

AMERICAN INVESTORS COMPANY

Client Relationship Summary

American Investors Company (referred to as “we” “us” or “our”), is registered with the U.S. Securities and Exchange Commission as a broker-dealer and an investment adviser. **As you have different choices when it comes to your investment solutions, we feel that it is important for you to understand how brokerage and investment advisory services and fees differ so you can carefully consider which types of accounts and services are right for you. To help you research firms and financial professionals, you can access free and simple tools available at [Investor.gov/CRS](https://investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.**

What investment services and advice can you provide me?

As a broker-dealer and investment adviser, our financial professionals offer brokerage services, investment advisory services, or both, depending on their industry licenses and designations. Each of our financial professionals generally offer, and may recommend, a range of investment products, such as stocks, bonds, mutual funds, variable annuities, exchange-traded funds (ETFs), private placements, and alternative investments. However, it is important for you to know that the range of investment options available to you may be limited depending on the licenses and/or designations your financial professional holds. You are encouraged to ask your financial professional about any investment limitations that may exist.

If our financial professional offers you brokerage services, investment advisory services, or both, he/she will inform you in which capacity he/she is acting when making an investment recommendation (broker-dealer) or providing ongoing investment advice (investment adviser) and whether such recommendation or advice is conducted as part of our brokerage or advisory services. However, in general, investment recommendations will be made in a broker-dealer capacity unless expressly stated otherwise at the time of the recommendation. Some of the key differences between brokerage and investment advisory services are described below.

Understanding Broker-Dealer vs. Investment Adviser Services

Generally, broker-dealers and investment advisers have different types of relationships with investors, offer different services, and have different compensation models when providing investment recommendations or investment advice.

Broker-dealers typically provide transaction-specific recommendations and receive compensation on a transaction-by-transaction basis, such as commissions (“transaction-based” compensation).

Investment advisers, on the other hand, typically provide ongoing, regular advice and services in the context of broad investment portfolio management and are compensated based on the value of assets under management, a fixed fee or other arrangement (“fee-based” compensation).

It is also common for a firm to provide both broker-dealer and investment adviser services. These differences reflect the generally ongoing nature of the advisory relationship in contrast with the transactional and episodic nature of the broker-dealer relationship and is important because it presents you with choices regarding the types of relationships you can have, the services you can receive, and how you pay for those services.

As a broker-dealer and investment adviser, we are committed to providing you with recommendations and/or advice that are in your best interest and do not place our interests, or those of our financial professionals, ahead of yours.

Our Brokerage Services

Our brokerage services include taking your orders and executing your securities transactions, and making recommendations for you to buy, sell, exchange or hold securities as well as recommendations of account types and rollovers or transfers of assets. While we provide recommendations, you make the final investment decisions.

We maintain a broad range of product offerings involving specific asset classes which will not generally limit your investment choices you have with us. We do not maintain or offer any proprietary products. Some of our financial professionals may be licensed in a limited capacity to sell only specific products or services such as mutual funds or variable annuities and thus may not be able to offer you a broad range of products or services.

It is important for you to know that the level of monitoring provided under our brokerage and investment advisory services is not the same. Our financial professionals generally do not monitor investments held in brokerage accounts unless otherwise stated in writing. Also, we may provide brokerage services (but not investment recommendations) to you if your financial professional is providing advisory services through another investment advisory firm.

Our Advisory Services

Our principal advisory services include investment management, financial planning, consultations on asset allocation and advisory programs offered by third-party asset managers. We will meet with you to understand your current financial situation, existing resources, investment goals, objectives, and risk tolerance. Based on what we learn, we will provide advisory services that are appropriate for your account.

We will monitor your account on an ongoing basis to ensure alignment with your investment goals and objectives. However, certain limited-scope consulting or advisory services will generally not include ongoing monitoring.

You can choose to allow us to execute certain transactions and implement or change investments in your account without asking you in advance (“discretionary account”) or we can give you advice but you ultimately make the investment decisions in your account (“non-discretionary account”). You will sign an investment advisory agreement that will state whether we provide advice on a discretionary or non-discretionary basis.

Additional information about our advisory services can be found in Items 4, 5 and 7 of our Form ADV, Part 2A brochure which is available on the [Client Information](#) page of our website or the SEC’s [Investment Adviser Public Disclosure](#) website.



Questions to ask your financial professional:

- *Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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 those qualifications mean?*

What fees will I pay?

As part of your investment decision making process, it is important for you to know the fees and costs that you will incur for your brokerage or investment advisory services, including how frequently they are assessed and the conflicts of interest they create so you can carefully consider which types of accounts and services are right for you.

For Brokerage Services

We typically provide transaction-specific recommendations and receive compensation on a transaction-by-transaction basis (such as commissions) every time you buy or sell an investment. The transaction-based fee you pay typically varies based on the amount invested. For example, you will pay more when there are more trades in your account and ***we may, therefore, have an incentive to encourage you to trade often.***

For investments in stocks or ETFs, the transaction-based fee is usually charged as a separate commission or sales charge. For investments in bonds, this fee is typically included as part of the price you pay for the investment (called a mark-up or markdown). For investments in certain products such as mutual funds, annuities, and alternative investments, we receive transaction-based fees from the investment product sponsor in the form of asset-based sales charges (called sales loads). Additional costs would include, for example, both costs associated with the purchase of the security, as well as any costs that may apply to the future sale or exchange of the security, such as deferred sales or surrender charges. These fees are based on the amount invested in the product and, depending on the product, may be based on how long you hold the investment. When we receive asset-based sales loads, ***we have an incentive to recommend products or sponsors that include sales charges.*** In addition, you may also pay fees for custodial or administrative services.

For more information, please see the [Client Information](#) page of our website. For more detailed information regarding your specific situation and fees related thereto, consult with your financial professional.

For Advisory Services

We typically provide ongoing, regular advice and services in the context of broad investment portfolio management and are compensated based on the value of assets under management, a fixed fee or other arrangement (called “fee-based” compensation). In most cases, you will be charged a fee computed as a percentage of assets under management on either a tiered schedule or using a fixed annual percentage rate that is calculated according to the fee schedule in your investment advisory agreement with us. You pay this fee whether or not transactions occur in your account. Advisory fees are typically paid on a quarterly basis. Please see your investment advisory agreement for more specific information. For an account where we charge an asset-based fee, the more assets there are in your account, the more you will pay in fees, and ***we therefore have an incentive to encourage you to increase the assets in your account.***

The designated broker-dealer/custodian that holds your assets can charge you a transaction fee when we buy or sell an investment for you. The broker-dealer/custodian's transaction fees are in addition to our fee for our advisory services. You could also pay charges imposed by the custodian holding your account for certain investments and maintaining your account.

For third-party wrap fee program accounts, you will pay a single asset-based fee for a bundle of investment advice, investment research and/or brokerage services where such a fee is combined to cover certain transaction, administrative and custodial costs. If you expect to trade infrequently or maintain a buy and hold strategy, a wrap fee program may cost you more than paying for the program's services separately.

We may also charge an hourly fee or fixed fee for additional advisory services such as financial planning or consulting services that are of limited duration or nature.

Please make sure you understand the fees and costs you are paying. For more information, see Item 5 of our Form ADV, Part 2A brochure on the [Client Information](#) page of our website or the SEC's [Investment Adviser Public Disclosure](#) website.

Other Fees and Costs

In addition to brokerage and/or advisory fees, you may also pay fees charged by the specific investment products in which you are invested, such as mutual funds and exchange traded funds, that will reduce the value of your investments over time.

Additional Information

Although cost is an important factor that is considered when making a recommendation, it is not the only consideration and therefore our recommendations are not always the lowest cost option available. As fees and costs affect the value of your account over time, please ask your financial professional to give you personalized information on the fees and costs that you will pay. ***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.***



Questions to ask your financial professional:

- *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?*

What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

We receive compensation that typically varies depending on what securities transaction or investment strategy involving securities is being recommended. The source of our compensation may also vary, such as being paid directly by you as the investor or by a product sponsor. Because we are compensated for our recommendations there is a conflict of interest that exists between our recommendations and the varying amounts of compensation received from those recommendations. We provide these disclosures regarding conflicts to reasonably inform you as the investor so that you may use the information to evaluate the recommendations made by us.

When we provide you with a recommendation as your broker-dealer or 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 recommendations and investment advice we provide you.

Examples of Ways We Make Money and Conflicts of Interest:

- **Third-Party Payments:** We receive compensation from third parties derived from the sale of securities or other investment products held by you, including asset-based sales charges or service fees on mutual funds, annuities, ETFs, alternative investments, and other investments. This compensation includes ongoing distribution charges such as 12b-1 fees or trail payments which an investment product charges you and then pays to us. We may also receive fees from investment products and/or their sponsors for administrative or marketing services we provide in relation to your investments. These compensation arrangements give us an incentive to recommend certain products over other products for which we receive less compensation. When we recommend a particular fund, we will provide more specific detail about compensation arrangements associated with the specific fund family.

- **Revenue Sharing:** We may receive compensation from revenue sharing agreements derived from the sale of mutual funds, direct-participation programs such as non-traded REITs, business development companies and other investments. These revenue-sharing fees are paid by product sponsors directly to us for marketing support, due diligence, and training. Therefore, these revenue-sharing arrangements give us an incentive to recommend certain products over other products for which we receive less compensation.
- **Principal Trading:** In brokerage accounts, we sometimes buy bonds from you or sell bonds to you which are considered principal trades. In these instances, we will receive a mark-up or markdown which is the difference between a bond's price and the price (higher or lower) at which we buy or sell it. This creates an incentive for us to either buy the bond from you at the lowest price possible or sell the bond to you at the highest price possible to maximize our profit.

If our financial professionals have conflicts of interest beyond those disclosed in this relationship summary, they will disclose, where appropriate, any additional material conflicts of interest not later than the time of a recommendation, and any such disclosure will be made orally. Additional information about our conflicts of interest can be found on the [Client Information](#) page of our website.



Questions to ask your financial professional:

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

How do your financial professionals make money?

We have agreements in place with our financial professionals, who are independent contractors of the firm, which determine what and how we pay them. Our financial professionals who provide brokerage services will receive a portion of the commissions received from your trades, while those providing advisory services will receive a portion of the advisory fees you pay us. We also pay our financial professionals different rates of compensation based on production, including payments based on the amount of assets they service or the types of products they sell. Although your financial professionals must recommend investment products or manage your account in your best interest, these forms of compensation, such as brokerage commissions, advisory fees and other production-related compensation, create an incentive for them to recommend certain products, encourage you to trade more frequently or increase your investment account size. We do not have sales contests, sales quotas, bonuses, and/or non-cash compensation that are based on the sale of specific securities or specific types of securities.

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

Yes. We and/or some of our financial professionals have some form of disciplinary history. If you would like more information about our firm and/or our financial professionals, you may visit Investor.gov/CRS for a free and simple search tool to research additional information.



Questions to ask your financial professional:

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

Additional Information

Additional information about us can be found at www.americaninvestorsco.com. To request up-to-date information or a copy of this relationship summary, please contact us via email at info@americaninvestorsco.com or call (925) 866-2882. If viewing a paper version of this form, please visit <https://www.americaninvestorsco.com/client-information/> for hyperlinks contained in this document.



Questions to ask your financial professional:

- *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?*