

CUSTOMER RELATIONSHIP SUMMARY**AMERICAN FINANCIAL ASSOCIATES, INC.****June 18th, 2024**

We are a Broker Dealer registered with the Securities and Exchange Commission (SEC), a member of the Financial Industry Regulatory Authority, Inc. (FINRA) the Securities Investor Protection Corporation (SIPC) and registered with the Municipal Securities Rulemaking Board (MSRB).

Our Associated Persons (Registered Representatives) are not registered investment advisers and our fees and services differ from that charged by an investment advisor. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](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?

We offer brokerage services to retail investors, including buying and selling securities. We make recommendations on various Mutual Funds, Variable Annuities, and 529 College Savings Plans held directly with Mutual Fund and Insurance Companies. We offer Brokerage services through RBC Capital Markets, LLC on a non-discretionary basis and the retail investor ultimately makes the decision on the purchase or sale of securities. The Firm may also help retail investors with retirement planning, small business workplace plans, budgeting, and general investment strategies, which is incidental to our primary role of selling securities and insurance products, and for which we do not receive compensation.

We do not monitor retail customer accounts; however, we may voluntarily review the holdings in your account with you on a periodic basis to provide you with a recommendation. We do not have any account minimums to open accounts, however mutual fund companies and insurance companies may do so. When considering our services, you may want to ask us the following questions:

Given my financial situation, should I choose a brokerage 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?**Mutual Fund Compensation**

Mutual funds have different share classes. Some share classes, typically A and M, pay an upfront, one-time sales charge or commission, which typically starts at 5.75% and declines as the size of the investment increases. These sales charges are paid at the time the purchase is made and reduces the investment amount. These share classes include a monthly or quarterly service fee that totals .25% or .5% annually. Typically, paying an upfront sales charge is better for a longer holding period / investment time horizon. Other share classes such as C do not charge an upfront sales charge or commission but will pay a higher ongoing service fee, typically a 1% annual fee paid monthly or quarterly. This means that an investor's full payment is immediately invested. C shares also charge a contingent deferred sales charge (CDSC) of 1 % if the investor liquidates the investment within 12 months. Typically, after 10 years, class C shares will convert to a less expensive share class and your service fee will fall to .25% annually. This share class may be better for a shorter time horizon and/or if the investor wants the flexibility to sell shares at any time. Different share classes charge different expense ratios. These are internal management fees charged by the mutual fund company. The higher the expense ratio, the lower the return to the investor.

Variable Annuity Compensation

A customer will not pay an upfront commission out of their initial investment however a commission will be paid by the insurance company. Since the commission does not directly come out of your investment, the insurance company will typically charge a CDSC if the investor withdraws funds from the annuity before the end of the CDSC period, typically 7

years or less. A monthly or quarterly fee is included in the total fees paid for servicing the account. The expense ratio for variable annuities are typically more expensive than mutual funds because they offer living and death benefits. Such higher fees will reduce future returns.

Brokerage Account Compensation

Customers pay a commission for all securities other than mutual funds or variable annuities. The amount of the commission varies and will be discussed and agreed to prior to the transaction being executed.

Other Fees and Costs / Additional Information

You may also pay an annual IRA fee, minimum balance fee, account closing fee or other fees charged by the mutual fund/insurance company or our clearing/custody firm. You will pay fees and costs whether you make money 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.

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? HOW ELSE DOES YOUR FIRM MAKE MONEY AND WHAT CONFLICTS OF INTEREST DO YOU HAVE?

When we provide you with a recommendation, 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 affect the recommendations that we provide you. Here are some examples to help you understand what this means.

We sell products that pay us commissions and ongoing service fees. These fees can vary depending on the mutual fund or annuity company and the share class selected. These incentives, along with the amount of your investment, are our primary conflict of interest.

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

We do not have any sales contests or offer our representatives any incentives on the products that they sell or on the amount of business that they do.

HOW DO YOUR FINANCIAL PROFESSIONALS MAKE MONEY?

We are compensated through commissions and service fees paid on the products we sell. Our compensation comes in the form of commissions on the sale of stocks, bonds, and annuities; a sales charge, which is the same as a commission, on the sale of mutual funds and service fees (also known as 12B-1 fees on mutual funds) paid monthly or quarterly computed on the market value of the mutual funds / variable annuities you own.

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE LEGAL OR DISCIPLINARY HISTORY?

Yes. For more details about these disclosures visit Investor.gov/CRS for a free and simple search tool to research American Financial Associates, Inc and our financial professionals.

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

ADDITIONAL INFORMATION

For further information and questions, or to request a form CRS, go to brokercheck.finra.org or contact Henry D'Alberto Principal of American Financial Associates at our home office. Phone Number 610-559-1600.

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