



CLIENT RELATIONSHIP SUMMARY

American Capital Management, Inc. (“ACM”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as an Investment Adviser. Brokerage and investment advisory services and fees differ. It is important for a retail investor to understand the differences. There are free tools available for investors to research firms and financial professionals at Investor.gov/CRS. This site also provides educational materials about broker-dealers, investment advisers, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

ACM offers discretionary investment advisory services to retail investors. Investment advisory services we offer include fee based advisory accounts, wrap fee programs, referrals to third party money managers and financial planning.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule’s provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Our various model portfolios (the Programs) allocate and reposition your account assets over time based on specific allocation strategies, defensive strategies and sector selection strategies. The Programs offer a range of investment profiles to suit your investment objectives which include three growth models, three growth & income models and three income models. All more fully described in our Form ADV Part 2A and on our website. Within each Program, depending upon the program and custodian chosen, client assets are invested in open-end mutual funds, exchange traded funds (“ETFs”), equities and bonds. Most of our advisory accounts are discretionary, meaning you give your adviser authority, via your advisory agreement, to make investment selections, investment buys and sells on your behalf, with or without your prior approval. You have the authority to place reasonable restrictions on American Capital’s investment discretion.

As an individual client, in most cases you will be introduced to our services through your financial representative who will work with you to provide continuous investment advice and to determine which of our Programs are most appropriate given your financial situation, investment objectives, risk tolerance and the investment alternatives available to you. The Programs which are used to manage and position your accounts receive ongoing review.

We believe that professional investment advisory programs can help investors pursue their investment objectives. However, the fees and expenses associated with advisory services will be higher than a brokerage account.

We do not have a minimum account size or investment amount. Account minimums and other requirements are established by our custodians or product sponsors and will be disclosed at the time of account opening.

QUESTIONS TO ASK YOUR FINANCIAL PROFESSIONAL

- *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? What do these qualifications mean?*

WHAT FEES WILL I PAY?

Description of Principal Fees and Costs:

ACM charges its retail investors fees based on assets under management. The services and fees are specified in an agreement between you and ACM. Fees are payable on a pro-rata annualized basis monthly in arrears or as otherwise agreed to in writing and are automatically deducted from each client’s account(s) unless other payment arrangements are made or needed. The more assets you have, the more fees you will pay us. For wrap fee program accounts, you will pay the custodian an asset-based fee that includes most transaction costs and fees to a broker-dealer that has custody of these assets. Therefore, the fees for the wrap programs can be higher or lower than a typical asset-based advisory fee.

Description of Other Fees and Costs:

Other fees charged to you that are related to your account are fees paid to the custodian and broker, fees related to mutual funds, ETFs, variable annuities, third-party managers, platform and transactional fees.

These fees are more fully described in our Form ADV 2A, Item 5 – Fees and Compensation.

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.

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 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 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.

Many of ACM's representatives serve as licensed insurance agents. When acting in this capacity, the representative will receive commissions for selling insurance products. This creates a conflict of interest when the representative recommends you purchase insurance products.

Many are also representatives American Equity Investment Corp., of our affiliated broker/dealer. When acting in this capacity, the representative will receive commissions for selling a security. This creates a conflict of interest when the representative recommends you purchase security products.

For more detailed information regarding conflicts of interest, please see our Form ADV, Part 2A brochure and our Best Interest Supplement document located on our website at www.amercap.com.

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?

Our financial professionals and the firm make money on a percentage of the assets you invest with us.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY? No. Please see Investor.gov/CRS for a free search tool to research ACM and our Financial Professionals.

QUESTIONS TO ASK YOUR FINANCIAL PROFESSIONAL

- As a financial professional, do you have any disciplinary history? If so, for what type of conduct?

ADDITIONAL INFORMATION

You can find additional information about our Firm and your Financial Professional on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov or by visiting our website at www.amercap.com. You can also contact us directly at (812) 945-9888 for up-to-date information about our services or to request a copy of our relationship summary.

QUESTIONS TO ASK YOUR FINANCIAL PROFESSIONAL

- Who is my primary contact person?
- Is he or she a representative of an investment adviser?
- Who can I talk to if I have concerns about how this person is treating me?