

# SHORELINE FINANCIAL ADVISORS



## **Shoreline Financial Advisors, LLC**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: February 17, 2022**

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Shoreline Financial Advisors, LLC (“Shoreline”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (203) 458-6800 or by email [cblumenthal@sfadvisors.com](mailto:cblumenthal@sfadvisors.com).

Shoreline is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Shoreline to assist you in determining whether to retain the Advisor.

Additional information about Shoreline and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 146040.

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## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Shoreline. For convenience, we have combined these documents into a single disclose document.

Shoreline believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Shoreline encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

There are no material changes in this brochure from the last annual updating amendment of Shoreline on 02/11/2021. Material changes relate to Shoreline policies, practices or conflicts of interests only.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Shoreline.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 146040.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (203) 458-6800 or by email [cblumenthal@sfadvisors.com](mailto:cblumenthal@sfadvisors.com).

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## Item 4 – Advisory Services

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### A. Firm Information

Shoreline Financial Advisors, LLC (“Shoreline” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Limited Liability Company (“LLC”) under the laws of Connecticut. Shoreline was founded in 1996 and became a registered investment advisor in May 2008. Shoreline is owned and operated by Brendan T. Smith, CPA, CFP® (Principal and Chief Compliance Officer) and Patrick M. Smith, CFA (Principal). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Shoreline.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

### B. Advisory Services Offered

Shoreline offers investment advisory services to individuals, high net worth individuals, retirement plans and charitable organizations in Connecticut and other states (each referred to as a “Client”).

Shoreline provides Clients with comprehensive investment advisory solutions for its Clients which generally includes discretionary management of investment portfolios as well as a broad range of comprehensive financial planning and consulting strategies.

#### Investment Management Services

Shoreline provides customized investment management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. Shoreline works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Shoreline will then construct a portfolio, consisting of equities (stocks, stock mutual funds or stock exchange traded funds (“ETFs”)), fixed income (bonds, bond mutual funds or bond ETFs) and cash (money market funds or short term CDs). Generally, these targets are based on age, risk tolerance and income requirements.

Shoreline’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Shoreline will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Shoreline evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Shoreline may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Shoreline may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Shoreline may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. For additional information, please see “Item 15 – Custody” and “Item 12 – Brokerage Practices”.

### Financial Planning Services

Shoreline will typically provide a variety of financial planning services to Clients as part of its investment management services or pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan based on the Client's financial goals and objectives. This planning may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Shoreline may also refer Clients to an accountant, attorney or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to execute the transaction through the Advisor.

### Retirement Plan Advisory Services

Shoreline provides 3(21) retirement plan advisory services on behalf of the retirement plans (each a "Plan") and the company (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan. Each engagement is customized to the needs of the Plan and Plan Sponsor.

These services are provided by Shoreline serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Shoreline's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

### **C. Client Account Management**

Prior to engaging Shoreline to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy – Shoreline, in connection with the Client, will develop an investment strategy that seeks to achieve the Client's investment goals and objectives.
- Asset Allocation – Shoreline will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Shoreline will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Shoreline will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

Shoreline does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Shoreline.

#### **E. Assets Under Management**

As of December 2021, Shoreline manages the following assets:

Discretionary Assets	\$ 211,541,391.00
Non-Discretionary Assets	\$ 11,710,959.00
<b>Total Assets Under Management</b>	<b>\$ 223,252,350.00</b>

Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Shoreline and the Client.

#### **A. Fees for Advisory Services**

##### Investment Management Services

Investment advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the quarter. On an annual basis, investment advisory fees start at 1.00% for the first \$250,000 of assets under management and decline down to 0.05% for assets above and beyond \$5,000,000. There is a \$1,500 minimum fee for investment advisory services. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Shoreline will be independently valued by the Custodian. Shoreline will not have the authority or responsibility to value portfolio securities. The Client may be able to attain similar services for a lower fee from other service providers.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

##### Financial Planning Services

Shoreline offers financial planning services on an hourly basis ranging from \$150 to \$250 per hour or based on a fixed fee engagement. Fixed fees are generally based on the expected number of hours to complete an engagement at the negotiated hourly rate. Fees may be negotiable depending on the nature and complexity of each Client's circumstances and the overall relationship with the Advisor. An estimate for total hours and/or cost will be provided to the Client prior to engaging for planning services.

##### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee ranging from 0.50% to 0.75%, payable monthly or quarterly in arrears. Fees may be negotiable depending on the size and complexity of the Plan.

#### **B. Fee Billing**

##### Investment Management Services

Investment advisory fees will be calculated by the Advisor and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Shoreline at the end of the

quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Shoreline to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Financial Planning Services

Financial planning fees are typically invoiced up to 50% upon execution of the financial planning agreement and the remaining balance is due upon completion of the agreed upon deliverable[s].

#### Retirement Plan Advisory Services

Shoreline is compensated for its services at the end of the month after advisory services are rendered. Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Shoreline, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The investment advisory fee charged by Shoreline is separate and distinct from these custody and execution fees.

In addition, all fees paid to Shoreline for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Shoreline, but would not receive the services provided by Shoreline which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Shoreline to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

Shoreline is compensated for its investment management services at the end of the quarter, after investment advisory services are rendered. Either party may request to terminate the investment advisory agreement with Shoreline, at any time, by providing advance written notice to the other party. In addition, the Client may also terminate the agreement within five (5) business days of signing the Advisor's investment management agreement. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

#### Financial Planning Services

Shoreline may be partially compensated for its financial planning services prior to starting the engagement. Either party may terminate a planning agreement at any time by providing written notice to the other party. In addition, the Client may also terminate the agreement within five (5) business days of signing the Advisor's financial planning agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### Retirement Plan Advisory Services Fees

Either party may request to terminate their services with Shoreline, at any time, in whole or in part, by providing advance written notice to the other party. The Client shall be responsible for retirement plan advisory fees up to and including the effective date of termination. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's prior consent.

## **E. Compensation for Sales of Securities**

Shoreline does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above. However, Brendan Smith may earn additional compensation as described below.

### Insurance Agency Affiliations

Brendan Smith is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. Smith's role with Shoreline. As an insurance professional, Mr. Smith may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Smith is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Smith or the Advisor. Please see Item 10.

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

Shoreline does not charge performance-based fees for its investment advisory services. The fees charged by Shoreline are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

Shoreline does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

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## **Item 7 – Types of Clients**

Shoreline provides investment advisory services to individuals, high net worth individuals, pensions and charitable organizations. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Shoreline generally does not impose a minimum relationship size to implement its investment process.

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

### **A. Methods of Analysis**

Shoreline primarily employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from Shoreline is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

As noted above, Shoreline generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Shoreline will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Shoreline may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Shoreline will assist Clients in determining an appropriate



strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's strategy:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### ETF Risks

The performance of an ETF is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

#### Mutual Fund Risks

The performance of a mutual fund is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Shoreline or any of its Supervised Persons.** Shoreline and its Supervised Persons value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 146040.

## Item 10 – Other Financial Industry Activities and Affiliations

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### Broker-Dealer Affiliation

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

### Insurance Agency Affiliations

As noted in Item 5.E, Brendan Smith is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart Mr. Smith's role with Shoreline. As an insurance professional, Mr. Smith may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Smith is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Smith or the Advisor.

### Tax Services

Advisory Persons of Shoreline also provide tax and accounting services to Clients. Such services are separate from the advisory services offered to Clients and are provided for an additional fee. Clients are under no obligation to utilize the tax services offered by the Advisory Persons of Shoreline.

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

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### **A. Code of Ethics**

Shoreline has implemented a Code of Ethics (the "Code") that defines our fiduciary commitment to each Client. This applies to all associated persons of Shoreline (our "Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Shoreline and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Shoreline Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (203) 458-6800 or via email [cblumenthal@sfadvisors.com](mailto:cblumenthal@sfadvisors.com).

### **B. Personal Trading with Material Interest**

Shoreline allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Shoreline does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Shoreline does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Shoreline allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of Shoreline may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Shoreline requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO"). We have also adopted written policies and procedures to detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While Shoreline allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Shoreline, or any Supervised Person of Shoreline, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

Shoreline does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Shoreline to direct trades to the Custodian as agreed in the investment advisory agreement. Further, Shoreline does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Shoreline does not exercise discretion over the selection of the Custodian, the Advisor will typically recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a Custodian not recommended by Shoreline. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Shoreline may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, reputation and/or the location of the Custodian's offices. Shoreline does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other broker-dealers/custodians.

Shoreline will generally recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". Shoreline maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. **Shoreline does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from Schwab. Please see "Item 14 – Client Referrals and Other Compensation".**

**2. Brokerage Referrals** - Shoreline does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Shoreline will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). Shoreline will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Shoreline will execute its transactions through the Custodian as directed by the Client. Shoreline may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business

day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## Item 13 – Review of Accounts

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### A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by a Principal of Shoreline. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify Shoreline if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## Item 14 - Client Referrals and Other Compensation

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### A. Compensation Received by Shoreline

#### Participation in Institutional Advisor Platform

Shoreline has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Shoreline. As a registered investment advisor participating on the Schwab Advisor Services platform, Shoreline receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to Shoreline that may not benefit the Client, including: educational conferences and events, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which

results in a potential conflict of interest. Shoreline believes, however, that the selection of Schwab as the Custodian is in the best interests of its Clients.

#### **B. Client Referrals from Solicitors**

Shoreline does not engage paid solicitors for Client referrals.

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### **Item 15 - Custody**

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Shoreline only accepts custody through the authorized deduction of the Advisor's fee and authority to move money from one account to another account. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Shoreline to utilize the Custodian for the Client's security transactions. Shoreline encourages Clients to review statements provided by the Custodian. Additionally, the Advisor avoids any additional regulatory requirements for money movements, where the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions, meeting the independent audit exemption requirements. For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices.

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### **Item 16 - Investment Discretion**

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Shoreline generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Shoreline. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Shoreline will be in accordance with each Client's investment objectives and goals.

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### **Item 17 - Voting Client Securities**

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Shoreline does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

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### **Item 18 - Financial Information**

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Neither Shoreline, nor its management, have any adverse financial situations that would reasonably impair the ability of Shoreline to meet all obligations to its Clients. Neither Shoreline, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Shoreline is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

# SHORELINE FINANCIAL ADVISORS



## Form ADV Part 2B – Brochure Supplement

for

**Brendan T. Smith, CPA, CFP®**  
**Principal and Chief Compliance Officer**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Brendan T. Smith, CPA, CFP® (CRD# **2861871**) in addition to the information contained in the Shoreline Financial Advisors, LLC (“Shoreline” or the “Advisor”) (CRD # 146040) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Shoreline Disclosure Brochure or this Brochure Supplement, please contact us at (203) 458-6800 or by email [cblumenthal@sfadvisors.com](mailto:cblumenthal@sfadvisors.com).

Additional information about Mr. Smith is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2861871.

## Item 2 – Educational Background and Business Experience

Brendan T. Smith, born in 1960, is dedicated to advising Clients of Shoreline in his role as a Principal and the Chief Compliance Officer. Mr. Smith earned a Bachelor of Science in Business from Boston College in 1983. Mr. Smith earned an MS in Taxation from Bentley College in 1991. Additional information regarding Mr. Smith's employment history is included below.

### Employment History:

Principal and Chief Compliance Officer, Shoreline Financial Advisors, LLC	05/2008 to Present
Registered Representative, Purshe Kaplan Sterling Investments, Inc.	06/2008 to 09/2019
Financial Advisor, Raymond James Financial Services, Inc.	04/1999 to 06/2008

### CERTIFIED FINANCIAL PLANNER™ ("CFP®")

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- *Education* – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- *Examination* – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- *Experience* – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- *Ethics* – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- *Continuing Education* – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- *Ethics* – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Certified Public Accountant ("CPA")

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

### **Item 3 – Disciplinary Information**

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Smith.*** Mr. Smith has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Smith.

Securities laws require an advisor to disclose any instances where the advisor or its Advisory Persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Smith.*** However, we do encourage you to independently view the background of Mr. Smith on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2861871.

### **Item 4 – Other Business Activities**

#### Insurance Agency Affiliations

Mr. Smith is also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from Mr. Smith's role with Shoreline. As an insurance professional, Mr. Smith may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Mr. Smith is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Smith or the Advisor. Please see Item 10.

### **Item 5 – Additional Compensation**

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Mr. Smith has additional business activities detailed in Item 4 above.

### **Item 6 – Supervision**

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Brendan Smith serves as a Principal and the Chief Compliance Officer of Shoreline. Mr. Smith can be reached at (203) 458-6800. Shoreline has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of Shoreline. Further, Shoreline is subject to regulatory oversight by various agencies. These agencies require registration by Shoreline and its Supervised Persons. As a registered entity, Shoreline is subject to examinations by regulators, which may be announced or unannounced. Shoreline is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.





## Form ADV Part 2B – Brochure Supplement

for

**Patrick M. Smith, CFA**  
**Principal**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Patrick M. Smith, CFA (CRD# **2309088**) in addition to the information contained in the Shoreline Financial Advisors, LLC (“Shoreline” or the “Advisor”) (CRD # 146040) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Shoreline Disclosure Brochure or this Brochure Supplement, please contact us at (203) 458-6800 or by email at [cblumenthal@sfadvisors.com](mailto:cblumenthal@sfadvisors.com).

Additional information about Mr. Smith is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2309088.

## Item 2 – Educational Background and Business Experience

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Patrick M. Smith, born in 1962, is dedicated to advising Clients of Shoreline in his role as a Principal. Mr. Smith earned a Masters of Science in Finance from Boston College - Wallace E. Carroll Graduate School of Management in 1991. Mr. Smith earned a Bachelors of Business Administration in Finance from University of Notre Dame in 1984. Additional information regarding Mr. Smith's employment history is included below.

### Employment History:

Principal, Shoreline Financial Advisors, LLC	01/2001 to Present
Senior Vice President & Portfolio Manager, Pioneer Investments	12/1992 to 12/2000

### Professional Designation: Chartered Financial Analyst ("CFA")

The Chartered Financial Analyst ("CFA") charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Smith.*** Mr. Smith has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Smith.

Securities laws require an advisor to disclose any instances where the advisor or its Advisory Persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Smith.*** However, we do encourage you to independently view the background of Mr. Smith on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 2309088.

## Item 4 – Other Business Activities

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Mr. Smith is dedicated to the investment advisory activities of Shoreline's Clients. Mr. Smith does not have any other business activities.

## Item 5 – Additional Compensation

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Mr. Smith is dedicated to the investment advisory activities of Shoreline's Clients. Mr. Smith does not receive any additional forms of compensation.

## Item 6 – Supervision

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Mr. Smith serves as a Principal of Shoreline and is supervised by Brendan T. Smith, Principal and Chief Compliance Officer. Brendan Smith can be reached at (203) 458-6800. Shoreline has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Clients of Shoreline. Further, Shoreline is subject to regulatory oversight by various agencies. These agencies require registration by Shoreline and its Supervised Persons. As a registered entity, Shoreline is subject to examinations by regulators, which may be announced or unannounced. Shoreline is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

# Privacy Policy

Effective Date: August 7, 2018

## Our Commitment to You

Shoreline Financial Advisors, LLC ("Shoreline" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Shoreline (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Shoreline does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

## Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

## What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

## What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

## How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

**How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b>                      We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p>	Yes	No
<p><b>Marketing Purposes</b>                      Shoreline does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Shoreline or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	Not Shared
<p><b>Authorized Users</b>                      Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).</p>	Yes	Yes
<p><b>Information About Former Clients</b>                      Shoreline does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

**State-specific Regulations**

Massachusetts	In response to a Massachusetts law, clients must “opt-in” to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.
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**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (203) 458-6800 or via email [cblumenthal@sfadvisors.com](mailto:cblumenthal@sfadvisors.com).