

## INTRODUCTION

There are different ways you can get help with your investments. This document gives you a summary of the types of services we provide and how you pay. Scarborough Capital Management (“Scarborough”) is an SEC-registered investment adviser. Investment advisory fees and services are different than brokerage fees and services and it is important that you understand these differences. Please ask us for more information. 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.

## WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

We are an investment adviser and provide advisory accounts and services. Our principal advisory services are summarized in the table below. Our advisory account is a traditional portfolio management service where we create investment portfolios and provide you with ongoing advice on these assets. Savings Plan Management (“SPM”) is an advisory service specifically for helping you manage your 401k, 403b, or TSP account. Both services are **discretionary** which means that we will buy and sell investments in your account without discussing with you in advance. The investments in these accounts are routinely monitored as a standard part of the service associated with these account types. We can also offer you stand-alone financial planning, consulting services, or educational financial seminars. **For full details about our advisory services, please see our Form ADV Brochure by visiting <https://scmadvice.com/Form-ADV/>.**

	TYPE OF FEE	DO YOU HAVE DISCRETIONARY AUTHORITY?	DO YOU HAVE A LIMITED SELECTION OF INVESTMENTS?	IS THERE A MINIMUM ACCOUNT SIZE?
<b>Advisory Account</b>	Asset Based	Yes	No	No
<b>Savings Plan Management Account</b>	Fixed Fee Based on Account Size	Yes	Yes – the investments are limited to what is available in your 401k, 403b, or tsp plan	No

### Conversation Starters:

- *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 to me?*

## WHAT FEES WILL I PAY?

Fees and costs affect the value of your account over time. Please make sure that you understand what fees and costs you are paying. You can ask your financial professional to give you personalized information on your fees at any time.

If you open an advisory account, you will pay us an **asset-based** fee which means that we will charge you a percentage of the value of cash and investments in your account quarterly. This fee is paid in advance and reduces the value of your account because it is deducted directly from your account. The more assets you have in an advisory account, the more you will pay in fees. The amount you pay us for this service generally does not vary based on the type of investments that we select on your behalf. However, some investments that we select could have their own fees that are imposed in addition to ours. For example, mutual funds charge additional fees and expenses and in some cases transaction fees will apply.

The fee for SPM is a **fixed-fee** meaning that the amount of the fee will not fluctuate unless your account value moves to another tier. The amount of your fee is assessed based on the amount of assets held in your company retirement plan (e.g. 401k). This fee does not reduce the value of your account and is typically paid annually, in advance, but can also be paid monthly or quarterly.

Fees for financial planning, consulting services, and educational seminars can be assessed as a **fixed fee** or on a **per-hour** basis and will be negotiated in advance based on the scope of the project, and complexity of the topics. A retainer will usually be required.

You will pay our fee for advisory services even if we do not buy or sell investments in the billing time period, and regardless if you make or lose money on your investments. In certain circumstances, we reserve the right to reduce or waive fees for advisory services. **For full details about our fees, please see our Form ADV Brochure by visiting <https://scmadvice.com/Form-ADV/>.**

#### 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?*

### WHAT ARE YOUR LEGAL OBLIGATIONS TO ME WHEN ACTING AS MY INVESTMENT ADVISER? HOW 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.

- **Revenue Sharing:** We are affiliated with Retirement Management Systems (“RMS”) as a sub-adviser and we share revenue with RMS when you open an SPM account. We are also able to offer you other services based on this relationship, such as a rollover to an advisory account. This means we have a financial incentive to offer this service, although other similar services may exist that could have lower costs or different investment strategies.
- **Financial Benefits:** Broker-dealers and custodians can offer us financial support in various ways. Examples of financial support that we have accepted includes free or reduced cost research services and technology, and forgivable loans. Financial support is not based on us giving particular investment advice, but we have an incentive to maintain these relationships in order to take advantage of these benefits.
- **Dually Licensed Financial Professionals:** In addition to advisory services, we are also able to offer brokerage products and services, meaning we are paid commissions for those transactions. Those products and services are not a part of the advisory services offered by Scarborough and the available options are limited by our broker-dealer. Our ability to offer these other products means that there is a financial incentive to offer one product type over another. You should always ask us what service you are being provided and how we are being paid. **For full details about our conflicts, please see our Form ADV Brochure by visiting <https://scmadvice.com/Form-ADV>.**

#### Conversation Starter:

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

### HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

For advisory accounts, our financial professionals are paid from the revenue generated by the fees you pay for management of your accounts. This means that the more assets that the financial professional manages, the more money they make. In some cases, our financial professionals also earn a salary. For SPM accounts, the firm earns revenue from our financial professional’s advice through a revenue sharing arrangement where we are paid a portion of the flat fee that you pay for your account. This means that our financial professionals could have incentive to focus on other advisory services if they are not compensated directly for management of this type of account. Some of our financial professionals have an ownership stake in Scarborough, Retirement Management Systems, or both companies, and they make money by sharing in those company profits. Our financial professionals are also registered representatives and licensed insurance agents and receive commissions from the sales of brokerage and insurance products.

### DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

No, our firm and financial professionals currently do not have any legal or disciplinary history to disclose. Please visit [Investor.gov/CRS](https://Investor.gov/CRS) for a free and simple tool to research our firm and financial professionals.

#### Conversation Starter:

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

### ADDITIONAL INFORMATION

For additional information on our advisory services, please see our Form ADV Brochure by visiting <https://scmadvice.com/Form-ADV>. For up-to-date information or to request a current copy of our relationship summary, please visit <https://scmadvice.com/Form-CRS> or call (410) 573-5700.

#### Conversation Starters:

- *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?*