

Form CRS (Client Relationship Summary)

Dated: 4/17/2024

Sherman Asset Management, Inc. (“SAM” or “Advisor”) is registered with the Securities and Exchange Commission as an investment adviser. 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](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2: Relationship and Services

What investment services and advice can you provide me?

SAM offers investment advisory services to retail investors. SAM’s services include Financial Planning and Asset Management.

Monitoring:

Under SAM’s investment management services, your investment accounts will be monitored and reviewed regularly. You will receive advice regarding the investments and allocation of your accounts to ensure they are positioned appropriately based on your goals and objectives.

If you are only engaging SAM in financial planning services, SAM will work with you to review your held away investment accounts but will not be monitoring or reviewing those held away investment accounts continuously.

Investment Authority:

Through SAM’s Investment Management service, SAM maintains *discretionary authority* where you authorize SAM to buy and sell investments without obtaining your consent prior to each transaction.

Limited Investment Offerings:

Investment Recommendations generally consist of ETFs, individual stocks, individual fixed income products, fee-only annuities, and options. Other firms may provide wider investment recommendations, at the same or differing costs.

Account Minimums and other Requirements:

There is no account size requirement for retail investors to open or maintain an account under SAM’s management. There is a minimum fee imposed for Asset Management Services (\$3,000 annually).

For additional information, please review Item 4, 7, and 13 of SAM’s Form ADV Part 2A.

Ask your Adviser:

- *Given my financial situation, should I choose an investment advisory 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?*

Item 3: Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

The amount of fees you pay to SAM and the frequency in which you are billed depends on the services being provided. For asset management service, SAM charges a fee based on a percentage of assets under management at a flat rate of 0.75%. Fees are charged quarterly in arrears. For ongoing financial planning services, SAM charges an hourly fee for ongoing financial planning services for clients who choose not to engage in asset management services. All clients pay

an initial financial planning fee regardless of whether they choose financial planning services or asset management services.

SAM is paid for investment management services based on a percentage of your managed account value. Therefore, the more assets there are in your advisory account, the more you will pay in fees, and SAM therefore has an incentive to encourage you to increase the assets in your account. This is a conflict of interest. However, SAM mitigates this by ensuring all recommendations and investment decisions are made in your best interest.

Advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which you may incur. Additional fees you may pay include certain charges imposed by custodians such as custodial fees, deferred sales charges, or other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

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 review Item 5 of SAM's Form ADV Part 2A.

Ask your Adviser: 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 acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

As your investment adviser, SAM acts in your best interest and does not put the company's interest ahead of yours. At the same time, the way SAM makes money creates some conflicts with your interests. You should understand and ask about these conflicts because they can affect the investment advice you receive. For example, if your account value goes up, and while the management fee percentage may stay the same, the total dollar amount you pay goes up proportionately.

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

How do your financial professionals make money?

Our financial professionals are compensated on a salary basis and are also compensated as equity owners of the firm which means they are compensated from their share of the company's profits. This presents a conflict of interest as we have an incentive to encourage you to increase the assets in your account. However, we mitigate this by ensuring all recommendations and investment decisions we make are in your best interest.

Item 4: Disciplinary History

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

No. You can visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Ask your Adviser: As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5: Additional Information

You can find additional information regarding our firm and receive a copy of this relationship summary by visiting our website at www.shermanassetgmt.com or by contacting (805) 655-5062.

Ask your Adviser: 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?

SUMMARY OF MATERIAL CHANGES

Since this is the initial filing of Form CRS, there have been no material changes. We will provide a summary of material changes should they occur in the future.

January 23, 2025 – The firm has revised its Financial Planning Fee to include a flat fee for “one time” service and an hourly rate for “ongoing” services as of January 23, 2025.

The firm waives its hourly Financial Planning fee for clients who engage in the firm’s Financial Planning and Asset Management Services. The firm has also increased its Asset Management Fee from 0.60% to 0.75% for its Asset Management services as of January 23, 2025. Any clients with an advisory agreement with an effective date prior to January 23, 2025 are grandfathered into their fee arrangement and will not have to pay an increase if they have greater than \$400,000 in asset under management with the firm.