

September 4, 2024 Client Relationship Summary (CRS)

Capital & Estate Management, Inc. (CEM or the Firm) is registered as a broker/dealer (BD) with the Securities & Exchange Commission (SEC) and various state securities administrators. The Firm is a member of the Financial Industry Regulatory Authority (FINRA). Brokerage and investment advisory services and fees differ and it is important for the retail investor to understand the differences. There are free and simple tools available for research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker/dealers, investment advisors, and investing.

Question: “What investment services and advice can you provide me?”

We offer brokerage services to retail customers. As their agent, we offer the American Funds (CG) directly through the American Funds Distributors (AFD) and the American Legacy Series variable annuity (LEG) directly through the Lincoln Financial Distributors (LFD). We offer recommendations to you based on your individual financial situation. We do not monitor your investments. AFD normally requires a \$250 minimum investment and LFD requires a \$10,000 minimum. CEM charges no other fees. CG’s services can be found on its website: www.capitalgroup.com/individual (Click subjects under the heading: What We Offer, “Planning,” “Service and Support,” and “Insights”). LEG’s services can be found on its website: www.lfg.com (Click the heading: Products then “Annuities”). CEM does not offer any additional services.

Questions a retail investor may ask a financial professional and start a conversation about relationships and services:

“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 those qualifications mean?”

Question: “What fees will I pay?”

We offer the CG Class-A (CL-A), Class-C (CL-C) and LEG C-Share (CL-C). For example, the CG CL-A shares are sold with an initial sales charge, such as 5.75% on \$10,000, so only \$9,425 is invested. The CL-A shares also charge an annual fee, such as .57% or \$57 on \$10,000. CG CL-C shares are sold without an initial sales charge, but a contingent deferred sales charge (CDSC) of 1% applies if CL-C shares are sold within one year of purchase. CL-C shares charge an annual fee, such as 1.32% or \$132. LEG CL-C has no initial sales charge and no surrender penalty. For example, the annual cost may be 2.25% with a flat annual account fee of \$35. You will pay fees and costs whether you make or lose money on your investments. There is a conflict of interest since fees and costs will reduce any amount of money you make on your investments over time. You need to make sure you understand what fees and costs you are paying. They are all detailed in the prospectus for the specific investment you are considering.

Questions a retail investor may ask a financial professional and start a conversation about the impact of fees and costs on investments: *“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?”*

Question: “What are your legal obligations to me when providing recommendations?”

Question: “How else does your firm make money and what conflicts of interest do you have?”

Subject to Regulation Best Interest (BI), 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 interest. Here are some examples to help you understand what this means: a) As CEM, AFD and LFD disclose to you, we receive upfront commissions and renewal fees based on the product sold, the size percentage and the 12(b)-1 service fee based on the amount of assets serviced, to allow us to continue to provide service to you on an ongoing basis, which is disclosed in the prospectus. b) As long as we only offer one mutual fund family (CG), there is no possibility of the conflict of interest of switching fund families resulting in you incurring additional costs. c) You can find more detailed information about CG’s costs and service on CG’s website: www.capitalgroup.com/individual (Click the heading: What We Offer then “Mutual Funds,” then at the bottom under Other Resources: “Share classes and expenses”). LEG’s services can be found on its website: <https://www.lfg.com> (Click the heading: Products then “Annuities”). CEM does not offer any additional services.

Questions a retail investor may ask a financial professional and start a conversation about conflicts of interest: *“How might your conflicts of interest affect me, and how will you address them?”*

Question: “How do financial professionals make money?”

Cash. CEM does not receive non-cash compensation. When CG CL-A is sold with an initial sales charge such as 5.75% (\$575), CEM receives a dealer commission of 5.00% (\$500). When CG CL-C is sold without an initial sales charge, CEM receives 1% or \$100 on \$10,000. When LEG CL-C is sold, CEM receives either .75% (\$75) or 1.50% (\$150) on \$10,000 depending on your age. When CG charges an annual fee, CEM receives a portion called the 12(b)-1 service fee. For CL-A, it’s (.25%) or \$25 on \$10,000 and for CL-C it’s 1.00% or \$100 on \$10,000. For LEG CL-C, CEM receives 1.00% or \$100 on \$10,000.

Question: “Do you or your financial professionals have legal or disciplinary history?” Yes. The retail investor may visit <https://www.investor.gov/CRS> for a free and simple search tool to research you and your financial professionals.

Questions a retail investor may ask a financial professional and start a conversation about the financial professional’s disciplinary history: *“As a financial professional, do you have any disciplinary history? For what type of conduct?”* Retail investors may call (352)346-6516 or (352)650-8612 to request up-to-date information and request a copy of the *relationship summary*.

Questions a retail investor may ask a financial professional and start a conversation about the contacts and complaints: *“Who is my primary contact person? Is he or she a representative of a broker/dealer? Who can I talk to if I have concerns about how this person is treating me?”*