

SB Capital Management, Inc. is registered with the Securities and Exchange Commission (SEC) as an investment adviser that offers advisory accounts and services rather than brokerage accounts and services. This document gives you a summary of the types of services we provide and how you pay.

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## RELATIONSHIPS AND SERVICES

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

We offer asset management and financial planning services to retail investors, particularly high-net worth individuals and their retirement plans, charitable foundations and corporations.

#### Asset Management Services

- We will discuss your investment objectives and help you design a strategy to achieve these objectives while taking your risk tolerance and liquidity needs into consideration. We will regularly monitor your account and provide you with advice on any recommended strategy or asset allocation changes.
- You can either allow us to buy and sell investments in your accounts without asking you in advance (a “discretionary account”) or we may give you advice and you decide what investments to buy and sell (a “non-discretionary account”). If you choose non-discretionary, you will make the ultimate decision to buy or sell an investment.
- We will review your account on an ongoing basis using our portfolio management technologies and will contact you quarterly by phone or as needed by e-mail regarding your portfolio. We recommend you review your overall investment strategy with us by phone or in person at least annually.
- We require that you invest at least \$2 million to obtain our full range of asset management and financial planning services, but will provide more streamlined service offerings at lower levels for emerging wealth clients and clients engaged with Singer Burke Zimmer, LLP, an affiliated CPA firm.

#### Financial Planning Services

- We offer financial planning services that involve preparing a financial plan for you based on information and documentation you provide to us including your financial objectives, risk tolerance, financial resources, family situation, and future financial goals. The plan will include general recommendations for a course of activity or specific actions for you to take. You will make the ultimate decision to implement any recommendations.
- Once we deliver your financial plan, we may not have access to the information required to monitor your financial situation on an ongoing basis. You must contact us if you have any significant changes in your financial situation, and we will update your plan upon your request.

Our investment advice will cover a limited selection of investments and recommendations that we feel will best serve your goals. Other firms could provide advice on a wider range of choices, some of which have might lower costs. For additional information, please see our Form ADV Part 2A brochure (Items 4, 7 and 13) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Questions to Ask Us:**

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

## FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

### **WHAT FEES WILL I PAY?**

Fees and costs affect the value of your account over time. The following summarizes the fees and costs you will pay for our advisory services.

#### Asset Management Fees

- You will pay us an asset-based fee that is calculated as a percentage of the assets we manage for you. The asset-based fee reduces the value of your account and will be deducted directly from your account. You pay our fee quarterly even if we do not buy or sell any investments for you.
- Our fees vary. The amount you pay will depend, for example, on the services you receive and the dollar value of assets in your account. Our fee does not generally vary based on the type of investments we select on your behalf.
- An asset-based advisory fee may cost more than a transaction-based fee, but you may prefer an asset-based fee if you want continuing advice or want someone to make investment decisions for you.
- You will sometimes pay a transaction fee to the custodian of your account when we buy or sell an investment for you. You may pay fees to a broker-dealer or bank that will hold your assets such as custodian fees and account

maintenance fees. Some investments (such as mutual funds) impose additional fees that will reduce the value of your investment over time.

#### Financial Planning Fees

- We generally charge either an hourly fee or a fixed fee for financial planning. This fee may be covered by your asset-based advisory fee if you meet the minimum \$2 million investment amount requirement.
- Our fees vary. The amount you pay will depend on the complexity of your situation and your needs and is due upon the delivery of your financial plan.

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.

#### **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?**

We are held to a fiduciary standard that covers our entire investment advisory relationship with you including monitoring your portfolio, investment strategy, and investments on an ongoing basis, among other requirements. 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.

- The more assets you have in your advisory account, including cash, the more you will pay us. Therefore, we have an incentive to increase the assets in your account to increase the amount we earn (i.e., recommending that you rollover your retirement plan account or transfer assets to our firm).
- We can make extra money if you act on our financial planning recommendations and choose to open an advisory account through us.
- We may charge clients different fees for the same investment strategy.
- We do not receive any part of charges imposed directly by any mutual fund, index fund, exchange traded fund, broker/custodian or other financial intermediary. No employees receive sales-based compensation for marketing and promoting to financial intermediaries.
- SB Capital Management is the investment adviser to the Manzanita Fund and SBCM Private Equity Funds I – IV, and can receive management fees from these Funds. Management fees are waived with respect to client's accounts invested in these Funds, so that those clients do not pay two levels of fees to us on those assets.

#### **HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?**

We compensate our financial professionals based on their level of experience, education, certifications and ability to service a client's needs. We do not compensate our financial professionals based on the amount of client assets they service or the time and complexity required to meet a client's needs. For additional information, please see our Form ADV Part 2A brochure (Items 4, 5 and 10) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

##### ***Questions to Ask Us:***

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

### **DISCIPLINARY HISTORY**

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

No. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

##### ***Questions to Ask Us:***

- ▶ ***Do you or your financial professionals have a disciplinary history? For what type of conduct?***

### **ADDITIONAL INFORMATION**

#### **HOW DO I GET ADDITIONAL INFORMATION ABOUT YOUR FIRM AND SERVICES?**

For additional information about our investment advisory services, see our Form ADV brochure on [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), and any brochure supplement your financial professional provides.

You may also call us at 818-774-1000 to request up-to-date information or a copy of the relationship summary.

##### ***Questions to Ask Us:***

- ▶ ***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?***

