of analysis and investment strategy used in formulating investment advice

We manage your portfolio with a long-term approach to investing. In some situations, we might use other techniques, primarily shorter-term purchases and sales, but that is not our focus. We follow a strategy of concentrating investments in a fewer number of securities than is typical for most investment advisory firms. We believe this approach allows us to focus on our best investment ideas, and that, over time, this approach is preferable to holding a more diversified portfolio involving a large number of positions.

Your account will likely make some use of money market funds and/or bank deposits to hold cash balances. Your account may also make use of mutual funds or exchange-traded funds.

You might not be invested in the same securities as other clients. For example, we may consider a security worth holding for a client who has already bought it, but determine that the same security is not priced low enough in relation to our estimate of its intrinsic worth to be an appropriate investment for a new client, or for new additions of capital by

existing clients. One outcome of this approach to investing is that newer clients often will not hold some securities that older clients have bought and continue to hold.

You may have capital not invested in equities for a period of months or years during times that we do not find equities we deem appropriate. We often hold U.S. Treasury securities, or funds (which, again, refers here to both mutual funds and exchange-traded fund) that hold fixed income instruments, when we are not finding stocks or other investments we want to buy. We have also made some use of a fixed-income fund, FPA New Income, for part of such non-equity capital, and could use other funds as well.

In cases in which clients wish to have total exposure to equities at all times, or a minimum percentage exposure, we can help establish a mandate for your account to specify this. In some cases, however, and unless our written communications with you specify otherwise, we will have the full range of discretion from 0 to 100% for exposure to equities.

We analyze securities using fundamental methods to help us estimate the value of a security. Sources our managers use are, depending on the situation, annual reports; prospectuses; other filings with the SEC; financial newspapers and magazines; research services such as Value Line, Bloomberg, and Morningstar; research materials prepared by others; and company press releases. This process involves judgments, including about which documents to read, and in what level of detail.

While we attempt to make our investing productive for you, investing in securities inherently means taking the risk of loss, which you must be prepared to bear.

#### B) Risk involved in our investment strategy

Despite our belief in the long-term desirability of focusing capital in a relatively few securities, concentration can expose your portfolio to greater company-specific and industry-related risk. One or more particular investments could perform poorly. You should consider the risk that greater concentration poses, weigh it against the possible benefits (which are not guaranteed and may not occur), and seek investment advice elsewhere if you prefer a more diversified approach.

All portfolios of stocks can suffer losses. Risk to equity investments can come from declines in the value of the whole stock market, particular sectors, and individual securities. Global, national, and regional risks, such as war, widespread disease, cyberattack, or recession, can cause losses. Climate problems, supply chain disruptions, and changes in currency values can do so, too. Industry-specific and company-specific problems, such as changes in the nature of a business, or adverse legal or regulatory developments, are further possible causes of loss.

Investments other than common stocks can also suffer losses. For example, fixed-income instruments (such as bonds, notes, and bills) typically decline in value when interest rates rise (and increase in value when rates decline). Also, the bonds of an issuer that suffers a

credit agency rating downgrade, or that cannot make scheduled payments, will generally decline in price. Instruments such as mutual funds and exchange-traded funds are generally more diversified, internally, than a single security, but this does not protect against declines that affect broad sectors of the securities markets. This is true whether these vehicles hold equities, bonds, or other types of securities. The value of an investment in a mutual fund or exchange-traded fund will almost always decline if the investments that the fund itself holds decline.

Inflation may erode the purchasing power of an investment. It is possible that an investment that has returned a positive amount in nominal terms may not have kept up with inflation, particularly after taxes, and thus could still have a negative “real” (inflation-adjusted) return, or a return less than other investments, including index funds.

As described above in “Fees and Compensation -- How we are compensated for our services,” we charge different fees on different assets to some or all accounts with a history that is from one of our predecessor firms, Shayne & Co., LLC. This creates a conflict of interest, because in theory, this might lead us to buy, or not to sell, assets that pay us more. We pride ourselves on always trying to do what is right for you, regardless of which asset pays us more or less. If, however, we fail in disregarding the differential rate of compensation that different assets pay, it may lead us to construct a poorer investment portfolio for you than we otherwise would have.

For accounts that were previously managed by our other predecessor firm, Jacobs Investment Management, LLC, there is a somewhat similar risk, which is that we have an incentive to get your account as fully invested in equities as your contract mandate contemplates, to end any discounting. (See also “Fees and Compensation -- How we are compensated for our services.”) Again, we pride ourselves on always trying to do what is right for you, regardless of the fact that we would earn less if we were less fully invested than the mandate percentage. If, however, we fail in disregarding the differential rate of compensation, it may lead us to construct a poorer investment portfolio for you than we otherwise would have

For newer accounts, i.e., those that do not date to our predecessors, the risks mentioned in the foregoing two paragraphs will also be relevant, depending on which type of fee structure is in place for you. Our combination has closed only this month, but we anticipate that newer accounts will have fee structures more similar to those of Jacobs Investment Management, LLC, which means that the risk, if we do not succeed in disregarding incentives, will be more like that described in the paragraph immediately preceding this one.

Our firm is highly reliant on the availability of a relatively small number of people, particularly Bill Jacobs and Jon Shayne. If we suddenly were to lose their services, our investing and operations could be adversely affected. This could also happen if we were to lose too many other employees.

We make reasonable efforts to secure data related to your account, especially when information is transferred electronically. However, each medium of communication, including ground mail, fax, electronic file transfer, email, and phone, has its own risks. We advise you not to send sensitive information such as account numbers by electronic means, such as file transfer or email, unless you use encryption. We provide encrypted upload and download, through a third-party vendor, at no charge, for electronic communication with us. There is still always the risk of loss despite your efforts, and ours, to keep data from being compromised. We cannot guarantee the safety of this data, despite our reasonable efforts to protect it. Clients should be aware of this risk and monitor their accounts accordingly.

Again, we do attempt to make investing productive financially for you. There are risks, however, of the kind we have enumerated. There can be no guarantee of success, and losses are possible.

#### C) Risk involved in our security selection

While we may provide advice on a number of different types of securities, our primary focus is on exchange-listed and over-the-counter securities, United States government securities, and funds (mutual funds and exchange-traded funds).

As discussed above, the securities that we focus on carry systematic risk (associated with fluctuation in the general level of securities prices and overall market risks) and unsystematic risk (associated with individual events that affect a particular security). Even a security we analyze properly may lose money for our clients. We analyze securities in good faith, but our judgment may be incorrect, or we may inadvertently miss material facts, causing losses for our clients.

### **Disciplinary Information**

With regard to the regulatory record of our firm and employees:

A) Neither our firm nor any of our employees has been involved in any legal event involving a criminal or civil action in a domestic, foreign, or military court of competent jurisdiction.

B) Neither our firm nor any of our employees has been involved in any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

C) Neither our firm nor any of our employees has been involved in any self-regulatory organization proceeding.

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

### **A) Broker-dealer registration**

Not applicable.

### **B) Other industry registrations**

Not applicable.

### **C) Affiliations**

Jon Shayne holds a license to practice law in the State of Tennessee. He does not do legal work for clients of our firm, and he does not maintain a law practice. We advise you to obtain independent legal counsel for legal issues that may arise relating to your finances.

### **D) Selection of other investment advisers**

We manage your account in-house and we do not rely on outside investment advisers (other than those who run mutual funds or exchange-traded funds we buy for you). We receive no compensation if we refer you to a lawyer, accountant, or other professional.

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

### **A) Code of Ethics**

We have adopted a code of ethics that affirms honesty, our fiduciary duty to you, and our legal and regulatory compliance in business matters. Our code requires us to report and review securities holdings and trading of our officers and employees.

We will send a copy of our code to you if you request one.

### **B) Recommendation of securities to clients in which our firm or a related person has a material financial interest**

We do not recommend securities to you in which our firm or employees have a material financial interest. For example, if you are a buyer in a trade, we are not the seller.

### **C) Investment in the same securities as clients**

Our firm and our employees may buy or sell securities identical to those we recommend to you. Historically, this has been our practice, and we expect it to continue. We have a policy that no person employed by us may purchase or sell a security in such a way as to

disadvantage you. We have established the following procedures to avoid a conflict of interest so that we can meet our fiduciary responsibilities to you:

- Our firm and employees shall not buy or sell securities for their portfolios when their decision is derived from information gathered while working at our firm, unless the information is also available to the investing public on inquiry.
- Our firm and employees shall not make any personal gain from the market impact of a trade by our firm on your behalf.
- We maintain a list of securities holdings for everyone associated with our firm. We review employee transactions on a regular basis.
- We require that our employees act in accordance with applicable federal and state laws, and rules and regulations governing registered investment advisory practices.
- Employees not in observance of the above are subject to termination.

D) Timing of the firm's or related person's trading

We allow our firm and employees to trade securities at the same time we trade for you, if the trading is done as part of an allocated trade where clients and the firm/employees are on equal footing. We do not allow the firm or our employees to use trading to take advantage of clients, and we and they cannot knowingly trade before clients.

## **Brokerage Practices**

A) Factors for selecting broker-dealers

The text of our standard investment advisory contract provides us with authority to determine the broker-dealer to be used for your securities transactions. You may impose limitations on the authority.

We use Charles Schwab & Co., Inc., and sometimes other unaffiliated broker/dealers, to provide transaction services to us that are useful in managing your account.

We select and recommend broker-dealers to you based on the quality of execution services, the reasonableness of commissions and other charges, and the minimization of possible administrative problems and expense with the settlement of your trade. We also consider the reputation of the broker-dealer. Price is important to us, but it is not the only factor we consider.

A1) Research and soft dollar benefits

We participate in Schwab's institutional program. There is no link between the investment advice we give you and our participation in the program. The program does provide us with economically useful benefits, however. These benefits include:

- access to Schwab's online account servicing platform
- receipt of duplicate copies of your confirmations and statements
- access to exclusive trading desks for your trades
- access to block trading (which provides us with the ability to aggregate security transactions and then allocate shares to your account)
- the ability to have our investment advisory fee deducted directly from your account (if you so authorize)
- free compliance newsletter
- access to mutual funds which are available only to institutional investors
- free software in connection with our trading activity

Schwab provides us with software that is dedicated to processing and holding information downloads from their network. Schwab also provides data about some or all accounts to a third-party software and data processing vendor we use in order to be able to generate reports about your account.

Schwab provides customer service to our clients and our firm that we believe is superior to that received by Schwab's retail customers.

Schwab does not charge us for any of these benefits.

We believe our firm qualifies for a higher level of goods and services (described above) from Schwab because of the amount of assets our clients have with them.

#### A2) Brokerage for client referrals

We do not recommend broker-dealers based on referrals.

#### A3) Directed brokerage

As mentioned above in this section, we ask you to allow us to control the selection of the broker-dealers used for your account. To date, we have usually traded through Schwab. There are efficiencies to be had from concentrating our volume with a limited number of brokerage firms. Also, were we to place a trade through multiple brokers at once, or in rapid succession, we might give the impression of too much activity in a stock or other security, which could cause it to run up in price when we are buying, or down in price when we are selling.

We do not ordinarily accept limitations on our authority to control the selection of a broker-dealer, although some other advisory firms do. If you direct us to use a particular broker-dealer, and if we make an exception and consent to this restriction, you should understand that we may not be authorized to negotiate trading costs and may not be able

to achieve volume discounts or best execution for you. Under these conditions, you might pay higher trading costs and commissions than other clients.

#### **B) Aggregate trades**

When we have a trade to do for multiple clients, we typically place the trade in a block, except when trading open-end mutual funds. (Because open-end funds trade only at close-of-day prices, there is no advantage to trading them in a block.)

Our policy is to prepare, in advance of a block trade, a written pre-trade allocation showing how we will allocate to clients the securities bought or sold.

Sometimes we can fill an order only partially. In that case, we allocate pro-rata, subject to a minimum fill amount. We use a minimum fill amount to avoid the cost and inefficiency of placing numerous small trades in your account. Our minimum fill policy will often cause our allocation of the partial fill to deviate from a strict pro-rata allocation. We have adopted a policy of rotating through our allocation list when making such partial fills, based on a neutral mathematical formula, so that the system is fair to all clients.

If we deviate from our pre-trade allocation and our standard treatment of partial fills, it is our policy that such deviation be fair and equitable. Jon Shayne must approve the deviation. We also keep a record of the deviation.

See also the section titled “Fees and Compensation,” above.

### **Review of accounts**

#### **A) Frequency and nature of review**

Accounts managed by Shayne & Co., LLC, before the August 2023 combination, will be managed by Jon Shayne and/or Tom Chapman after the combination, as they were before, unless we have arranged otherwise with you. For these accounts, under Jon’s supervision, for periodic reviews, our analyst Tom Chapman performs a weekly review of your account to see if it has funds available for investment, and the mix of securities in it. Every other week, Tom reviews only the cash or cash-equivalent positions. Tom, who is an analyst, and Jon, our chief executive, consult frequently on issues that may arise in this process.

Accounts formerly managed by Jacobs Investment Management, LLC, before the August 2023 combination, will be managed by Bill Jacobs after it, unless we have arranged otherwise with you. For these accounts, Bill reviews the account quarterly.

For new accounts created after the combination, in consultation with you, the management of your portfolio will be assigned either to Bill Jacobs or to Jon Shayne. The



periodic review of your account will take place as described above, depending on whether Bill or Jon is assigned to your account.

**B) Other than periodic review of accounts**

We may make a more frequent review of your account for other reasons. These include unusual market, economic or political event; the need or opportunity to execute a trade; and additional risk and investment management issues that may come up from time to time outside of periodic reviews.

**C) Reports provided to clients**

Starting in the middle of 2023, we anticipate sending out a newsletter approximately twice per year. There is no set schedule, and the frequency may vary depending on many factors, including our understanding of client needs, and our understanding of conditions in the economy and in financial markets.

See section titled “Custody” below for reports that your custodian will provide to you.

**Client Referrals and Other Compensation**

**A) Economic benefits to our firm from sources other than clients**

We receive payments for our services only from clients. We receive certain economic benefits through our use of Charles Schwab & Co., Inc. We describe these above in the section, “Brokerage Practices.” These benefits are customary and largely directed toward helping us service accounts efficiently. We do not believe they create a conflict of interest.

**B) Compensation to persons outside of our firm for referrals**

We do not compensate any person outside of our firm for client referrals.

**Custody**

The broker on a trade will send you a confirmation for each security transaction. Your custodian will send you a statement at least quarterly. The statement will show all cash, cash-equivalent, and security transactions in your account as well as account balances and market value of your account. As required by regulation, we advise you to review custodial statements carefully, and to compare portfolio appraisals from us to your custodian’s statement.

## **Investment Discretion**

We manage your account on a discretionary basis. We request that new clients give our firm written authority to determine the securities we buy or sell for you, the amount of securities we buy or sell for you, and the broker-dealer we use for your securities transactions. You may impose limitations on our discretionary authority at any time.

If we manage an account for you, you will sign a limited power of attorney that gives us the authority to trade in your account. When you execute our Investment Advisory Contract, you grant us written authority to have investment discretion over your account.

## **Voting Client Securities**

### **A) Authority to vote client securities and voting policies**

Corporations put matters to a vote by shareholders from time to time. One common topic of votes is the election of board members. Our Investment Advisory Contract allows you the choice of voting your own proxies, or, as we generally recommend, of giving us the authority to vote them. We have adopted policies and procedures that govern our voting of your proxies. If you have given us general permission to vote for you, it is not possible logistically for you to vote on individual solicitations. You may revoke our proxy voting authority for future votes, however.

The goal of our proxy voting policies is to be sure that we vote the proxies when appropriate, and that we vote them in a client's best interest. If there is ever a conflict between a client's interest and the interest of our firm and employees, the client's interest controls how we vote.

We will provide a copy of our full proxy voting policy to you upon written request to the address on the cover of this brochure. You may also write to ask that we provide a copy of how we voted the proxies in your account.

### **B) When authority to vote client securities is not given to us**

You can decide to retain proxy voting privileges by checking a section on your contract and another on the Schwab account application, or by making arrangements with another custodian you may have chosen for your account. If you retain voting privileges, you will receive your proxy and other solicitations directly from your custodian.

If you decide to vote your own proxies and have a question about how to vote on a matter relating to a security we manage for you, you may write or call us. Please allow two weeks. If the issue is one that we have already researched for other clients, we will tell you how we recommend you vote it.

**Financial Information**

Not applicable.

**Brochure Supplements (Form ADV, Part 2B)**

See the following attached three Forms ADV, Part 2B for additional information on Bill Jacobs, Tom Chapman, and Jon Shayne

## **BROCHURE SUPPLEMENT**

(FORM ADV, PART 2B)

This supplement supplies information on the following supervised person of  
Shayne & Co, LLC:

**William E. Jacobs**

(Contact information for him is the same as firm information below)

**SHAYNE & JACOBS, LLC**  
4015 Hillsboro Pike, Suite 203  
Nashville, TN 37215  
615-250-1600 (phone)

August 15, 2023

### **Information on Bill Jacobs**

This document provides information about Bill Jacobs that supplements the preceding attached disclosure brochure (ADV, Part 2A) on Shayne & Jacobs, LLC. Additional information about Tom is also available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Bill Jacobs was born in 1966. He has the following degrees:

University of Pennsylvania, BSE, 1989

J.L. Kellogg Graduate School of Management, MM, 1993

Business background:

Analyst and portfolio manager, Harris Associates, L.P., 2001 – 2003.

Partner, analyst, and portfolio manager, Harris Associates, L.P., 2004 – 2006.

President, chief manager, Jacobs Investment Management, LLC, 2006 – present.

Director of Research, Patten Group, 2014 – July, 2023.

## **Disciplinary Information**

None.

## **Additional Compensation**

As the co-owner of our firm, Bill benefits from the fees that you pay.

## **Supervision**

Bill Jacobs and Jon Shayne, as co-chief executives and co-owners of our firm, supervise each other. Jon is also our chief compliance officer. You can reach Bill or Jon at the phone number on the front of this supplement.

## **BROCHURE SUPPLEMENT**

(FORM ADV, PART 2B)

This supplement supplies information on the following supervised person of  
Shayne & Co, LLC:

**Jonathan A. Shayne**

(Contact information for him is the same as firm information below)

**SHAYNE & JACOBS, LLC**  
4015 Hillsboro Pike, Suite 203  
Nashville, TN 37215  
615-250-1600 (phone)

August 15, 2023

### **Information on Jon Shayne**

This document provides information about Jon Shayne that supplements the preceding attached disclosure brochure (ADV, Part 2A) on Shayne, Jacobs & Co., LLC. Additional information about Jon is also available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

Jon Shayne was born in 1961. He has the following degrees:

Harvard College, A.B., 1985

Vanderbilt University School of Law, J.D., 1993

Since he founded it in 1994, Jon was the chief executive officer of our firm. When we combined in 2023 with Jacobs Investment Management, LLC, he became co-chief executive officer.

## **Disciplinary Information**

None.

## **Other Business Activities**

Jon Shayne engages in some activities that, on occasion, take some of his time during working hours. He estimates that these together amount to less than 10% of his work week. Thus we understand that these would generally not be considered material according to SEC guidelines. These activities consist of service on the boards of two private foundations, educational requirements related to maintenance of his law license, and occasional media projects that include satirical song videos about economics and other topics. Regarding the law license, please note that Jon does not act as legal counsel to Shayne & Co. clients and does not maintain a law practice, so you should consult your own lawyer on legal matters.

## **Additional Compensation**

As the co-owner of our firm, Jon benefits from the fees that you pay.

## **Supervision**

Jon Shayne and Bill Jacobs, as co-chief executives and co-owners of our firm, supervise each other. Jon is also our chief compliance officer. You can reach Jon or Bill at the phone number on the front of this supplement.

## **BROCHURE SUPPLEMENT**

(FORM ADV, PART 2B)

This supplement supplies information on the following supervised person of  
Shayne & Co, LLC:

**Thomas W. Chapman**

(Contact information for him is the same as firm information below)

**SHAYNE & JACOBS, LLC**  
4015 Hillsboro Pike, Suite 203  
Nashville, TN 37215  
615-250-1600 (phone)

August 15, 2023

### **Information on Tom Chapman**

This document provides information about Tom Chapman that supplements the preceding attached disclosure brochure (ADV, Part 2A) on Shayne & Jacobs, LLC. Additional information about Tom is also available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Educational Background and Business Experience**

Tom Chapman, Analyst, was born in 1970. He received a B.A. from Indiana University in 1993.

For more than the preceding five years Tom has been an Analyst with our firm. Tom started here in 1995.

## **Disciplinary Information**

None.

## **Other Business Activities**

Tom is not involved in any investment-related business or occupation outside of his work at our firm.

## **Additional Compensation**

Tom receives a salary from the firm. We also compensate him through a profit-sharing arrangement. Further, we compensate him under special arrangement for accounts that he both refers and manages, and his compensation for his efforts in relation to such accounts include all management fees paid by such an account.

## **Supervision**

Our firm is a relatively small, one-office company. Thus, a primary method of supervising is simply the fact that we work together in close proximity.

Tom's supervisors are Bill Jacobs and Jon Shayne. Jon is also our chief compliance officer. You can reach Bill and Jon at the phone number on the front of this supplement. Jon supervises Tom's advisory work by inspecting as appropriate from time to time the holdings in any portfolio that Tom manages, and by discussing any such portfolio with Tom. Tom has very wide latitude in his investment decisions, and our firm cannot recall directing or contravening any investment decision by Tom. Any account that Tom advises is held by one or more members of Tom's family.