



## **Form CRS Customer Relationship Summary** **March, 2024**

### **Introduction**

Diversified Management, Inc. ("DMI") is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

Brokerage and investment advisory services and fees are different. It is important for you to understand these differences. Free and simple tools are available for you to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS). This website provides educational materials about broker-dealers, investment advisers, and investing.

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

DMI provides investment advisory, financial planning, and income tax services. These services include cash flow management, retirement planning, analysis of executive benefits, charitable giving strategies, estate planning, analysis of education funding alternatives, life insurance sufficiency analysis, investment management, tax planning and income tax return preparation.

The minimum dollar value of assets accepted for supervision by DMI is \$500,000. For clients who do not meet the \$500,000 minimum, we refer them to our DBA, Cream City Investment Services ("CCIS").

As part of DMI's investment advisory services, we provide clients with personal advice including asset allocation, research and selection of mutual funds or investment managers, and monitoring the performance of investments. CCIS provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment objective based on levels of risk. CCIS offers the following risk based models; Ultra Conservative, Conservative, Moderate Conservative, Balanced, Moderate Growth, Growth, Growth Alternatives, and Aggressive Growth.

Financial planning services are available to clients. The topics and assumptions addressed in financial plans are based on facts, resources and objectives of each client.

Tax planning services and tax return preparation services are available to DMI clients.

For additional information, please see our Form ADV, 2A Brochure (Part 2A) available at:  
<https://adviserinfo.sec.gov/firm/summary/106680>

**Conversation Starters.** 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 these qualifications mean?

### **What fees will I pay?**

DMI investment advisory fees are based on a percentage of assets under management ranging from 1.25% for the first \$500,000 of client assets scaled down to .25% of assets above \$10 million. Fees for all accounts may be negotiated.

CCIS' annual fees for model portfolio management services are a flat fee charge of 1% of assets under management.

DMI and CCIS' investment management fees are billed quarterly in arrears.

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**Conversation Starter.** 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 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

- As mentioned above, the more assets the client has in his/her account, the more we receive in fees. We therefore have an incentive to encourage a client to increase the assets in his/her account. One example of this is encouraging a client to rollover their 401(k) assets into an account that the adviser can manage and thereby earn an asset-based fee.
- In addition, as mentioned, our minimum account size is negotiable under certain circumstances and at our discretion. Should we agree to waive this minimum account size, we would receive less compensation for services provided. Therefore, we have a disincentive to waive this minimum.
- You will pay fees and costs whether you make or lose money in 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.

**Conversation Starter.** Ask your financial professional...

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

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### How do your financial professionals make money?

Our firm's financial professionals receive a salary based on tenure, experience, and responsibilities. There is no compensation or commissions offered for factors such as opening new accounts, number of sales, client referrals, or product sales. The firm may pay an internal quarterly bonus to employees. These bonuses are not based on any type of incentives. The bonus compensation is based on the firm's gross income for the current quarter compared to the same quarter 12 months earlier.

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

Neither our firm nor our financial professionals have any legal or disciplinary history. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional...

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

### Additional Information

If you would like additional information or a copy of this disclosure or our Form ADV, Part 2A, please call (414) 292-1900.

**Conversation Starter.** 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?