

Part 3 of Form ADV: Client Relationship Summary (Form CRS) May 15, 2020

Item 1. Introduction

Seaway Advisors, Ltd. is an investment adviser registered with the Securities and Exchange Commission (SEC). Investment advisory services and fees are different from those that would be provided by a brokerage. It is important for you to understand the differences. We invest in individual stocks and bonds at our discretion to manage your investment portfolio. We will monitor your account to determine if it is meeting your long-term goals and risk levels that you have set. We will meet with you regularly (annually) for reviews; in person, via telephone or digitally. We can provide a long-term projection of your investment strategy upon request; a simplified financial plan. Our flat fee is based on a percentage of managed household assets.

A brokerage typically does not have full discretion over investment management. Brokerages may use their own mutual funds or other mutual funds, and these funds will have investment management fees that may or may not be disclosed. Also, the brokerage firm may be compensated for using these funds. A brokerage or financial planner will charge a separate fee for financial plans. We provide an investment performance report after the first year of management, which a typical broker-dealer does not provide.

Item 2. Relationships and Services: *“What investment services and advice can you provide me?”*

We offer investment advisory services to retail clients. At the beginning of our relationship, we'll work with you to establish your long-term investment goals along with the risk tolerance to achieve those goals. We will build a portfolio of individual stocks and bonds which will be monitored. We will also watch operating results and other news in evaluating whether to maintain an investment in a stock or bond. We will also monitor the stock price to determine if it's appropriate to sell or buy more in a client's account. Additionally, we'll monitor the overall portfolio and discuss whether the investment performance is tracking your investment goals and whether there have been any changes in risk tolerance. This will be done annually or anytime upon your request. While we have discretion over the stocks and bonds in your portfolio, you make the ultimate decision regarding the purchase or sale of investments.

While we do not provide a full financial plan, we can put together a long-term simplified plan that considers retirement age, income taxes, inflation, different goals (vacation travel, second home, etc.) for no additional fee. Our SEC Form ADV, Part 2A, known as Firm Brochure, provides additional information about our services and our investment strategy. A written copy will be provided.

“Given my financial situation, should I choose an investment advisory service? Why or why not?”

Generally, investment accounts over \$250,000 to be invested for long-term retirement may benefit from a diversified portfolio of stocks and bonds. Such a portfolio would have the same lower diversified risk associated with mutual funds. If the invested funds are needed in a period of less than 5 years or large withdrawals are expected, then an investment advisory service would not be appropriate.

“How will you choose investments to recommend to me?”

We use our own investment research to find stocks that meet our value criteria, looking at their balance sheets, cash flows, and valuation. Our SEC Firm Brochure and website discusses our investment discipline in more detail. Any bonds purchased must be higher quality investment grade.

What is your relevant experience, including your license, education, and other qualifications? What do these qualifications mean?

The two owners of Seaway Advisors each have over 33 years of investment experience over a number of market cycles. Brad McAdam is both a CPA (Certified Public Accountant) and CFA (Chartered Financial Analyst). To earn the CFA designation, requires that you pass a multi-year program and have relevant portfolio management experience. Both Terry Mulhern and Brad McAdam have taken or completed graduate school business degrees.

Item 3. Fees, Costs, Conflicts, and Standard of Conduct: *“What fees will I pay?”*

Our fee is a flat percentage of the household assets that we manage. The fee is mutually agreed to with family accounts totaled and the annual fee billed monthly based on month end value. Clients using a low cost custodian are not charged custodial or other fees. Brokerage commissions are now zero or \$4.95 per trade if hard copy statements are elected. There are no fees for withdrawals. You will pay fees 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 be sure you understand what fees and costs you would pay. Our SEC firm brochure discusses our fees in more detail.

“Help me understand how these fees and costs might affect my investments? For example, if I give you \$400,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

If we managed the account from the beginning of the year and the portfolio grew 7% before our fee, then with a low cost custodian, our fee would be approximately \$5,350 based on our standard stock-only portfolio and you would have \$422,650 at the end of the year. Monthly market fluctuations and the timing of dividends would affect these results. There are no other costs.

“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?”

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: As a conflict of interest, the more assets there are in a retail investor’s advisory account, the more a retail investor will pay in fees, and the firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account. Likewise, if a large amount is needed, the retail investor may be encouraged to withdraw it from a non-managed account.

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

Like our investments, we take a long-term approach with our clients. We understand that if we do a good job for our clients, they will trust us to manage more of their assets. Many of our new clients are referrals from other clients. We would not sacrifice long-term growth for short-term results. We also follow the New York State Society of CPA’s and the CFA Institute’s codes of ethics.

“How do your Financial Professionals make money?”

We are compensated on a salary basis and on a share of the profits of the firm, and nothing else.

Item 4. Disciplinary History: *“Do you or your financial professionals have legal or disciplinary history?”*

No. Please visit Investor.gov/CRS for a free and simple search tool to research the firm and the owners. These tools are available for you to research firms and financial professionals and also provide educational materials about broker-dealers, investment advisers, and investing.

Item 5. Additional Information: *“Who is my primary contact person? Is he or she a representative of an investment adviser a broker-dealer?”*

You can contact either Terry Mulhern or Brad McAdam, the partner-owners. Each will be familiar with your account and be able to assist you. We are not representatives of a broker-dealer. Additional information can be found on our website: www.SeawayAdvisors.com. You can also call us at 585-425-9510 if you would like a copy of Form CRS or other information.