

Family Management Corporation (“FMC”) is an investment adviser registered with the Securities and Exchange Commission (“SEC”). An affiliate of FMC, Family Management Securities, LLC (“FMS”) is a broker-dealer registered with the SEC and FINRA. This document is a summary of the types of services we provide and how you will pay for those services. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [investor.gov/CRS](http://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

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

FMC offers investment advisory services to retail investors. These services are generally offered on a discretionary basis. Discretionary services means that we have the authority to determine, without obtaining client consent, the securities to be bought or sold and the amount of securities to be bought or sold in an account. We may also enter into a non-discretionary agreement with you on a negotiated basis. Non-discretionary services means you make the ultimate decision regarding the purchase or sales of an investment. In all cases, recommendations are made in accordance with stated investment objectives, guidelines, limitations or restrictions you impose as part of your investment advisory agreement with us. Our advisory services may take on different forms. We may recommend an in-house investment model strategy based on risk tolerance, we may recommend you engage a third-party to provide certain specialized asset management services, and we may utilize Turn-key Asset Manager Programs (“TAMPs”). In addition, FMC serves as the General Partner/Investment Adviser to private funds (the “FM Funds”) which may be available to you. Unless you give us specific direction to the contrary, you direct us to effect all securities transactions for accounts managed by FMC through FMS. Our standard services include ongoing and routine monitoring and review of your account, based on the investment objectives and limitations you convey to us in our investment management agreement with you. We review your overall portfolio on a continuous basis using market analysis tools and financial data and evaluate and consider adjustments in response to economic changes, market trends, and/or your needs. FMS is a full service broker-dealer and engages in the buying and selling of equities, exchange traded funds, fixed income products and mutual funds. FMS offers these brokerage services to retail investors. FMS generally executes trades for clients at the direction of FMC pursuant to an investment management agreement between the client and FMC.

There are no minimum investment requirements to open an account with us; however, the type of investments utilized may differ depending on the size of your portfolio.

For additional information, see Items 4 and 7 of [ADV Part 2A](#).

### **Key questions to 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?**

You will pay an advisory fee to FMC for our wealth management services based upon assets under management. The advisory fee is generally due and payable at the end of each calendar quarter in arrears based on the market value of your advisory account. For non-retirement accounts, the advisory fee will generally be higher for investments in common stock, convertible preferred shares, Third-Party Managers and TAMPs than investments in bonds, cash, and other fixed income securities. For retirement accounts, the advisory fee does not vary based on the type of investments we select on your behalf. The annual advisory fee and fee schedule may differ among

clients depending upon the date of commencement of a client's account, size or type of account, any related-party accounts, and other variables. Although we have an established fee schedule for advisory services, we may, at our discretion negotiate alternative fees on a client-by-client basis. Your assets that are managed by a Third-Party Manager (or its investment vehicle or within TAMP) are included in your assets under management when calculating the advisory fee. You also pay fees directly to the Third-Party Managers (including TAMPs) and/or their investment vehicles. Some investments (such as mutual funds and variable annuities) impose additional fees. Brokerage accounts are subject to fees imposed by the custodian, Pershing LLC, including IRA maintenance and termination fees, margin interest, exchange fees, alternative asset fees, and currency wire fees. These additional fees will reduce returns over time.

For non-retirement accounts, you will pay brokerage fees and commissions to FMS for our brokerage services. Depending on the investment account type, we will charge either a monthly asset-based fee or a commission per executed trade. Actively traded accounts will be charged the asset-based fee and less actively traded accounts will be charged a commission per executed trade. For retirement accounts, you will only pay clearing and service fees charged by Pershing, LLC; you will not pay fees or commissions to FMS.

The more assets you have in an advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our advisory fee quarterly even if you do not buy or sell any securities during such quarter. For commission based accounts, the more transactions in your account, the more fees we charge. We therefore have an incentive to engage in transactions.

*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 additional information, please see Item 5 of our [ADV Part 2A](#).*

**Key questions to 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 as my broker-dealer or when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we provide you with a recommendation as your broker-dealer or 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.*

**Insurance Products:** Our principals receive commissions or other compensation through Forest Hill Capital Corporation ("FHCC") on the sale of an insurance product (including variable life or annuity policies) to you. Insurance compensation is not received for retirement accounts. This creates a conflict of interest, because we have an incentive to recommend these products to you.

**FDIC-Insured Sweep Program and Money Market Funds:** FMS currently offers an FDIC-insured cash sweep program for eligible clients run by Reich & Tang, and administered by Pershing, LLC. The program provides clients with up to \$2.5 million in FDIC insurance on cash balances held in their brokerage accounts overnight. Cash is deposited at numerous FDIC-insured program banks to achieve the FDIC insurance. In addition, clients receive overnight interest on their balances, and daily liquidity. Yields on deposits vary based upon the aggregate amount of client asset introduced by FMS to Pershing. FMS will receive a percentage of this yield; the amount paid to FMS will vary based upon the aggregate amount of clients' assets held at Pershing. For clients not eligible for the FDIC

program, FMS invests client liquid assets in money market funds through Pershing. Pershing pays FMS up to 0.4% (depending on the fund) on the aggregate amount of client assets held in money-market funds. We recommend the money-market fund that we believe is in the best interest of the client. These arrangements create a conflict of interest, because we have an incentive to recommend that your assets are held at Pershing and we have an incentive to maintain larger cash balances. We have reviewed and periodically review Pershing and believe that the use of Pershing is in the best interest of clients. FMS does not receive payments related to client Retirement Plan Accounts.

**Non-Purpose Loan Accounts:** FMC receives up to 0.5% per annum for client funds held by its clearing firm, Pershing LLC, as collateral for Non-Purpose Loan Accounts. This arrangement creates a conflict of interest, because we have an incentive to recommend that clients open a Non-Purpose Loan Account at Pershing. We have reviewed and periodically review Pershing and believe that the use of Pershing is in the best interest of clients.

**Asset Allocator Agreements:** FMC has entered into two Asset Allocator Agreements: one with Lombard International, formerly AGL Life Assurance Company and one with Investors Preferred Life Insurance Company, previously Acadia Life Limited, (collectively the “Companies”). Under these agreements, FMC receives a fee from the Companies for clients that invest in accounts of privately placed variable annuity and life insurance contracts (“Contracts”) underwritten by them. The fee is disclosed in the companies’ private offering memorandum to the client, and is in addition to any fee paid by clients of FMC to it and its affiliates as described herein. This relationship creates a conflict of interest, because we have an incentive to recommend Contracts underwritten by the Companies. We only recommend Contracts underwritten by the Companies when we believe the recommendation is in a client’s best interest. We do not invest Retirement Plan Accounts assets in these Contracts. These Contracts are limited to investors meeting the definition of Qualified Purchaser.

**FM Funds:** FMC serves as the General Partner/Investment Adviser to the FM Funds. FMC receives a quarterly management fee from the FM Funds based on the net assets of the FM Funds. This creates a conflict of interest, because we have an incentive to recommend the FM Funds to you based on this management fee. However, clients of FMC that are invested in the FM Funds are not charged an advisory fee on the FM Funds as management fees are charged at the fund level. The FM Funds are limited to investors meeting the definition of Qualified Purchaser.

**Key questions to ask your financial professional:**

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

For additional information, please see Item 5 of our [ADV Part 2A](#).

**How do your financial professionals make money?**

Financial professional receive salary based compensation. In addition, certain professionals may receive a percentage of the client management fees charged by FMC. Financial professionals do not receive any commission based compensation from FMS.

**Do you or your financial professionals have legal or disciplinary history?**

Yes. Certain financial professionals have legal history. A free and simple search tool to research us and our financial professionals is available at [investor.gov/CRS](http://investor.gov/CRS).

**Key questions to ask your financial professional:**

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

Additional information about our investment advisory services and an up-to-date copy of the relationship summary is available by contacting us at 212-872-9600 or our Chief Compliance Officer at [pfrank@familymanage.com](mailto:pfrank@familymanage.com).

Key questions to ask your financial professionals:

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-