

Saxony Securities, Inc.
Client Relationship Summary
6/30/2020

Saxony Securities, Inc. is registered with the Securities and Exchange Commission (SEC) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). We are also affiliated with Saxony Capital Management, LLC., which is registered with the Securities and Exchange Commission as an Investment Adviser. In addition, we are affiliated with Saxony Insurance Agency. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences.

This document is a summary of the services and fees we offer to Retail Investors which are natural persons who seek or receive securities services primarily for personal, family, or household purposes. Additionally, free and simple tools are available to research firms and financial professionals at Investor.gov/CRS which also provides educational materials about broker-dealers, investment advisers, and investing and brokercheck.finra.org which provides pertinent facts including disciplinary history about member firms and individual registered representatives.

What investment services and advice can you provide me?

As a broker-dealer, we offer the solicitation & execution of private placements, ETFs, equities, mutual funds, variable annuities, unit investment trusts, real estate investment trusts, limited partnerships, options & fixed income securities. We also offer investment recommendations and strategy recommendations.

Our industry brokerage and insurance relationships enables us to offer access to specialized accounts and securities products, such as variable annuities and other insurance-based products, as well as cash management services and margin accounts.

Account Monitoring: We do not provide account monitoring services for your brokerage accounts. Financial professionals may voluntarily review account holdings from time to time but these reviews do not constitute an account monitoring service.

Investment Authority: We manage brokerage accounts on a *non-discretionary* basis whereby we will provide advice, but *you will ultimately decide* which investments to buy and sell.

Account Minimums and Requirements: We do not require a minimum dollar amount to open and maintain an account. However, some products may have minimums, please refer to the investment prospectus for specific information. Private Placement securities may require a minimum investment. For specific information regarding a particular offering please refer to the offering memorandum.

What fees will I pay?

As a retail investor you are charged fees on a per transaction basis and therefore the firm may have an incentive to encourage an investor to participate in transactions. As a retail investor you are charged a variety of fees which have been detailed below:

- **Private placements:** please refer to the offering memorandum for fee information.
- **Brokerage accounts:** transaction and processing fees and expenses specific to various transactions and/or execution of securities within your brokerage account. This would include commissions, markups and markdowns (analogous to a commission in a principal transaction involving a dealer), SEC fees, ticket charges, retirement account custodian charges, paper statements / confirms, and wire transfers.
- **Product-level fees:** specific securities within a brokerage securities account including mutual funds, annuities, REITs, 529s and ETFs. For specific information regarding these fees please refer to the prospectus.

In addition to our principal fees and costs for brokerage services, there are other common fees and costs that may be applicable to our clients that include: account maintenance fees, transfer fees & inactivity fees.

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 providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, 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 recommendations we provide you. Here are some examples to help you understand what this means:

- **Brokerage Accounts**: the more trades you place, the more commissions we charge thus we have an incentive to encourage more trading;
- **Revenue Sharing**: The firm may enter into agreements to share in revenue or receive payments for expenses incurred in order to attend due diligence or educational events as identified below:
 - Our Account Custodian, Pershing Clearing Services shares a portion of the revenue received based on amounts charged to clients for trade handling charges, ticket charges, annual IRA fees, margin interest, cash balances, stock loan and account transfer fees.
 - Third-Party Product Sponsors may pay fees or reimburse expenses to attend industry events.
- **Board Membership**: Registered Representatives may serve as board members for various entities. This practice presents a conflict of interest as these individuals may have an incentive to recommend investments in these entities;
- **Third-Party Payments**: Financial professionals providing brokerage services on behalf of our firm can also be investment advisers with our affiliated investment advisor. These persons receive compensation in connection with the purchase and sale of securities or other investment products. This practice presents a conflict of interest because they may have an incentive to recommend advisory services products based on the compensation they receive;
- **Referral Fees**: The firm may enter into agreements to receive compensation for referring clients to a 3rd party issuer. This practice presents a conflict because the firm may have an incentive to recommend securities offered by this party;
- **Third-Party Payments**: Financial professionals can also be licensed as insurance agents. These persons will earn compensation for selling insurance products. This practice presents a conflict of interest because they may have an incentive to recommend these products to you;
- **Trail compensation**: is ongoing compensation from typically paid from the assets of an investment product based on an annual percentage of invested assets and varies by product. Our financial professionals and our firm may receive trail compensation from some investment products. We, therefore, may have an incentive to recommend products that pay higher "trails".

How do our financial professionals make money?

The Company and the financial professional servicing your account(s) are compensated based via commissions. The determining factors for the level of compensation is the amount the time spent on a particular transaction, complexity required to meet client needs or revenue earned by the firm from the financial professional's services or recommendations. Firm conflicts are described within this document.

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

Yes. Disclosures for our firm or our financial professionals can be found by going to Investor.gov/CRS.

For additional information about our services, please visit our website at <http://www.saxonysecurities.com>. You can find additional information about our brokerage services and request a copy of the relationship summary on our website or by calling us at 314-963-9336.

Key Questions to Ask Your Financial Professional

- ✓ ***Given my financial situation, should I choose a brokerage service, an advisory service, or both? 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?***
- ✓ ***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?***
- ✓ ***As a financial professional, do you have any disciplinary history? For what type of conduct?***
- ✓ ***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?***