



Bray Capital

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FORM ADV PART 2A FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Bray Capital Advisors, LLC. Please contact Bray Capital Advisors, LLC at (239) 451-6008 if you have any questions about the contents of this brochure. The information in the brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Bray Capital Advisors, LLC is available on the United States Securities and Exchange Commission website at www.adviserinfo.sec.gov. You can search this site by the firm's name or by a unique identifying number, known as a CRD number. The CRD number for Bray Capital Advisors, LLC is 170289.

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Item 3 – Material Changes

This item discusses specific material changes to the Bray Capital Advisors, LLC (“BCA”) brochure.

BCA will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of the firm’s fiscal year (which occurs at the end of the calendar year). BCA may further provide other ongoing disclosure information about material changes as necessary.

There have been no material changes to BCA’s Form ADV Part 2 brochure since BCA filed the last annual update on January 22, 2019.

Item 4 - Advisory Business

A. The Company

Bray Capital Advisors, LLC is a Florida limited liability company that was founded in 2014 and has been registered as an investment adviser with the U.S. Securities and Exchange Commission since 2014. Throughout this disclosure brochure, Bray Capital Advisors, LLC is referred to as “BCA” or the “firm.” The sole owner of BCA is Christopher P. Bray.

BCA is a fee-only firm and adheres to the fiduciary standard of putting our clients’ interests first. BCA client investment portfolios are held at Schwab and Fidelity. BCA provides customized, fee-only, wealth management services to high net worth individuals and their families.

BCA does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with any person or firm selling financial products or securities. The firm will not accept commission revenue from any person or firm.

B. Wealth Management Services

BCA provides the following services as part of its wealth management service offering for clients:

- Investment management
- Tax compliance and consulting
- Estate and succession planning
- Fiduciary planning and consulting
- Personal financial planning

The firm’s customized investment management service begins with a review of each client’s goals and objectives as well as an assessment of the client’s risk profile and investment objectives. For each client relationship, BCA prepares an investment policy statement reflecting the client’s investment objectives, time horizon, tolerance for risk, as well as any other portfolio restraints.

BCA builds and manages investment portfolios unique to each client using individual stocks, bonds, and exchange traded funds (commonly known as “ETFs”). The firm’s management of client investment portfolios is based on the client’s investment objectives and guidelines as documented in the investment policy statement. BCA manages client investment portfolios on a discretionary basis. Clients provide BCA full authority to manage each client investment portfolio in accordance with the client’s investment objectives and guidelines as documented in the investment policy statement.

C. Client Tailored Services and Client Imposed Restrictions

BCA offers the same suite of services to all of its clients. However, in order to provide appropriately individualized services, BCA will work with each client to obtain information regarding the client’s financial circumstances, investment objectives, overall financial condition, income and tax status, personal and business assets, risk profile and other information regarding the client’s financial and investment needs. Clients may impose reasonable restrictions on investing in certain securities or types of securities in their investment portfolios.

D. Assets Under Management

As of December 31, 2019, the total amount of client assets managed by BCA is approximately \$ \$355,727,994. All assets are managed on a discretionary basis.

Item 5 - Fees And Compensation

A. Fees

The annual fee for wealth management services is charged as a percentage of assets under management in the client’s investment portfolio according to the following schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fee (%)</u>
First \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 - \$10,000,000	0.75%
Over \$10,000,000	0.50%

BCA's annual wealth management services fee is prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The initial quarter fee is prorated based on the market value at the time cash is deposited or assets are transferred into the account, and the number of days remaining in the quarter.

B. Payment Method

Clients may select one of two options for payment of BCA's wealth management service fees:

Direct Debiting

Each quarter, BCA will notify the client's qualified custodian of the amount of the fee due and payable to BCA pursuant to the firm's fee schedule and advisory agreement. With the client's pre-approval, the qualified custodian will remit the fee from the client's account or, if the client has more than one account, from the account the client has designated for BCA's advisory fees.

Each month or quarter, the client will receive a statement directly from the qualified custodian showing all transactions, positions and credits/debits into or from the client's account. Statements sent after quarter end will also reflect the advisory fee paid by the client to BCA.

Direct Billing

BCA will compute the fee for the firm's wealth management services and the client will remit payment by check or other method.

C. Additional Fee Information and Expenses

Fees Negotiable

BCA retains the right to modify fees, including minimum account size requirements, in its sole and absolute discretion, on a client-by-client basis. Factors considered include the complexity and nature of the services provided, anticipated amount of assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, and account composition. The specific fee schedule is identified in the advisory agreement entered into with each client.

Exchange Traded Funds and Money Market Funds

All fees paid to BCA for wealth management services are separate and distinct from the fees and expenses charged by ETFs or money market funds to their fundholders. These fees and expenses are described in each ETF or money market fund prospectus.

Trading and Other Costs

All fees paid to BCA for wealth management services are separate and distinct from transaction fees charged by the custodian / broker-dealer associated with the purchase and sale of securities for each client investment portfolio.

D. Termination and Refunds

Clients have the right to terminate an advisory agreement at any time. In addition, BCA may terminate an advisory agreement for any reason upon thirty (30) days prior written notice to the client. BCA is authorized to charge a client the applicable fee for up to 30 days after account termination as reasonable compensation for the orderly winding up of the client's account. If an account is terminated during a calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the advisory agreement was effective. When possible, BCA will credit a client's account for the amount of the refund. Otherwise, BCA will send a check to the client for the amount of the refund.

Item 6 - Performance-Based Fees and Side-By-Side Management

BCA's wealth management services fees are not based on a share of the capital gains or capital appreciation (i.e., growth in value) of a client's investment portfolio (a/k/a "performance-based fees").

Side-by-side management refers to an adviser simultaneously managing portfolios that pay performance based fees and those that do not; this can create potential conflicts of interest. BCA does not engage in side-by-side management.

Item 7 - Types of Clients

Clients

BCA generally provides wealth management services to high net worth individuals and their families.

Engaging the Services of BCA

Clients who engage BCA for wealth management services must first sign the an advisory agreement and complete any other document or questionnaire provided by the firm. The advisory agreement will describe the services and responsibilities of BCA to the client. It also outlines BCA's fee in detail. In addition, clients must complete certain custodial / broker-dealer documentation.

Conditions for Managing Investment Portfolios

Clients of BCA generally have a minimum investment portfolio of \$1 million. BCA, in its sole discretion, may accept clients with smaller portfolios based upon the needs of the client and the complexity of the situation. BCA will only accept clients with less than the minimum portfolio size if, in its sole opinion, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. BCA may aggregate the portfolios of family members to meet the minimum portfolio size.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

BCA's methods of investment analysis may include charting, fundamental analysis, technical analysis and cyclical analysis.

Investment Strategies

The primary investment strategy used in the management of client investment portfolios is strategic asset allocation utilizing individual stocks, bonds, and ETFs. Generally,

investment portfolios are globally diversified to optimize risk and return correlations for each client investment portfolio.

The investment strategy for a specific client is based upon that client's goals, objectives, and risk tolerance. The client may change these objectives at any time. Each client executes an Investment Policy Statement documenting their desired investment strategy.

B. Risks of Loss

All investment strategies include various risks that are undertaken by the investor. Clients who seek larger investment returns accept a greater risk of loss related to this objective. BCA manages all client investment portfolios within the client's directives related to acceptable risks of investment loss. These risks include:

- **Unsystematic Risks:** These are risks uniquely related to a specific investment. These are also known as "diversifiable risks," as, at least theoretically, unsystematic risks may be significantly reduced by diversifying between different investments.
- **Systematic Risks:** These are risks related to a broad universe of investments. These risks are also known as non-diversifiable risks as diversification within the system will not provide risk reduction if the entire system loses value (e.g., a diversified portfolio of high quality bonds in a rising interest rate environment or the S&P 500 in a bear market).
- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Credit Risk:** The return on fixed income investments is dependent on the issuer of the security meeting its commitment to make agreed upon payments. Credit risk is the risk that the issuer does not meet that obligation.

- Inflation Risk: This is also known as “purchasing power risk.” When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Fixed payment securities are particularly sensitive to inflation risk.
- Market Risk: The price of an individual security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.

Item 9 - Disciplinary Information

Neither BCA nor its management have been involved in legal or disciplinary events requiring disclosure under this Item.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration and Registered Representatives

BCA is not registered, nor does it have an application pending to register, as a broker-dealer. No management person is registered, nor does any management person have an application pending to register, as a registered representative of a broker-dealer.

B. Financial Industry Affiliations

Christopher P. Bray is a partner in the tax and estate planning law firm of Christopher P. Bray Associates, LLC. BCA always acts in the best interest of the client. Clients of BCA are in no way required to implement or utilize the services of Christopher P. Bray Associates, LLC.

Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

BCA has adopted a written Code of Ethics to prevent violations of federal securities laws. BCA's Code of Ethics is predicated on the principle that the firm owes a fiduciary duty to its clients. Accordingly, BCA expects all of its associated persons to act with honesty, integrity and professionalism and to adhere to federal and state securities laws. All officers, managers, directors, members and employees of the firm and any other person who provides advice on behalf of BCA and is subject to BCA's control and supervision are required to adhere to the Code of Ethics. At all times, the firm and its associated persons must (i) place client interests ahead of the firm's; (ii) engage in personal investing that is in full compliance with the firm's Code of Ethics; and (iii) avoid taking advantage of their position. A copy of BCA's Code of Ethics is available to any client or prospective client upon request.

B. Material Financial Interest

BCA does not recommend to clients investments in which the firm or any related person has a material financial interest.

C. Investment in Same Securities as Clients

From time to time, individuals associated with BCA may buy, sell, or hold in their personal accounts the same securities that BCA recommends to its clients. To minimize conflicts of interest, and to maintain the fiduciary responsibility BCA has to its clients, the firm has established a personal securities transaction policy in order to monitor the personal securities transactions and securities holdings of each of BCA's "access persons." The Chief Compliance Officer is required to review the reports required by this policy to ensure that personal securities transactions are conducted in accordance with the Code of Ethics.

D. Engaging in Transactions at Same Time as Client

From time to time, individuals associated with BCA may, at or about the same time, buy, sell, or hold in their personal accounts the same securities that the firm recommends to its clients. Since this could result in the possibility that such individuals might benefit

from the sale or purchase of those securities, BCA has implemented a personal securities transaction policy to mitigate these possible conflicts of interest.

Item 12 - Brokerage Practices

A. Brokerage Selection

BCA does not have the authority to determine the broker-dealer to be used or the commission rates paid by clients.

BCA may recommend that clients utilize the brokerage and clearing services of Charles Schwab & Company, Inc. ("Schwab"), a FINRA and SIPC member. Schwab will hold client assets in an account in the client's name and will buy and sell securities in the client's account when instructed to do so by BCA. Clients will enter in an account agreement directly with Schwab. Although BCA does not open Schwab accounts for clients, BCA will assist clients with the account opening process.

Best Execution

Best execution has been defined as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while BCA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

As detailed below, BCA periodically and systematically reviews its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution.

Broker Analysis

BCA evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving BCA.

BCA regularly monitors and evaluates the performance and execution capabilities of the client's custodian / broker-dealer when executing client transactions in each investment portfolio. In addition, BCA periodically reviews the custodian / broker-dealer's transaction costs in light of current market circumstances and other relevant information.

Research/Soft Dollar Benefits

BCA does not accept any soft dollar benefits from any person, firm, or custodian / broker-dealer.

Directed Custodian / Broker

Although BCA does not have the discretionary authority to determine a client's custodian / broker-dealer, BCA may recommend Schwab to new clients. Clients may direct BCA to use other custodian / brokers-dealers for executing transactions in their investment portfolios. BCA reserves the right to decline acceptance of any client portfolio that directs the use of a broker-dealer if BCA believes that the broker-dealer would adversely affect BCA's fiduciary duty to the client and/or ability to effectively manage the investment portfolio. As a general rule, BCA encourages each client to compare the possible costs or disadvantages of any broker-dealer they select with other custodian / broker-dealers in the marketplace.

B. Trade Aggregation and Allocation

Trade Aggregation

Generally, BCA buys and sells investments in each client portfolio on an individual basis. However, BCA may determine that the purchase or sale of a particular security is appropriate for more than one client account and may aggregate client trades into one

order (i.e. a “block trade”) for execution purposes. Block trading allows BCA to execute transactions in a more timely, equitable and efficient manner and seeks to provide, when feasible, based on similar time frames of information required to make a trade decision, the same execution prices for clients with the same broker-dealer. Block trading can also avoid the adverse affect on a security’s price when simultaneous and competing orders are placed.

BCA will aggregate orders when such aggregation is consistent with the firm’s duty to seek best execution in accordance with the investment objective of each client.

Trade Allocation

Each client that participates in an aggregated trade order will participate based on the average execution price in that particular security. All transaction costs will be allocated pro rata based on each client’s participation in the transaction. All securities purchased or sold, will generally be allocated pro rata based on the assets of each investment portfolio.

Item 13 - Review Of Accounts

A. Periodic Reviews

BCA portfolio managers regularly review each client investment portfolio as part of the ongoing management of the portfolio. The BCA Investment Committee also regularly reviews each client investment portfolio in the context of each client's stated investment objectives and guidelines.

B. Other Reviews

More frequent reviews may be triggered by client request or material changes in the market or the client's individual circumstances.

C. Reports

Clients receive statements directly from their custodian monthly and no less than quarterly. These statements include portfolio holdings, portfolio activity, cost basis, and current and prior statement values. Confirmation statements are also provided to clients for all trading activity. In addition, BCA regularly provides reports to clients with similar information including portfolio investment performance.

Item 14 - Client Referrals And Other Compensation

BCA may from time to time enter into written agreements with other persons or firms who refer clients to BCA in exchange for a referral or solicitor fee which typically is a percentage of the fee BCA receives from the referred client for the firm's services. A client referred to BCA through an arrangement like this will receive a written document disclosing BCA's arrangement with the solicitor, any affiliation between BCA and the solicitor, and a description of the compensation the solicitor will receive from BCA. A client's fee is not increased as a result of the use of these referral arrangements. At this time, BCA only has one of these arrangements in place with Blue Oceans Financial Planning, LLC.

Item 15 - Custody

Custody of client investment portfolios is maintained with the independent qualified custodian selected by the client. Generally, BCA will not have custody of any assets in the client's investment portfolio. Clients receive directly from their independent qualified custodian, at least quarterly, a statement showing all portfolio assets and transactions in the client's investment portfolio during the period covered by the portfolio statement. These statements also disclose any BCA fee paid from a client's investment portfolio for the related service period.

On February 21, 2017, the SEC issued a no-action letter (the "2/21/2017 Letter") indicating that it will deem an advisor to have custody of client assets if the advisor acts pursuant to a "standing letter of authorization" ("SLOA") or other similar arrangement established by a client with a qualified custodian and authorizing the advisor to transfer client assets to a third party. A number of BCA clients have entered into a SLOA with their independent qualified custodian which authorizes BCA to transfer funds from the client's account on the client's behalf to a third party authorized by the client as set forth in the SLOA. For example, some clients have entered into a SLOA authorizing BCA to make quarterly federal estimated income tax payments to the U.S Treasury from their account held by their independent qualified custodian. Consequently, pursuant to the 2/21/2017 Letter, BCA will be deemed to have custody of certain client accounts subject to an SLOA, despite the fact that such account is held by an independent qualified custodian selected by the client.

Item 16 - Investment Discretion

Clients provide BCA with written authority to determine the types and amounts of investments that are bought or sold in each investment portfolio. BCA's authority in making investment related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between BCA and the client.

Item 17 - Voting Client Securities

Proxy Voting

BCA will vote proxies for securities within a client's investment portfolio. However, the a client always has the right to vote proxies on their own behalf. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to BCA, BCA has the fiduciary responsibility for (i) voting in a manner that is in the best interests of the client and (ii) properly dealing with potential conflicts of interest arising from proxy proposals being voted upon. Accordingly, BCA has instituted proxy voting policies and procedures that are designed to (i) ensure that proxies are voting in an appropriate manner and (ii) complement BCA's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held in managed accounts.

BCA's general policy is to vote proxy proposals, amendments, consents or resolutions relating to client securities (collectively, "proxies"), in a manner that serves the best interests of the client as BCA determines in its sole discretion, taking into account the following factors: (i) the impact on the value of the securities; (ii) the costs and benefits associated with the proposal; and (iii) the customary industry and business practices. Clients may request a copy of BCA's Proxy Voting Policies together with any detailed information as to how proxies are actually voted by contacting BCA.

Legal Proceedings

BCA is not responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client.

Item 18 - Financial Information

A. Prepayment of Fees

Since BCA does not require or accept prepayment of more than \$1,200 in fees six months or more in advance, BCA is not required to include a balance sheet with this firm brochure.

B. Financial Condition

BCA does not have any financial condition that would impair the firm's ability to meet contractual and fiduciary commitments to its clients.

C. Bankruptcy

BCA has never been the subject of a bankruptcy petition.