



FORM ADV – PART 2A

FIRM BROCHURE

Item 1. Cover Page

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This brochure provides information about the qualifications and business practices of American Capital Management, Inc. ("ACM"). If you have any questions about the contents of this brochure, please email mmeagher@amcapmgt.com, Chief Compliance Officer, or contact us at 212-344-3300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. ACM is an investment adviser registered with the SEC. Such registration does not imply a certain level of skill or training.

Additional information about ACM is also available on the SEC's website at www.adviserinfo.sec.gov and the company's website www.americancapitalmanagement.com.

Item 2. Material Changes

Since ACM's last Brochure update, in addition to non-material grammatical and formatting revisions, we have made non-material changes throughout this Brochure to clarify ACM's practices. Changes have been made to the following Items:

- Item 4: Advisory Business – Revised the AUM to reflect the Adviser's AUM as of September 30, 2023
- Item 5: Fees and Compensation – Revised language to clarify our practice for client invoicing.
- Item 8: Methods of Analysis, Investment Strategies and Risk of Loss – updated Risk language to include Risks Related to War and International Conflicts in the Middle East.
- Item 11: Revised language to clarify ACM's personal trading policies and procedures.
- Item 12: Brokerage Practices- As a part of our fiduciary duties, we have an obligation to manage client assets in a manner that is suitable and consistent with the best interests of our clients. We have clarified our language around client instructed use of broker-dealers and we have added language discussing ACM's trading practices related to our rotation schedule, investment allocation and trade order aggregation practices.

Clients may request the most recent version of ACM's brochure by submitting an email request to ACM's Chief Compliance Officer at mmeagher@amcapmgt.com or contact us at 212-344-3300, or by submitting a written request to the adviser at American Capital Management, Inc., 575 Lexington Ave., 30th Floor, New York, NY 10022

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Item 4. Advisory Business

ACM is an investment management firm formed in 1980 with a goal of providing superior relative returns for its clients by investing in quality small and medium sized growth companies – the most innovative and more rapidly growing sector of the U.S. economy. These companies average approximately \$1.5 billion in sales and \$10.6 billion in market capitalization as of March 31, 2023 with expected growth potential 50% greater than the Standard & Poor's 500. We emphasize management ability and strong fundamentals in our selection process, and we believe the growth, profitability and financial strength of our investments are high. Flexibility is emphasized and we adjust our equity commitments to capitalize on market volatility. Equity emphasis favors companies that possess accelerating earnings momentum and appear undervalued relative to our universe list.

Since we emphasize growth companies, the majority of our potential investments are focused on health care and technology – two above average growth segments of our economy. Primary emphasis is on companies with managements of demonstrated competence, effective marketing organizations, strong research efforts and dominant market positions for their products. In addition, companies are selected that possess the necessary profitability and financial strength to support their growth. We believe that companies with these characteristics provide a favorable risk/reward ratio over time. We are long-term investors and prefer to hold our investments through market cycles if their fundamentals remain favorable and we have a positive market outlook. We do not emphasize asset plays, turnarounds, or large companies with small capitalizations.

A personal investment advisory service is provided to all clients. All accounts are individually managed and invested in publicly traded companies selected from our stock universe list supplemented with convertible and fixed income investments as necessary. We have a few select exchange traded funds and mutual funds for bond investments available for purchase if appropriate.

ACM offers a specific investment strategy and does not modify its strategy based on a client's financial situation, investment experience or investment objective if it differs from ACM's investment strategy. We permit reasonable investment flexibility if it does not materially affect our investment strategy.

Assets – The firm had \$ 2,750,548,088 of discretionary assets under management on September 30, 2023.

Ownership – The firm was founded in 1980 with Luke P. La Valle, Jr. as principal majority owner and Cesna, S.A. as a principal owner. In August 2014, the ownership changed with Cesna, S.A. transferring its remaining interest to Longlevens, LLC., with Longlevens, LLC. becoming a minority owner. In March 2016, Luke P. La Valle, Jr. who remains the firm's principal owner transferred shares to two LaValle trusts which became minority owners.

Item 5. Fees and Compensation

Compensation per annum is 1% of assets or as stipulated in our investment management agreement. Under certain circumstances, ACM at its discretion, may discount management fees, which may result in higher or lower fees for clients. Fees are payable quarterly, in advance, based upon 1/4 of 1% of the portfolio's market value as of the last business day of each calendar quarter. We forward a quarterly invoice directly to the client showing the amount owed, method of calculation and time period covered. Based on the clients' instructions, a copy can also be sent to their custodian, in which case the client can authorize the custodian to remit payment directly to ACM from the custody account. ACM receives income only from the management of client assets. Intra-quarter fees will be pro-rated on a *per diem* basis for any period that is less than a calendar quarter due to either the commencement or

termination of this Agreement. To the extent that the Client has overpaid as a result of the valid termination of this Agreement, ACM shall provide a refund of such overpayment.

Other Fees or Expenses – Certain custodians who hold client assets may also charge a fee. Clients will also incur transaction costs, which are commissions paid to brokers (see Item 12 Brokerage Practices for more information) through which ACM processes trades for its accounts. Assets invested in exchange traded funds or mutual funds are charged a fee by the fund managers in addition to ACM's management fee. We do not receive compensation for the sale of securities or investment products. We do not receive commissions or sales fees and only charge fees for investment advice pursuant to an investment advisory relationship.

Termination – Our investment management agreement may be terminated within 10 days from inception without penalty or by either party thereafter upon 30 days written notice of such termination. Fees are refundable on a pro rata per diem basis from the date of notification.

Item 6. Performance Based Fees

ACM does not manage any accounts with a performance-based fee structure.

Item 7. Types of Clients

ACM provides investment advice and portfolio management services primarily to high-net-worth individuals, corporations, foundations, endowments, pension and profit-sharing plans, IRAs, and trusts. In addition, we also provide investment management services to one UCITs fund. We generally require a minimum of \$2 million for new accounts. However, smaller accounts may be accepted at the discretion of management.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

The method of security analysis is fundamental economic and investment valuation with a rigorous research process to select our investments. A continuous analysis of the economic outlook is conducted to identify cyclical and secular trends and those economic sectors that appear favorably positioned over the intermediate term. The stock selection process concentrates on quality small and medium sized growth companies within these sectors that meet specific qualitative and quantitative criteria. Candidates generally possess a growth rate potential 50% greater than the Standard & Poor's 500. Primary emphasis is then placed on companies with what we consider superior management, effective marketing organizations, strong research efforts and dominant market positions for their products. We select our investments from a universe list of 100 companies that is compiled and maintained by a continuous and extensive fundamental analysis. Finally, this fundamental economic and investment analysis is combined with a technical review of the overall market, the smaller company segment and those fundamentally favored issues to enhance stock selection and the timing of purchases and sales. We reduce or sell positions when our investments appear overvalued, represent an excessive percentage of the portfolio's total assets or are experiencing deteriorating fundamentals. Fixed income management emphasizes preservation of capital, current income, and marketability through quality investments of short to intermediate term duration. Investment strategy is tailored to provide downside protection through a disciplined research effort that emphasizes interest rate trends, yield curve opportunities, sector yield relationships and growth with convertible securities. We invest in U. S. Government securities, corporates, preferred and convertible bonds through funds or ETFs as necessary.

Unique Approach – Our investment approach is unique relative to most investment management

organizations. ACM specializes in our market segment, and we are dedicated to this effort. We are consistent and select our investments from a universe list of 100 companies focused on revenue size rather than market capitalization. This list represents a quality group of companies within our market segment that possesses the necessary profitability and financial strength to support their growth. Our approach provides us with the opportunity to hold companies for an extended period of time as they grow from small to medium-sized corporations. We invest for the long term and own our investments considerably longer than the industry average. This may result in above-average returns, lower turnover, and greater tax efficiency. In addition, our investment strategy and longer-term approach result in greater “takeover” activity which may result in enhanced returns to our clients. We are small and flexible, a major advantage today.

Sources of Information – The principal sources of information utilized are company 10Ks, prospectuses and quarterly and annual reports. This information is supplemented by industry and company research reports from professional firms and analysts that specialize in researching small and medium sized growth companies. Other sources include management meetings and presentations, financial periodicals, trade journals and research material published by Moody’s and Standard & Poor’s.

Risk of Loss – Investing involves the risk of loss that clients should be willing to accept. ACM makes every effort to achieve its objective of long-term capital appreciation but cannot guarantee it will attain that objective. You could lose money. During any given period, ACM’s growth strategy may achieve better or worse results than other investment strategies and the stock market may decline. Investing in equities is subject to the volatility of the markets. The performance of small and medium sized growth companies could be more volatile than larger companies. Also, buy and sell orders may take longer to complete because of less liquidity. However, our experience has been that there is less risk with our strategy over a market cycle because of the above average increases in revenues and earnings of our investments combined with greater acquisition activity that provides enhanced returns to investors. While generally considered to be more conservative than stocks, fixed income investments carry credit, duration, inflation, and interest rate risk.

Other Risks

Risks Related to War and International Conflicts. A number of countries in Europe and the Middle East have suffered terror attacks and remain on high alert for potential future attacks. In addition, Ukraine has experienced ongoing military conflict; this conflict may expand in Europe. The ultimate effects of these events are not known but could profoundly affect global economies and markets.

Risks Related to Global Pandemic. While somewhat diminished, the Novel Coronavirus (COVID-19) in the United States and around the world may continue to adversely impact global commercial activity and could contribute to significant volatility in financial markets. Any such economic impact could adversely affect the performance of a client’s investments and, as a result, the Novel Coronavirus (COVID-19) may continue to present material uncertainty and risk with respect to overall performance and financial results. In addition, the resulting financial and economic market uncertainty may adversely affect the valuations of investments recommended to clients as well as those investments made by the firm on behalf of its clients.

Cybersecurity and Disaster Recovery Risk. With the increased use of technologies such as the Internet and the dependence on computer systems to perform necessary business functions, ACM, and its service providers may be susceptible to operational, information security and related risks. These systems are subject to a number of different threats or risks that could adversely affect clients. Although ACM and its service providers have implemented various measures to address risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the relevant party may have to make a significant investment to fix or replace them.

Item 9. Disciplinary Information

There are no disciplinary or legal events to report regarding ACM and its employees.

Item 10. Other Financial Industry Activities and Affiliations

Neither ACM, its officers nor employees have any other financial activities or affiliations as described by the SEC.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

ACM has adopted a code of ethics pursuant to SEC Rule 204A-1. Our code of ethics is available to any client or prospective client upon written request.

ACM's Code of Ethics covers its directors, officers and staff and requires that they comply with applicable federal securities laws and includes policies and procedures that pertain to securities related conduct and fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. Security transactions for employee accounts can create potential conflicts as they may invest in some of the same securities owned by our clients. Potential conflicts are minimized as outlined below in the Personal Trading section. The following principles emphasize ACM's fiduciary duty to its clients and the obligation of its officers and staff to uphold that fundamental duty. These principles include:

- The duty to place the interests of clients first at all times.
- The requirement that all personal securities transactions be conducted to avoid any actual or potential conflict of interest, or abuse of ACM's position of trust and responsibility.
- ACM's personnel must not take inappropriate advantage of their positions and responsibilities.
- Information concerning the identity of security holdings and financial circumstances of clients is confidential.
- Honesty, integrity, and professionalism shall govern all conduct whether or not the conduct is covered by specific standards and procedures.

Non-Public Information – Supervised persons are prohibited from securities trading, either personally or on behalf of others, while in possession of material, nonpublic information and from communicating material nonpublic information to others in violation of the law. This is known as “insider trading.” Finally, we note the SEC's position that the term “material nonpublic information” relates not only to issuers, but also to ACM's securities recommendations and client securities holdings and transactions.

Personal Trading – Supervised persons must obtain approval from Michael Meagher, Chief Compliance Officer, for all securities transactions in IPOs and private placements. In general, employees cannot execute any trades until it has been confirmed that all transactions have been executed for clients in that same security. However, employees may participate in trades alongside our clients if the trades do not adversely impact the pricing and availability of the transaction for clients or operate to the detriment of clients. This also applies to any relative by blood or marriage living in the same household and any account in which an immediate family member has a direct or beneficial interest such as a trust. Our Code of Ethics requires supervised persons to report upon hiring and annually thereafter all reportable securities accounts and “reportable securities” in which they have a beneficial

ownership and quarterly for all “reportable securities” transactions.

Item 12. Brokerage Practices

Since the firm invests primarily in quality small and medium sized growth companies, it is important to receive the research services of those brokers specializing in this market segment.

Therefore, ACM selects brokers for its business that will assist the firm in providing a highly professional investment service to all its clients. We prefer to deal with a limited number of brokers based upon a combination of their professional research capability, financial strength and willingness to charge a reasonable commission. Factors considered in determining the reasonableness of commissions include the full range of services provided and commissions generally charged by brokers providing services to clients.

In many cases, commissions paid are larger than those charged by discount brokers. However, we believe that the benefits gained from research provided by full-service brokers will produce more favorable portfolio performance in excess of any incremental commissions. In addition, total annual portfolio commissions are modest since we invest for the longer term with limited portfolio turnover.

Some part of the brokerage commission beyond execution costs can be ascribed to payment for research (soft dollar payments). However, we do not use brokerage commissions for client referrals.

ACM may receive research or other execution services provided directly or indirectly by broker-dealers who execute portfolio transactions. Any arrangements concerning receipt of research and brokerage services comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. These products and services provide assistance to us in the performance of our investment decision-making responsibilities and are designed to augment our own internal research and investment strategy capabilities. As required by Section 28(e), ACM will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided.

The research services described are used to carry out our investment management responsibilities with respect to the majority of our client accounts. Accordingly, we do not seek to allocate soft dollar benefits to client accounts proportionately to the credits the accounts generate.

In selecting brokers that provide these services, we may cause our clients to pay higher commissions than those charged by some other brokers. Also, because we could pay for these services out of our own assets, we may have an incentive to select or recommend a broker based on receiving these research services, rather than based on your interest in receiving best execution. Nonetheless, it is our policy and intention to select brokers based solely on what is in the best interests of our clients.

ACM may combine client purchase and sale orders into blocks for execution. Transactions are allocated prior to the trade since we review our accounts prior to placing orders. Orders for clients who direct orders to specific brokers will not be aggregated, and consequently these clients directed brokerage transactions could be disadvantaged as described below.

ACM clients may instruct us to direct their trades to a certain broker-dealer of their choice, in return for such broker providing the client with various services. Directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for a batched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if ACM were empowered to negotiate commission rates or spreads freely, or to select brokers or dealers based on best execution.

When a decision is made to aggregate transactions on behalf of multiple accounts, such transactions will be allocated to all eligible participating client accounts in a fair and equitable manner. ACM uses a trade rotation schedule that is only triggered when orders of various types of like accounts are communicated to the trader at the same time. Each Portfolio Manager is responsible for their own clients and their trading decisions are largely autonomous and will encompass each client's unique investment situation. ACM will not hold up trades in order to wait for any other potential trades initiated the same day. When an aggregated order is filled in its entirety, each participating client account will participate at the average share price for the aggregated order, and commission costs shall be shared pro rata based on each client's participation in the aggregated order. Once the order has been placed, the next client will trade.

Item 13. Review of Accounts

All investment advisory accounts are managed by an experienced investment professional and reviewed on an ongoing basis by the portfolio manager or members of the investment team as well as the President and Co-CIO. Additional reviews occur in conjunction with any change in strategy, unusual market volatility, fundamentals of a holding, account cash flows or the needs and objectives of the client. This ensures a continuous and highly professional service to all clients. As a result, the overall investment strategy and individual holdings are regularly monitored with specific action taken as necessary in all portfolios.

Quarterly analyses are forwarded to all clients. These include a summary of the total portfolio with bond and equity percentage breakdowns, current market value, estimated annual income and current yield. A listing of all individual holdings is also provided with similar information along with a realized gain and loss update for taxable accounts. We include a performance summary of the account compared with various benchmarks, along with our quarterly Economic & Investment Summary. Our clients also receive a monthly statement from their custodian, and they should compare this statement with our quarterly statement.

Item 14. Client Referrals and Other Compensation

From time-to-time, ACM may enter into arrangements with unaffiliated third parties ("solicitors") whereby they are compensated for referring investors and/or clients to the Firm. Generally, payments to such solicitors will be based on a percentage of the fee earned by the Firm on the invested amount. ACM does not receive an economic benefit with investment advice from a non-client.

Clients and investors should be aware of the potential conflict of interest with respect to the solicitation arrangement described above. Where such an arrangement exists, a referred client is made aware of the details of the solicitation agreement.

Item 15. Custody

ACM does not have physical custody of client funds or securities. Thus, our clients retain a third-party custodian to serve this role on their behalf.

ACM does not have the ability to deduct advisory fees directly from client accounts. If a client would like their advisory fee to be paid by the custodian, they must authorize the custodian to remit payment to ACM once an invoice has been generated. In general, clients receive account statements from the custodian of their assets on a monthly basis. Certain custodians will send statements quarterly if there is little or no-account activity. ACM advises and urges its clients to carefully review such statements and compare such

official custodial records to the account statements or other reports that ACM provides and to promptly notify ACM of any discrepancies, particularly with regard to the Firm's advisory fee directly debited from the account as applicable.

Item 16. Investment Discretion

ACM exercises investment discretionary authority over its client accounts as agent and attorney-in-fact with the broadest possible power of management and investment as stipulated in our investment management agreement signed by each client. Accordingly, we implement our investment strategy and execute orders without prior consultation or approval and invest and reinvest available funds as ACM deems to be in the client's best interests. However, we periodically discuss our investment strategy and future plans with our clients in coordination with investment objectives.

Item 17. Voting Client Securities

ACM may offer its clients the ability to have us vote proxies on their behalf. For those clients, ACM shall have complete discretion and authority to vote, or refrain from voting, proxies with respect to each investment held in the Account. When exercising its right to vote proxies with respect to securities in the Account, ACM shall vote in accordance with ACM's then-current proxy voting procedures, which will involve retaining a third-party service provider to provide both research analysis, with respect to proxy items, as well as to process voting ballots.

Clients can also elect to receive proxies and other corporate communication directly from their custodian and vote as they wish through their custodian.

ACM will vote proxies in the best interests of our clients, and in accordance with the recommendations of our third-party service provider. ACM believes that voting proxies in accordance with these guidelines is in the best interests of its clients except in those instances where the client instructs us in advance that they would like us to override the recommendations as it relates to their shares. If a client makes a specific request, ACM will vote client proxies in accordance with such client's request even if it is in a manner inconsistent with the provider's recommendations or our policies and procedures. Such specific requests must be made by the individual client or by an authorized officer, representative or named fiduciary of the client.

Conflicts of interest in a proxy voting context may arise between ACM and a client but are expected to be rare. If, in ACM's reasonable judgement, a conflict of interest does arise with respect to a particular proxy, ACM will seek instructions from affected clients prior to casting a vote.

A copy of our proxy voting policies and procedures is available upon request, and a client can obtain information on how their proxies were voted by contacting us.

Item 18. Financial Information

ACM does not require prepayment of client fees six months or more in advance and is, therefore, not required to include a balance sheet. In addition, the firm does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Item 19. Additional Information

Legal Actions – We do not advise nor act for our clients in any legal proceedings, including bankruptcies or class actions, involving securities held in our portfolios.