

## *Client Relationship Summary*

*June 2020*

### **Introduction**

SB Advisory, LLC., (herein referred to as “San Blas”, “Us”, “Our”, “We”) is an SEC registered investment adviser firm. SB Advisory is affiliated with San Blas Securities LLC. San Blas Securities is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). San Blas Securities maintains securities accounts through a fully disclosed clearing relationship with Axos Clearing. Some, but not all of our Financial Professionals are dually licensed and registered to offer services under the investment adviser and the broker-dealer, therefore it’s important that you ask your Financial Professional in what capacity they are able to act in as they may not be able to offer you both investment advisory and brokerage services. Brokerage and investment advisory and brokerage services and the fees associated, differ and it’s important that you understand the differences. Free and simple tools are available to you to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers and investment advisors.

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

Depending on their licensing and registration, our Financial Professionals are qualified to offer brokerage services and/or investment advisory services. Each Financial Professional generally provides access to a range of investment products, such as stocks, bonds, mutual funds, unit investment trusts (UITs), options, exchange-traded funds (ETFs), life insurance, annuities and other various investment products. The range of investment options available to you may be limited depending on your investment size, ability to meet account minimum requirements, your personal suitability and other such qualifications. We encourage you to ask your Financial Professional whether any investment limitations or account requirements apply to you. Furthermore, you should ask your Financial Professional if the advice they are providing or the recommendations they offer are part of a brokerage service or advisory service. Some of the key differences between brokerage and investment advisory services are described below.

### **Brokerage Services**

- San Blas Securities is an introducing broker-dealer, meaning we have a contract with a clearing firm who handles the execution and settlement of trade orders it receives from us and our clients. The clearing firm also holds your securities for safekeeping (known as having “custody” of your securities).
- In most cases, San Blas provide recommendations to you on specific investments, but you make the final investment decisions for your account.
- San Blas don’t monitor brokerage account investments for you, unless we state otherwise in writing.

### **Investment Advisory Services**

- The investment advisory services SB Advisory offer include asset management, financial planning and financial consulting.
- SB Advisory manage accounts on a discretionary basis, meaning we will implement transactions without seeking your prior consent, however, you have the ability to impose restrictions on your account by making such request in writing.
- SB Advisory I typically monitor accounts and specific investments within accounts, on an ongoing basis to align with your investment goals.
- SB Advisory may use third party money managers; in which case your account is managed by an Adviser outside of SB Advisory Group.

**For more detailed information** about our advisory services, please see our Form ADV Part 2A, items 4 & 5 available here: <https://adviserinfo.sec.gov/firm/summary/154680>. You can find additional information about our

brokerage services by visiting our website [www.sanblassecurities.com](http://www.sanblassecurities.com), or requesting a free copy of our Regulation Best Interest Disclosure Brochure.

#### QUESTIONS TO ASK YOUR PROFESSIONAL:

- o Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Why or why not?
- o How will you choose investments to recommend to me?
- o What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### **What fees will I pay?**

#### **Brokerage Services Fees**

- Commission: San Blas charges a *transaction-based fee* every time you buy or sell an investment. The amount you pay as a transaction-based fee varies according to the particular investment and amount invested. We collect these fees each time a transaction takes place, which creates an incentive for us to encourage you to trade often.
- For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (called “markup or markdown”).
- Sales Loads: For investments in certain products like mutual funds and annuities, San Blas receives transaction-based fees from the investment product sponsor<sup>1</sup> in the form of asset-based sales charges. These fees are based on the amount invested in a certain product and in some cases may also be dependent on how long you hold the investment position. These sales loads create an incentive for us to recommend certain products or

product sponsors based on the fees San Blas collects

#### **Investment Advisory Fees**

- For investment advisory services, we typically charge an *asset-based fee* based upon an annual percentage of your assets under management. Advisory Fees will generally range from 1% to 2% annually, of a percentage of the value of your assets in the account we manage. The more assets you have in this type of account, the more you’ll pay in fees, which creates an incentive to encourage you to increase the size of your account. Fees are negotiable.
- Minimum Account Size: Although we do not currently impose a minimum account size, transaction fees associated with mutual funds traded in an account held at TD Ameritrade may be higher for accounts that hold less than \$500,000 in total aggregated assets.
- Financial Planning/Financial Consulting: You will pay a maximum fee of \$200 per hour for financial planning and consulting services. This fee is negotiable between you and your Financial Professional.

#### **Other Fees and Costs**

If applicable to your account, you will also be charged other fees in addition to brokerage commissions and advisory fees, including: outside brokerage commissions, margin interest, custody fees and certain other expenses. You should understand that these fees are not charged by us if your investment is in an account that is held directly with the fund sponsor. Generally, our advisory fees don’t include any brokerage commissions and other transactions costs, redemption fees, wire transfer fees, account closing fees, or any other charges imposed by the administrator, custodian, or other service provider.

**You will pay fees and incur 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.**

**For more detailed information** about our advisory services, please see our Form ADV Part 2A, Item 5 available here: <https://adviserinfo.sec.gov/firm/summary/154680>. You can find additional information about our brokerage services by visiting our website [www.sanblassecurities.com](http://www.sanblassecurities.com), or requesting a free copy of our Regulation Best Interest Disclosure Brochure.

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<sup>1</sup> Sponsor means the insurance company, mutual fund, or other investment company.

#### QUESTIONS TO ASK YOUR PROFESSIONAL:

- Can you 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?

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

When we provide you with a recommendation as your investment adviser or act as your broker-dealer, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means:

**Third-Party Payments:** San Blas receive compensation from third parties related to investments you make in certain products, including mutual funds, ETFs and annuities. This compensation includes ongoing distribution charges, such as 12b-1 fees or commission trails, which an investment product charges you and then pays to us.

**ES Advisory Group, Inc.:** In addition to the relationship between San Blas and SB Advisory, some of our Financial Professionals may also be affiliated with San Blas Advisory, Inc., dba ES Advisory Group, a state registered investment adviser firm. This relationship creates an incentive for some of our Financial Professionals to refer you to use ES Advisory. For more information about the services offered through ES Advisory, request a free copy of their *Client Relationship Summary* or refer to their ADV Part 2A here:

<https://reports.adviserinfo.sec.gov/reports/ADV/296929/PDF/296929.pdf>

**Cabot Lodge Securities, LLC:** In addition to the relationship between San Blas and SB Advisory, some of our Financial Professionals may also be affiliated with Cabot Lodge Securities, LLC, Cabot Lodge is a broker-dealer registered with the United States Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). This relationship creates an incentive for some of our Financial Professionals to refer you to use Cabot Lodge. You can find additional information about their brokerage services by visiting their website [www.clsecurities.com](http://www.clsecurities.com), or requesting a free copy of their Regulation Best Interest Disclosure Brochure.

**Margin Brokerage Accounts:** We offer you the ability to purchase securities on credit, also known as “margin”. If you purchase securities on margin, we extend a line of credit to you through our clearing firm and charge interest on the margin balance. This arrangement creates a financial incentive to encourage you to borrow on margin because we earn compensation in the form of interest, transaction charges and other fees on investments made with borrowed amounts.

**TurnKey Asset Management Program:** If you utilize our third party money managers, SB Advisory will receive compensation as a percentage of assets under management for referring you to the respective program and its money managers with TurnKey Asset Management (“TAM”). The compensation we receive may be higher if you use TAM versus other money managers, therefore this creates an incentive for us to refer TAM over other third party money managers available.

**For more detailed information** about our advisory services, please see our Form ADV Part 2A, Item 8, 10 & 14 available here: <https://adviserinfo.sec.gov/firm/summary/154680>. You can find additional information about our brokerage services by visiting our website [www.sanblassecurities.com](http://www.sanblassecurities.com), or requesting a free copy of our Regulation Best Interest Disclosure Brochure.

#### ASK YOUR PROFESSIONAL:

- How might your conflicts of interest affect me and how will you address them?

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## How do your Financial Professionals make their money?

Our Financial Professionals are primarily independent contractors, although a portion are employees. The agreement between each Financial Professional and San Blas, sets out the payments we make to them. Those who provide investment advisory services receive a portion of the advisory fee you pay. Those who provide you brokerage services receive a portion of the commission from your trades. Receiving a portion of the advisory or brokerage fees you pay to us creates an incentive for them to encourage you to increase your investment account size or trade more frequently. Our Financial Professionals also receive different levels of compensation for selling different types of investments or services. This could include, for example, a share of the 12b-1 fees<sup>2</sup>, trail commission<sup>3</sup>, or sales loads<sup>4</sup> paid to us by an investment product sponsor. Although your Financial Professional is required to recommend investment products or manage your account in your best interest, these additional forms of compensation create an incentive for them to recommend specific financial products.

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## Do you or your Financial Professionals have legal or disciplinary history?

Yes, some of them do. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

### QUESTIONS TO ASK YOUR PROFESSIONAL:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

## Additional Information.

For additional information about our products and services, visit [www.investor.gov](http://www.investor.gov) or [BrokerCheck.Finra.org](http://BrokerCheck.Finra.org), or visit our website [www.sanblassecurities.com](http://www.sanblassecurities.com) and review your account agreement(s).

For additional information on advisory services, see our Form ADV brochure available at <https://adviserinfo.sec.gov/firm/summary/154680>, and any brochure supplement your Financial Professional provides.

For additional information on our brokerage services, request a free copy of our Regulation Best Interest ("Reg BI") Disclosure Brochure.

To report a problem to the SEC, you can visit [www.Investor.gov](http://www.Investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330. To report a problem to FINRA, you can visit [www.finra.org](http://www.finra.org) or call their help line at (240) 386-4357.

If you have a problem with your investments, account or financial professional, contact:

San Blas Securities  
Attn: Chief Compliance Officer  
3424 Peachtree Road NE, Suite 2200  
Atlanta, GA 30326  
404-474-2088

### QUESTIONS TO ASK YOUR PROFESSIONAL:

- Who is my primary contact person?
- Is he/she a representative of an investment adviser or a broker-dealer or both?
- Who can I talk to if I have concerns about how this person is treating me?

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<sup>2</sup> A 12b-1 fee is an annual marketing or distribution fee on a mutual fund. The 12b-1 fee is considered to be an operational expense and, as such, is included in a fund's expense ratio.

<sup>3</sup> A trailing commission is a fee that you pay a financial professional each year that you own an investment. The purpose of a trailing commission is to give an advisor an incentive to review a client's holdings and provide advice.

<sup>4</sup> A load is a sales charge paid by mutual fund investors to the brokers or agents who sell the fund to them.