

## A Summary of Your Advisory Relationship with Sara-Bay Financial Corp.

June 12, 2020

Sara-Bay Financial Corp is a SEC Registered Investment Advisor.

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

- Brokerage and investment advisory service and fees differ, and it is important that the retail investor understands these differences. This form will clarify the fees and services of Sara-Bay Financial Corp. Free and simple tools are available to research firms and financial professionals at <http://www.investor.gov/CRS>.

### What investment services and advice can you provide me?

*Conversation starter: How will you choose investments to recommend to me?*

- We specialize in active asset management – offering clients a choice of growth, income, and a blended strategy. We are different from many financial advisors in that we build and actively manage client portfolios using our own research. When a client opens an account through Sara-Bay Financial Corp., client assets are held by the custodian, Charles Schwab & Company, Inc. Sara-Bay Financial is a fee only advisory firm and does not earn commissions on any Charles Schwab & Company, Inc., transactions. Transaction costs are passed on to the client. As of 2019 there are no transaction costs associated with equity trades.

In accomplishing your investment objectives, we will: (i) create an investment strategy; (ii) implement the designed investment strategies for investment management, asset allocation; and, (iii) monitor the investment of such management strategies. All assets that we manage are managed on a discretionary basis. There is no absolute minimum required to open an account.

*Conversation starter: What is your relevant experience, including your licenses education and other qualifications? What do the qualifications mean?*

### What fees will I pay?

- Our management fee represents the annual percentage charged for portfolio management provided on an asset-based fee arrangement. The fee for a quarter will be one-fourth of the annual percentage multiplied by the fair market value of the assets in your account on the first business day of the new calendar quarter. We retain discretion to negotiate the management fee on a client-to-client basis. Generally, fee breaks occur as the total assets in your portfolio increase past the following tiers: For the Stock Growth and Blend Portfolios the rates range from 1.25% to 1%. Rates on the Dividend Income Portfolio range from 1% to .80%. Rates on the ETF portfolios ranges from .90% - .70% and rates on the Fixed Income portfolios range from .50-.40%. Complete fee structure is available in our ADV Disclosure Brochure which is located at <https://www.sara-bay.com/wp-content/uploads/2020/04/2020-ADV-disclosure-brochure-Final.pdf>

## Are there other fees I might have to pay?

- Accounts held at Charles Schwab, our custodian, may find their accounts subject to the following fees, depending on the specific account's activity: a per wire fee, a fee to transfer out an account, and/or a charge to send a check with overnight delivery. These fees are subject to change.

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

***Conversation starter: 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?***

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

As a SEC Registered Investment Advisor, we are legally obligated to uphold a fiduciary standard. As such, we are required to always act in your best interest and not put our interest ahead of yours. At the same time, the way we make money can create some conflicts with your interests. You should understand and ask us about these possible conflicts. Here are some examples.

- Sara-Bay Financial earns income from the fees charged to manage investment assets. Sara-Bay recognizes the incentive in such a fee structure is to invest additional assets into the account, and thus be charged a lesser fee. This could be perceived as a conflict of interest. Sara-Bay is not compensated in any way for order execution, order handling, or orders directed to other firms. Sara-Bay does not engage in any "soft dollar" practices involving the receipt of research or other services in connection with client transactions
- We might engage in securities transactions with certain of our clients, which might not be offered to you. You can find more information in our Form ADV at <https://www.sara-bay.com/wp-content/uploads/2020/04/2020-ADV-disclosure-brochure-Final.pdf>

***Conversation Starter: How might your conflicts of interest affect me and how will you address them?***

## How do our financial professionals make money?

- The financial advisors at Sara-Bay Financial are paid an agreed upon portion of any fees earned by Sara-Bay Financial for managing investment assets.

## Do you or your financial professionals have legal or disciplinary history?

- No. Please visit [www.investor.gov/crs](http://www.investor.gov/crs) for a free and simple search tool to research this information.

## Additional Information

- Additional information as well as a copy of our form ADV Disclosure Brochure and form CRS can be found on our website at <https://www.sara-bay.com/> We can be reached at 941-371-8027

***Conversation starters: Who is my primary contact person? Who can I talk to if I have concerns about how this person is treating me?***