

## Client Relationship Summary

January 2024

Brook Capital ("BC") is a registered Investment Adviser with the U.S. Securities and Exchange Commission ("the SEC"), with a number of **Investment Adviser Representatives** ("IAR"s) who offer **investment advisory services to retail investors**. The services and fees provided by an Investment Adviser, and other financial service providers, like a broker - dealer will differ. It is important to understand the difference, and determine the level of service and investment support that you need. In order to facilitate this understanding, this summary sets out the variety of services BC provides, how you pay for the services, and any conflicts that may exist. Depending on your needs and investment objectives, we can provide you with services in an Investment Advisory Account. The IARs of Brook Capital in their individual capacities, may also be representatives of a *separate and unaffiliated* Broker Dealer, and in that capacity may offer brokerage services. The services of the Investment Adviser and Broker Dealer are different. The SEC makes free educational materials available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS).

<p><b>Investment Advisory Services Description</b></p> <p>An Advisory relationship, with Brook Capital may be right for you if you would like a financial professional, who is a <b>fiduciary</b>, to provide you with <b>ongoing investment advice</b>, and whose obligations are determined by a <b>written Investment Management Agreement ("IMA")</b>.</p> <ul style="list-style-type: none"> <li>• A Brook Capital investment advisory relationship begins after conversations by phone, email or in person to determine your risk tolerance, investment objectives, financial and family situation.</li> <li>• The initial consultations may include a financial plan that takes into consideration your tax, insurance requirements, as well as retirement, and estate planning needs. We will discuss your investment goals and design a strategy utilizing several of our portfolios to achieve your stated goals.</li> <li>• Our portfolios are internally designed and may include a range of investment options such as bonds, stocks, exchange traded funds (ETFs), and real estate investment trusts (REITs) and on occasion insurance products. We do not offer proprietary products.</li> <li>• We will <b>monitor and rebalance</b> your accounts and investment models on an ongoing basis, the frequency will depend on the complexity and type of account. Where a limited consulting or financial plan service is sought, the monitoring of any accounts will be limited accordingly.</li> <li>• You may choose to open a <b>discretionary account</b> (these are portfolios where you give us authority to trade your accounts in keeping with your objectives). You may limit such discretion by imposing <i>reasonable limits</i> as to the type of securities bought or sold. You may also choose a <b>non-discretionary account</b> (where you decide what investments to buy and sell, and we may give you advice. There are options to place the trades yourself).</li> <li>• We do require a minimum account size of \$100,000.</li> </ul>
<p><b>Laws and regulations that are relevant in each relationship</b></p> <ul style="list-style-type: none"> <li>• Our entire investment advisory relationship with you is covered by the <b>fiduciary</b> standard. The word fiduciary is derived from the Latin word <i>fiducia</i> which means trust. A fiduciary relationship is one of special trust and confidence. Accordingly, we will strive to use our expertise to act in your best interests.</li> <li>• Where our interest conflicts with yours, we will strive where possible to eliminate these conflicts, or tell you about them so you can understand whether or not to agree to them.</li> </ul>
<p><b>Fees and Costs</b></p> <ul style="list-style-type: none"> <li>• <b>Asset based fee accounts:</b> In these accounts, you will pay an ongoing fee at the beginning of each quarter based on the value of the investments and cash in your advisory account. The amount paid generally does not vary based on the type of investments we select on your behalf or how often trades are made. The asset-based fee reduces the value of your account. The fee is charged even if there are no trades made in the account for that quarter. BC does not charge commissions, or any other type of fees in these accounts. <b>No transaction fees</b> are charged in these accounts.</li> <li>• <b>Transaction based fee accounts:</b> For some advisory accounts you may pay a transaction fee or commission when an investment is bought or sold. In these accounts, <b>NO asset-based fees</b> are charged.</li> <li>• <b>Miscellaneous fees:</b> You may pay fees to a broker dealer or bank who holds or custodies your assets. See details in Form ADV, Part 2A</li> <li>• On occasion, an asset-based fee account may cost more than a transaction-based fee account, but you may prefer the former, to allow someone to make the investment decisions for you, and where the fees you pay are not tied to the number of times securities are bought and sold.</li> <li>• Limited duration consultancy services, and financial planning fees are separately negotiated.</li> <li>• Our fees vary and are negotiable and are set out in the <b>written advisory agreement</b>. The amount you pay will depend on the services you receive and the amount of assets in your account. Please understand that you will pay fees and costs whether you make or lose money.</li> </ul>

## Conflicts of Interest

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. Sometimes the way we are compensated causes conflicts between your interest and ours. You should ask us about these conflicts as they can affect the investment advice we provide you.

- For example, advisers who invest in mutual funds may receive compensation from the mutual fund company called 12b-1 fees. BC has tried to ameliorate this conflict **by refunding these fees in all asset-based fee accounts**. Brook Capital does not do principal trades (where investments are bought from a retail investor and sold to another retail investor).
- The more assets you have in an asset-based fee account, the more you will pay in fees. This may create an incentive to encourage you to increase the size of your account by transferring or rolling over your assets. BC has sought to ameliorate this conflict by providing reduced fees at various threshold amounts (breakpoints).

## Legal or Disciplinary Disclosures

We have no legal or disciplinary events. Visit [Investor.gov](http://Investor.gov) to research our firm or investment professionals. For additional information on our services, see our Form ADV II brochure which is sent to you at the time you open an account with us or upon request.

**Comparison with Brokerage Accounts.** *Because some of our IARs are also Broker Dealer Representatives (BDR), there are different ways you can get help with your investments. Depending on your needs and investment objectives, they can provide you with services in an Investment Account (IA), Brokerage account (BD), or both at the same time. If you open an account with a broker-dealer, you will pay a transaction fee or commission every time you buy or sell an investment. The BDR may recommend investments for your account, but the ultimate decision for your investment strategy and to buy or sell will be yours. At the point the sale/purchase is made the BDR has the responsibility to act in your best interest, but will not have an ongoing obligation to monitor or provide advice. If you pay a transaction fee in a brokerage account the more trades you make the more fees the BDR makes. There is then, an incentive to encourage you to trade often.*

## Questions You May Want to Ask.

1. **Given my financial situation, why would I choose an advisory account and why?**
2. **What would the costs for an advisory account be per year? What services would I receive for those fees and how could I make the fees more or less?**
3. **Are there additional costs in connection to my account?**
4. **How does your firm make money from my account and do you receive payment from other sources besides me?**
5. **What are the most common conflicts of interest in my advisory accounts and how will you address those conflicts?**
6. **How will you choose investments to recommend for my account?**
7. **How often do you monitor my account's performance and offer investment advice?**
8. **What relevant experience do you have? For licenses, education and qualifications explain what they mean.**
9. **Does your firm have any disciplinary history?**
10. **Who is the primary contact person for my account? What are his/her legal obligations towards me? Who do I speak to about concerns about how this person is treating me?**

For additional information contact Brook Capital at 262-784-7205 or visit our website at [Brookcapital.com](http://Brookcapital.com)