

# Customer Relationship Summary

## Brandywine Asset Management, Inc.

April 1, 2024

### Introduction

Brandywine Asset Management, Inc. (“Brandywine”) is an Investment Adviser registered with the U.S. Securities and Exchange Commission. We offer our clients fund management and managed account services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professional at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

### What Investment Services and Advice Can You Provide Me?

- Does Brandywine offer comprehensive investment advisory services or should I be working with an additional advisor?

**Description of Services:** Brandywine does not offer comprehensive investment advisory services but rather serves as an investment manager to funds and managed accounts. We currently manage a suite of funds that are used in 401(k) and other qualified retirement plans plus a private hedge fund that is available only to “qualified investors.” In referring to qualified investors, we are specifically referencing that we only offer direct advisory services to those meeting the SEC standard of a person or institution being an “accredited investor” or “qualified purchaser.” Investors meeting this criteria may inquire about investing into one of Brandywine’s funds or a managed account. For more information, please see Item 4 of our Form ADV Part 2A. When providing asset management services Brandywine provides services on a discretionary basis (we will have the authority to determine the type and amount of securities to be bought or sold in the fund or your managed account). For more information please see Item 16 of our Form ADV Part 2A.

**Limited Investment Offerings:** Brandywine is a specialist firm in that it offers investment advisory services built around its “Return Driver” based model. These include the Brandywine Enhanced and Target Date Funds developed for 401(k) and other qualified retirement plans, and a hedge fund and managed account program. All funds and managed accounts incorporate a form of Brandywine’s “Risk Replacement” methodology in which an underlying benchmark (such as the S&P 500 or U.S. Aggregate Bond index) exposure is maintained, but a portion of the *risk* of owning the index is offset with option protection and, in its original form, *replaced* by the lower risk of holding a smaller allocation made to Brandywine’s Return Driver Diversifier.

### Conversation Starters:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- Help me understand how these fees and costs might affect my investments.

- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?
- If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?

Brandywine does not offer advice on whether you should engage an investment advisory service, in that, our services are limited to 1. Managing Collective Investment Trusts which are tailored to the 401k market, 2. A hedge fund benchmarked to the S&P 500 and 3. Separately Managed Accounts of \$25 million and greater for institutions and sophisticated ultra-high net worth investor. Brandywine does not engage in financial planning, estate planning, or overall portfolio management for investors.

In regards to experience, Brandywine's two principals have a combined 80+ years of investment management experience. Michael Dever founded Brandywine in 1982 and is a Certified Financial Planner (CFP). Robert Proctor has worked for various firms in the investment industry and is a Chartered Financial Analyst (CFA) and has also passed the Certified Financial Planner exams.

### **What Fees Will I Pay?**

#### **For Collective Investment Trusts:**

Brandywine's fees vary based on the product.

The Brandywine Collective Investment Trust charges a management fee ranging from 0.34% to 0.64% (annualized) depending on the underlying fund.

<b>Management Fee</b>	
Brandywine Large Cap Founders Class	34 bps
Summit Large Cap Growth Founders Class	44 bps
Advantage Large Cap Value Founders Class	44 bps
Brandywine Extended Market Founders Class	54 bps
Summit Small Cap Growth Founders Class	64 bps
Advantage Small Cap Value Founders Class	64 bps
Focus International Founders Class	54 bps
Foundation Core Bond Founders Class	34 bps
Foundation Diversified Income Founders Class	49 bps
Foundation Preservation Founders Class	44 bps

**Note:** Brandywine's target date funds do not pay a management fee at the fund level but rather pay fees to Brandywine based on their allocation to the underlying funds listed above.

#### **For Separately Managed Accounts and Private Funds:**

**Account & Fee Minimums:** Generally, the minimum investment for Brandywine's private funds is \$1,000,000 and the minimum investment for a separately managed account is \$25,000,000. Brandywine offers investors various fee options. Brandywine's standard fee is 2% of assets annually (charged 1/6 of 1% per month) plus an "incentive Fee" equal to 20% of profits (payable quarterly).

Additional Information: 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 information about the fees we charge and the other fees and expenses you will incur please see Item 5 of Form ADV Part 2A.

**Conversation Starters:**

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

**Standard of Conduct**

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. Brandywine does not recommend individual securities for clients, but instead manages funds or managed accounts. Brandywine invests alongside clients in the same private funds managed by Brandywine and does not maintain a firm proprietary trading account to trade in individual securities. Other than the private funds managed by Brandywine, Brandywine does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist.

Brandywine's employees may buy or sell securities for their own accounts and may buy or sell securities that are also held by clients. In order to minimize conflicts of interest, Brandywine's employees are required to disclose all reportable securities transactions as well as provide Brandywine with copies of their brokerage statements.

The Chief Compliance Officer of Brandywine is Michael Dever. He reviews all employee trades each quarter. The personal trading reviews help ensure that the personal trading of employees does not affect the markets and that clients of Brandywine have received preferential treatment over employee trades. You should understand and ask us about these conflicts because they can affect the investment advice we provide you.

Brandywine does not receive any external compensation for the sale of securities to clients, but investment advisor representatives who introduce investors to Brandywine may receive commissions for the sale of securities as registered representatives of unaffiliated broker dealers.

This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As registered representatives, investment advisor representatives do not charge advisory fees for the services offered through unaffiliated broker dealers. This conflict is mitigated by the fact that investment advisor representatives of Brandywine have a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative of their choosing.

Additional Information: For more information about our conflicts of interests and the ways we are compensated please see Item 4, Item 5, Item 10, and Item 14 of our Form ADV Part 2A.

**Conversation Starters:**

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

- [How do your financial professionals make money?](#)

### **Description of Salary/Payment of IARs**

We have different compensation arrangements for our investment adviser representatives. Generally, they are compensated based solely on the level of assets that they bring into Brandywine and then a share of the total management and incentive fees Brandywine earns on those assets. Paying bonuses and other compensation based on revenue we earn from advisory services or recommendations creates a conflict of interest as it gives those representatives an incentive to recommend you invest more in your account with us due to the potential for increased payments. Not all advisors recommending Brandywine and its services will receive compensation from Brandywine. If you are recommended to Brandywine by another advisor, you should ask Brandywine and / or that other advisor if there is a relationship involving compensation from Brandywine to your advisor.

### **Conversation Starter:**

- [As a financial professional, do you have any disciplinary history? For what type of conduct?](#)
- [Additional Information about Brandywine](#)

None of our professionals has any legal or disciplinary history to disclose. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

### **Additional information**

Additional information about Brandywine along with copies of our Form ADV Part 2A disclosure brochure and this relationship summary are available on the Internet at <https://www.Brandywine.com/>. You can find our disclosure brochures and other information about us on the SEC's Investment Adviser Public Disclosure website at <https://adviserinfo.sec.gov/firm/summary/307564>. For up-to-date information and to request a copy of the relationship summary, we can be reached by phone at 610-361-1000.

To Download a Copy of the ADV Part 3, [Click Here](#)