

Cruden Bay Investment Management, LLC
June 30, 2020

FORM CRS

Cruden Bay Investment Management, LLC is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer the following investment advisory services to retail investors: portfolio management, financial planning, financial consulting services, and a wrap fee program. Detailed information regarding our services, fees and other disclosures can be found in our Form ADV Part 2A Items 4, 7, and 8 and Form ADV Part 2 Appendix 1 Brochures Items 4 and 5 via the following link: <https://adviserinfo.sec.gov/firm/brochure/284787>.

Account Monitoring: If you open an investment account with our firm, as part of our standard service we will monitor your investments on an ongoing basis.

Investment Authority: We manage investment accounts on a **discretionary** basis whereby **we will decide** which investments to buy or sell for your account. We have discretion to select, retain or replace third-party managers to manage your accounts. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We also offer **non-discretionary** investment management services whereby we will provide advice, but **you will ultimately decide** which investments to buy and sell for your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Investment Offerings: We provide advice on various types of investments. Our services are not limited to a specific type of investment or product.

Account Minimums and Requirements: In general, we require a minimum account size of \$5,000,000 to open and maintain an advisory account, which may be waived in our discretion.

Key Questions to Ask Your Financial Professional

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

What fees will I pay?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services. For detailed information, refer to our Form ADV Part 2A, Items 5 and 6 and Form ADV Part 2 Appendix 1 Brochures via the following link: <https://adviserinfo.sec.gov/firm/brochure/284787>.

- We charge an **asset-based fee** for our portfolio management services, which includes financial consulting services (if offered). Our asset-based fee is payable quarterly in advance. Since the fees we receive are based on the value of your account, we have an incentive to grow your account value and to discourage withdrawals. Our asset-based fee is a **wrap fee**, which generally includes most transaction costs and fees to a broker-dealer that has custody of your assets. A wrap fee is typically higher than a non-wrap asset-based advisory fee. Since our firm pays the transaction costs associated with securities transactions in your account, we have an incentive to minimize the trading in your account.
- We charge a **fixed fee** for standalone financial planning services, which are payable as invoiced.
- In addition to our fees, you will incur advisory fees charged by third party money managers, which are separate and apart from our fees.

- Additionally, the following are examples of the most common fees and costs applicable to our clients, which are separate and distinct from our advisory fees: custodian fees, account maintenance fees, fees related to mutual funds and exchange-traded funds, transaction charges when purchasing or selling securities, and other product-level fees associated with your investments.

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.

Key Questions to Ask Your Financial Professional

- **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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, 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 investment advice we provide you. Here are some examples to help you understand what this means.

Third-Party Payments: Persons providing investment advice on behalf of our firm are licensed as independent insurance agents and will earn commission-based compensation for selling insurance products. Insurance commissions are separate and in addition to our advisory fees. This practice presents a conflict of interest because they have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

Refer to our Form ADV Part 2A and Form ADV Part 2 Appendix 1 Brochures via the following link: <https://adviserinfo.sec.gov/firm/brochure/284787> to help you understand what conflicts exist.

Key Questions to Ask Your Financial Professional

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

How do your financial professionals make money?

The financial professionals servicing your account(s) are paid a salary and bonus. Since compensation is based, in part, on the revenue the firm earns from the person's services or recommendations, a conflict of interest exists in that the financial professional has an incentive to refer new clients to our firm or encourage clients to grow assets with us.

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

No. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

Key Questions to Ask Your Financial Professional

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

You can find additional information about our investment advisory services via the following link: <https://adviserinfo.sec.gov/firm/brochure/284787> and request a copy of the relationship summary at 805-719-2771.

Key Questions to Ask Your Financial Professional

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