

## Firm Introduction

Sanctuary Securities, Inc. is a broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Sanctuary Advisors, LLC is an SEC Registered Investment Adviser. Both entities are wholly owned subsidiaries of Sanctuary Wealth Group, LLC. Brokerage and investment advisory services and fees differ so it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

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

Sanctuary Wealth offers both brokerage and investment advisory services to retail customers.

If you open an advisory account with us, you will pay an on-going **asset-based fee** at the beginning of each month or each quarter for our services, based on the value of the cash and investments in your advisory account.

You can choose how you pay your fees for your advisory accounts. You may elect a **wrap fee arrangement**, or you can elect a **non-wrap fee arrangement**. Fees and costs for these different offerings are described in our **Fees and Costs section**.

You can choose an account that allows us to buy and sell investments in your advisory account without asking you in advance (a "**discretionary advisory account**") or we may give you advice on investment options and you decide what investments to buy or sell (a "**non-discretionary advisory account**"). Your elected choice of these services will be communicated in your advisory agreement. Client can impose certain restrictions on their accounts.

For all advisory accounts, we will offer you advice on a regular basis. We will discuss your investment goals, design a strategy with you focused on these goals, and regularly monitor your account. We will contact you (by phone or email) at least annually to discuss your portfolio.

We also make available financial planning services for wealth accumulation, wealth distribution, cash flow analysis, higher education planning, retirement planning, estate planning, and legacy planning. You may elect how you pay your fees for these services based on an hourly rate or a lump sum amount dependent on the services you select from the list above.

If you open a brokerage account with us, the costs of each investment can vary. You may pay transaction fees that come in various forms. Please review the **Fees and Costs section**. The firm does not provide ongoing monitoring for brokerage accounts.

Our investment advice will cover a limited selecting of investments. Other firms could provide advice on a wider range of choices, some of which might have lower or higher fees.

Sanctuary Wealth does not impose minimum account sizes or a minimum investment amounts, however, individual financial professionals do have minimum relationship standards.

**For additional information**, please see Regulation Best Interest Disclosures, our Form ADV, Part 2A brochure (items 4 and 7 of Part 2A or items 4.A. and 5 of Part 2A Appendix 1) and other applicable documents.

**Conversational Starters:** Ask your financial professional –

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Or should I choose a combination of both services? Why or why not?
- How will you choose investments to recommend to me?

- How often will my financial professional monitor my advisory account's performance and offer investment advice? Will my financial professional provide monitoring on my brokerage accounts?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### **What fees and costs will I pay? (Fees and costs affect the value of your account over time.)**

Our fees vary. The amount you pay will depend, for example, on the services you select and receive, whether you select a brokerage account or advisory account, and the amount of assets held in an advisory account if you have one.

The more assets you have in the advisory account, including cash, the more you will pay us. We, therefore, have an incentive to increase the assets in your account in order to increase our fees. You pay our fees monthly or each quarter even if you do not buy or sell and if your account balance increases or decreases in value.

The asset-based fee for your advisory account reduces the value of your account and will be deducted from your account.

You may pay transaction fees when we buy and sell investments for you in your brokerage accounts, You may also pay fees to a broker-dealer or bank, called the custodian, that will hold your assets depending upon the fee arrangement you select.

You may elect a **wrap fee advisory arrangement** where your transaction fees, custodian fees, platform fees, manager fees, and our advisory fees are all bundled into a single asset-based fee and may be higher than a **non-wrap fee advisory arrangement** where the cost of transactions, custodial fees, platform fees, manager fees, and our advisory fees are all unbundled and charged separately.

Some investments (such as mutual funds and variable annuities) impose additional fees that will reduce the value of your investment over time. Also, with certain investment such as variable annuities, you may have to pay fees, such as "**surrender fees**" to sell the investment.

You can also open a brokerage account where you will pay a transaction-based fee, generally referred to as a commission, when the firm and financial professional buys or sells an investment for you. Features of a typical brokerage account include:

- You may select investments or the broker-dealer/financial professional may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase and sale of investments will be yours. The firm does not provide monitoring for brokerage accounts.
- If you were to pay a transaction-based fee in a brokerage account, the more trades in your brokerage account, the more fees the firm charges you. The firm has an incentive to encourage you to trade often.
- Account maintenance fees and account inactive fees may apply to brokerage accounts.

You can receive advice in either type of account, but you may prefer paying:

**A transaction-based fee** from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods of time.

**An asset-based fee** if you want someone to make investment decisions for you, even though it may cost more than a transaction-based fee.

**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 investment over time. Please make sure you understand what fees and costs you are paying.**

June 30, 2020

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**Conversational Starters:** Ask your financial professional –

- Help me understand how these fees and costs might affect my investment. 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 much would I pay per year for an advisory account? How much do I pay for a brokerage account? How are the brokerage account fees determined? What would make those fees more or less? What services will I receive for those fees?
- What additional cost should I expect in connection with my advisory account? Or my brokerage account?

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

When we provide you with recommendations as your broker-dealer or 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 may create 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. We must treat you fairly and comply with a number of specific obligations.

We make money by advising you to invest in certain proprietary investments and investment strategies, such as asset management portfolios, because they are managed by someone related to our firm. In certain circumstances your financial professional receives more money if you buy these investments.

We have an incentive to advise you to invest in certain investments, such as fixed income products, alternative investments and structured notes, because the manager or sponsor of those investments shares distribution fees, underwriting fees, and a portion of their revenue with the firm.

We can buy investments from you and sell investments to you, from our own account (called “**acting as principal**”), **but only with your specific approval on each transaction**. We can earn a profit on these trades, so we have an incentive to encourage you to trade with us.

We have an incentive to advise you to invest in certain investments such as mutual funds, annuities, 529 plans, and alternative investments where the firm receives third-party payments, such as commissions, from the managers or sponsors of these investments.

We have an incentive to advise you to use certain custodians and investments because the firm receives marketing allowances and benefit dollars from your custodian and investment sponsors.

**For additional information**, please see Regulation Best Interest Disclosures, our Form ADV, Part 2A brochure (items 4 and 7 of Part 2A or items 4.A. and 5 of Part 2A Appendix 1) and other applicable documents.

**Conversational Starters:** Ask your financial professional –

- What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser?
- What are the most common conflicts of interest you have? How might your conflicts of interest affect me, and how will you address them?

## How do your financial professionals make money?

Our financial professionals are paid asset-based fees and commissions which vary depending on your assets, the time and complexity of your financial situation and the types of products used to meet your needs. We, therefore, have an incentive to increase the assets in your account in order to increase our fees.

The firm receives a percentage of the asset-based fees and commissions from the advisory services and recommendations made to you and your accounts by your financial professional.

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

**Yes.** We have legal and disciplinary events. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) for free and simple search tools to research our firm and our financial professionals.

To report a problem to the SEC, visit [www.investor.gov](http://www.investor.gov) or call the SEC's toll free investor assistance line at (800) 732-0330. If you have a problem with your investment accounts or financial professional, contact us at (317) 975-7729.

**Conversational Starters:** Ask your financial professional –

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

## Additional Information

For additional information about the services offered by our firm, visit our website at [www.sanctuarywealth.com](http://www.sanctuarywealth.com)

For additional information on our advisory services, see our Form ADV brochure on IAPD on [www.investor.gov/CRS](http://www.investor.gov/CRS). You may also request a copy of our Form ADV, part 2A and our wrap brochure by contacting us at (317) 975-7729.

A copy of our Customer Relationship Summary can be found on our website at [www.sanctuarywealth.com/CRS](http://www.sanctuarywealth.com/CRS)

If you have a problem with your investment accounts or financial professional, contact us at (317) 975-7729, or in writing to Kevin Chase at 250 W. 96<sup>th</sup> street, suite 300, Indianapolis, IN 46260.

**Conversational Starters:** Ask your financial professional –

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