

## INTRODUCTION

American Financial Management, Ltd. is registered with the Securities and Exchange Commission as an Investment Adviser. Brokerage and Investment Advisory Services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), which also provides educational materials about broker dealers, investments advisers and investing.

## RELATIONSHIPS AND SERVICES

### What investment services and advice can you provide me?

We offer investment advisory services to retail investors through an Asset Allocation service, called Asset Allocation Risk Management Services, "Asset Management". The principal service we provide to you concerns the asset allocation between mutual fund & variable annuity contract sub-accounts.

Monitoring your sub-accounts is included in our standard service, advisory accounts are reviewed continuously based on individual fund family and the investment strategy selected. Fund performance is compiled and reviewed by our investment committee as necessary.

*Investment Authority:* Our firm accepts discretionary authority to manage accounts on behalf of investment advisory clients. For each managed account, the client completes a "Discretionary Authorization and Limited Power of Attorney" authorizing our firm to make discretionary exchanges in the mutual fund, variable annuity sub-accounts, investment offerings at Charles Schwab under an investment advisory agreement between the advisory client and AFM. This allows us to exchange and update investment allocations as needed without requiring the retail investors pre-approval on an ongoing basis until the investor notifies us in writing to discontinue management services.

Our firm offers financial planning services where we assess your financial situation and provide advice to meet your goals.

Our firm offers advisor-to-advisor consulting services where we help other advisors with their technology and setup.

You can find more detailed information about these programs and our strategies in ADV Part 2A. We do not impose an account minimum.. *For more detailed information about our services, please see our website at [www.afm-reps.com](http://www.afm-reps.com) or our ADV Part2A (Items 4 and 7) at [https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd\\_iapd\\_Brochure.aspx?BRCHR\\_VRSN\\_ID=861346](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=861346)*

### Conversation Starter-

- 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?

## FEES, COSTS, CONFLICTS AND STANDARD OF CONDUCT

### What fees will I pay?

As an investment advisory client you will pay us an investment advisory fee. Our fee can be assessed quarterly, semi-annually or annually and are more fully described in our ADV, Part 2A in Items 5.A., B., C., and D. Some fees create a conflict of interest described below and is available in more detail in our Firm's Part 2A. Our firm charges you ongoing asset based fees, expressed as a percentage of your account value, as of the applicable period.

The more assets there are in your advisory account, the more you will pay in fees, and therefore, we have an incentive to encourage you to increase the assets in your advisory account. You will pay, directly or indirectly, transaction based- fees, and other costs including mutual fund expenses and the underlying mutual fund manager's fees. Mutual funds and exchange traded funds also charge internal management fees.

Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. For fixed fees, the more work we expect to perform for you, the higher our fee would be and thus we have an incentive for you to agree to have us complete more work for you.

For our hourly fee arrangements, each additional hour (or portion therefore) we spend working for you would increase the fee.

*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.*

For more detailed additional information about our fees and costs please review our Form ADV, Part 2A brochure (specifically Items 5.A., B., C., and D.) which can be found at our website at [www.afm-invest.com](http://www.afm-invest.com) or <http://www.afm-invest.com/Reps/documents/formadvpart2brochure.pdf>

### 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 an obligation to act in your best interest and not put our interest ahead of yours. We do not receive compensated on any other services other than investment advisory services. 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 examples to help you understand what this means.

- For AUM fees, the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee.
- For fixed fees, the more work we expect to perform for you, the higher our fee would be and thus we have an incentive for you to agree to have us complete more work for you.
- For hourly fees, each additional hour we spend working for you would increase the advisory fee and thus we have an incentive for you to agree to have us complete more work for you.

#### Conversation Starter-

- *How might your conflicts of interest affect me, and how will you address them?*
- *Is there a way to avoid all conflicts of interest with you?*

### How do your Financial Professionals make money?

A portion of the investment advisory fee collected is paid to our financial professionals. Compensation is based on a percentage of the amount of assets they service and therefore they earn a higher dollar amount for servicing more clients and managing more of your money.

#### DISCIPLINARY HISTORY

### Do you or your Financial Professionals have legal or disciplinary history? For what type of conduct?

No, our firm and our financial professionals do not have any legal or disciplinary histories. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

#### Conversation Starter

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

#### ADDITIONAL INFORMATION

Additional information about American Financial Management, Ltd. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about Investment Adviser Representatives directly affiliated with AFM. Call or write, 555 Fairmount Ave, Suite 302, Towson, MD 21286 (443) 339-2115 to request up to date information about our services or to obtain a copy of our relationship summary.

#### Conversation Starter-

- 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?

AMERICAN FINANCIAL MANAGEMENT, LTD.  
CLIENT RELATIONSHIP SUMMARY

#### Appendix A.

Material Changes to the Customer Relationship Summary dated 2/14/25. An updated address for client contacts has been added. Addition of investment advisor technology consulting services and fees. Addition of examples of how our firm is compensated and the applicable conflicts of interest