

Relationship Summary

Introduction

We are Shepherd Financial Investment Advisory, LLC (“Shepherd”), an investment adviser registered with the Securities and Exchange Commission. Investment advisory and brokerage services fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. Our firm and financial professionals’ registration information are also publicly available on this website.

Relationships and Services

Q: What investment services and advice can you provide me?

A: We offer customized investment advisory services to retail investors. We offer advice on securities described under *Methods of Analysis, Investment Strategies, and Risk of Loss* in our Form ADV Part 2A (“**Disclosure Brochure**,” available at [Investor.gov/CRS](https://www.investor.gov/CRS)), including equities, fixed income, mutual funds, exchange traded funds (ETFs), and other investments. Our services are provided on a discretionary basis, which means we have the power to buy and sell securities for your account without your prior consent. This authority is usually unlimited and remains in effect until you revoke it. We may provide non-discretionary investment advice, where we make investment recommendations to you and you decide whether to implement the recommendation.

We do not give advice on any proprietary investment products. We usually review portfolios at least annually. However, we do monitor accounts on a continuous basis and conduct periodic reviews if you change your objectives or risk tolerance, upon significant market and economic events, or if we change our investment strategy. Shepherd does not require a minimum account size.

Q: Given my financial situation, should I choose an investment advisory service? Why or why not?

A: Advisory services are usually appropriate when you have a portfolio of securities for which you require ongoing advice. Investors who maintain few securities holdings and are not inclined to make changes to their portfolio are likely best suited for a traditional brokerage account with a FINRA-registered firm.

Q: How will you choose investments to recommend to me?

A: We recommend investments based upon your individual circumstances, financial situation, expectation of current and future cash needs, investment objective, and risk tolerance. Recommendations will be limited to the eligible securities available to you through the custodian of your assets. In addition, we attempt to identify those investments in which we expect to yield an acceptable level of return given the amount of risk you are willing to assume, taking into account the level of diversification and how different securities and asset classes may complement one another.

Q: What is your relevant experience, including your licenses, education, and other qualifications?

A: Our financial advisors have been in the financial services industry for several years and maintain the Series 65 exam qualification or a professional designation accepted by the applicable state regulator. You can find information on any professional designations of your financial advisor in the Form ADV Part 2B (“**Brochure Supplement**”) we provide you at the onset of the advisory relationship.

Q: What do these qualifications mean?

A: These qualifications assure that our professionals have met specific regulatory exam requirements required to conduct investment activities (e.g., Series 65). In addition, professional certifications such as the CERTIFIED FINANCIAL PLANNER™ (CFP®) require successful passing of the certification exam as well as continuing education requirements.

Fees, Cost, Conflicts, and Standard of Conduct

Q: What fees will I pay?

A: Our monthly fees are calculated as a percentage of the assets under our management, so our fees will rise and fall with the value of the assets we manage for you. As a result, we are economically incented to recommend that you place more assets in your account in order to increase the value of your portfolio, because as the value increases, so do our fees. In addition, we provide our services generally on a wrap fee basis. For wrap accounts, account custodian fees, transaction costs, and our advisory fee are included in the total asset-based wrap fee we charge you, which may be higher than in a non-wrap account. Whether to choose a wrap or non-wrap account depends on the size of your portfolio and the frequency of transaction activity. A non-wrap may be cheaper if you have a large portfolio with fewer transactions effected. Wrap fees may be better if you have a smaller portfolio where there is frequent trading activity. Please review our Wrap Fee Program Disclosure Brochure for more information. Please review Item 11 in our Disclosure Brochure for information regarding conflicts of interest.

Under a transaction fee arrangement, the more transactions effected in your account, the more transaction costs you will incur, and high activity in your account does not assure positive portfolio performance. For custodians that charge their fees based upon a percentage of your assets, such fees may be more than would be the case if you are charged a transaction-based fee. Please be mindful of the effect of your portfolio size, the level of activity, and the rate of custodian asset-based pricing. Generally, large portfolios would be disadvantaged by paying an asset-based custodian fee versus a transaction-based fee. Some securities carry

additional costs, such as mutual funds and ETFs. In addition to advisory, custody, and transaction fees, there are additional fees such as postage and handling, transfer taxes, SEC fees for sales of securities, and similar fees. These additional fees are not material, but like advisory fees and custodian fees, they do have an adverse impact on the value of your portfolio over time. Financial planning fees will be charged at an hourly or fixed rate as agreed upon by you and the firm. You can find more information about our fees and costs under *Fees and Compensation* in our Disclosure Brochure.

Q: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

A: We charge asset-based fees, so our fees are calculated as a percentage of the value of your portfolio we manage. For example, a \$10,000 investment at a 1% annual fee results in an annual deduction of \$100 from your portfolio (meaning only \$9,900 ends up invested). This means that it will take longer for you to realize positive returns than if no fees were charged. In this example, if you generated a 3% return, your net return would be 2%.

You will pay fees whether you make or lose money on your investments. Fees will reduce any amount of money you make on your investments over time. Please make sure you understand what fees you are paying.

Q: What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

A: *When we act as your investment adviser, we have to act in your best interest and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts of interest. You should understand and ask us about these conflicts because they can affect the investment advice we provide. Here is an example to help you understand what this means:*

- Certain Shepherd professionals are (i) licensed to sell insurance and (ii) registered with Lincoln Investment, a FINRA-registered broker-dealer, both of which create conflicts of interest regarding compensation. Further, certain Shepherd professionals are also licensed as an investment adviser representative of Capital Analysts, LLC, an affiliate of Lincoln Investment. Capital Analysts also provides investment advice and management to retail investors. As a fiduciary to you, I must recommend the services of the investment adviser that will best serve your best interests. This creates a conflict as the compensation structures for each investment adviser are different.

Q: How might your conflicts of interest affect me, and how will you address them?

A: Conflicts of interest can incentivize us to put our interests ahead of yours. We manage these conflicts through disclosures and employing supervision procedures to ensure our financial advisors are acting in your best interest. If financial advisor has outside business activities, it will be disclosed in their Brochure Supplement. Please see *Other Financial Industry Activities and Affiliations; Code of Ethics, Participation or Interest in Client Transactions and Personal Trading; and Client Referrals and Other Compensation* in our Disclosure Brochure as well as your financial advisor's Brochure Supplement for additional information about conflicts of interest.

Q: How do your financial professionals make money?

A: Advisors who are owners of the firm are paid a salary and receive distributions of their respective percentage of any profits. Advisors who are not owners of the firm are paid a salary and bonus. Distributions and bonuses present a conflict of interest as advisors are financially incentivized to encourage you to place more assets in your advisory account as you will pay more in advisory fees.

Disciplinary History

Q: Do you or your financial professionals have legal or disciplinary history?

A: No. You can visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research our firm and our financial professionals.

Additional Information

Q: Who is my primary contact person?

A: Your Shepherd financial advisor will be your primary point of contact. However, administrative requests may be handled by an administrative assistant or other client service professionals.

Q: Is he or she a representative of an investment adviser or a broker-dealer?

A: All of our financial advisors are associated with Lincoln Investment, a FINRA-registered broker-dealer. All investment advisors are licensed with Shepherd as investment adviser representatives and many are also investment adviser representatives of Capital Analysts LLC. See their ADV2B for their dual affiliations.

Q: Who can I talk to if I have concerns about how this person is treating me?

A: In the event you have issues to be addressed, you may contact Mr. Steven Wylam, Chief Compliance Officer, at 844.975.4015 or email swylam@shepherdfin.com.

You can find additional information about our investment advisory services at [Investor.gov/CRS](https://www.investor.gov/crs). You may also request a printed copy of this Relationship Summary by contacting us at 844.975.4015 or via email at swylam@shepherdfin.com.