

FORM ADV Uniform Application for Investment Adviser Registration  
Part 2A: Investment Adviser Brochure  
Item 1: Cover Page

# American Research & Management Co.

CRD # 6080

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*This brochure provides information about the qualifications and business practices of American Research & Management Co. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.*

*The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.*

*Additional information about the firm and its representatives is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Item 2: Material Changes**

Since American Research & Management Co.'s last filing, there are no material changes to report in this Brochure.

We will ensure that you receive a summary of any additional or new material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. Should you have any questions related to these disclosures, please contact us at (508)748-1665.

Additional information about American Research & Management Co. and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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#### **Item 4: Advisory Business**

Founded in 1971, American Research & Management Co. (“AR&M”) is a New England investment management firm whose expertise is multigenerational wealth management. The firm is owned and managed by Eric Strand, President and CEO, and Andrew McIntire, Vice President and CCO.

AR&M is an SEC-registered investment advisor that provides fee-based discretionary investment advice and portfolio management services to individuals, trusts, estates, charitable organizations, corporations and business entities. Prior to engaging the firm for services, clients are required to complete written agreements with the firm setting forth the terms and conditions in which AR&M renders its services.

The firm’s portfolio management services are provided in accordance with the client’s investment objective. AR&M helps their clients create comprehensive financial, retirement, estate and tax planning strategies that guide them toward the realization of their financial goals. AR&M offers no wrap fee programs.

As of December 31, 2017, AR&M’s total assets under management were \$425,109,719. There were 669 discretionary accounts.

#### **Item 5: Fees and Compensation**

Fees are charged quarterly in advance for the upcoming quarter (pro rata for subsequent capital flows) and are based upon the market value of the assets under supervision at the end of each quarter. The investment advisory fees for accounts managed by AR&M are as follows:

##### Investment Advisory Fee

1.20% on the first \$1 million of assets under management

0.80% on the next \$1 million

0.50% on assets over \$2 million

Minimum annual fee: \$ 4,800

Minimum principal: \$400,000

To an extent, fees shall be negotiable depending on considerations relating to particular accounts. In addition, AR&M may have arrangements that deviate from this fee schedule based upon prior negotiations or agreements.

Investment advisory agreements with AR&M may be terminated by written notice at any time by the clients. Any advisory fee paid shall be refunded on a pro-rata basis in the event the advisory agreement terminates prior to the end of the quarter. AR&M requires a 30-day written termination notice.

AR&M’s investment advisory fee is separate and distinct from the custodian and execution fees. All commissions, custody, execution fees and other related costs or expenses are charged by the broker-dealer.

Fees charged by third party broker-dealers may include custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and security transactions. AR&M does not receive any portion of these commissions, fees or costs charged by third party broker-dealers.

AR&M reserves the right to charge clients at a negotiated rate for services associated with, but not limited to, advice regarding business purchase, succession or sale, help with legal matters, bookkeeping, accounting or estate review and planning.

#### **Item 6: Performance-Based Fees and Side-by-Side Management**

Since AR&M's advisory services do not incorporate performance fees or the offering of any additional investment services, side-by-side management does not apply to the services rendered by AR&M.

#### **Item 7: Types of Clients**

AR&M provides investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. Prior to engaging the firm services, clients are required to enter into a written agreement with the firm setting forth the terms and conditions under which AR&M renders its services.

#### **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

AR&M follows a long-term investment orientation which primarily focuses on fundamental analysis. Fundamental analysis is a general assessment based upon various factors including sales, revenue, expenses, earnings, cash flows and dividend prospects.

AR&M's main sources of research information include SEC filings, financial newspapers and magazines, inspections of corporate activity, corporate ratings services, annual reports, prospectuses, proprietary models, company press releases and research materials prepared by others.

AR&M seeks to allocate its client's investment management assets on a discretionary basis among fixed income and equity securities. The firm may from time to time also invest in mutual funds, exchange traded funds, options, municipal securities, warrants, commercial paper, corporate bonds, certificates of deposit, U.S. government securities and limited partnerships.

All portfolios are managed consistent with the investment objectives and risk tolerance suitable for the client.

Investing in securities involves the risk of loss. Although AR&M manages assets in a manner consistent with risk tolerances, each client should be prepared to bear the risk of loss. Questions regarding risks may be directed to the firm and its representatives.

#### **Item 9: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that are material to a client's evaluation of AR&M or the integrity of AR&M's management. There are no reportable legal and disciplinary events for AR&M.

## **Item 10: Other Financial Industry Activities & Affiliations**

AR&M does not engage in other financial industry activities and affiliations.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

AR&M has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients and sets forth the firm's practice of supervising the personal security transactions of employees who maintain access to client information. All AR&M employees must acknowledge annually the terms of the Code of Ethics.

AR&M and/or its employees may purchase or sell investments for their personal accounts that they also recommend to clients subject to certain conditions as defined in the Code of Ethics and applicable procedures. While AR&M endeavors at all times to put the interests of its clients first as part of its fiduciary duty, clients should be aware that personal trading creates the potential for a conflict of interest and can affect the judgment of the individual making the recommendation. To supervise compliance with the Code of Ethics, the firm collects and maintains records of securities holdings and securities transactions made by employees (both client related and personal) to identify and resolve any potential conflicts of interest.

A copy of the firm's Code of Ethics will be provided to any client upon request.

## **Item 12: Brokerage Practices**

AR&M may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab) or Fidelity Brokerage Services LLC (Fidelity), registered broker-dealers and SIPC members, to maintain custody of clients' assets and to effect trades for their accounts. AR&M is independently owned and operated and not affiliated with Schwab or Fidelity. Schwab and Fidelity provide AR&M with access to their institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as the required total minimum assets of AR&M's clients are maintained in accounts at Schwab and Fidelity and are not otherwise contingent upon AR&M committing to Schwab or Fidelity any specific amount of business (assets in custody or trading). Schwab and Fidelity's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For AR&M's client accounts maintained in their custody, Schwab and Fidelity generally do not charge separately for custody but will charge by account holders through commissions or other transaction-related fees for security trades that are executed through Schwab and Fidelity or that settle into Schwab and Fidelity accounts.

Schwab and Fidelity also make available to AR&M other products that benefit AR&M but may not directly benefit AR&M's clients' accounts. Some of these other products and services assist AR&M in managing and administering clients' accounts. These other products include software and other technology that provide access to client account data (such as trade confirmations and

account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of AR&M's fees from its clients' accounts, and assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of AR&M's accounts, including accounts not maintained at Schwab or Fidelity. Schwab and Fidelity also make available to AR&M other services intended to help AR&M manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab and Fidelity may make available, arrange and/or pay for these types of services rendered to some of these services or pay all or a part of the fees of a third-party providing these services to AR&M. In some cases, payments or discounts for these services may be in anticipation of committed client assets or maintenance of specific levels of client assets with broker-dealers. As a fiduciary, AR&M endeavors to act in its clients' best interests. AR&M's recommendation that clients maintain their assets in accounts at Schwab and Fidelity may be based in part on the benefit to AR&M of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab and Fidelity; this may create a potential conflict of interest.

#### *Best Execution*

It is AR&M's responsibility to select brokers that can best execute securities transactions in a manner that adds value to our clients' portfolios.

When choosing brokers to execute client trades, AR&M considers both quantitative and qualitative factors. In addition, AR&M determines the relative importance of the execution factors by using its industry experience, expertise and judgment in light of available market information with the prime aim of prompt, fair and expeditious execution of trades. We have exclusive relationships with Schwab and Fidelity and select them as our clients' brokers for their overall execution capabilities.

AR&M selects Schwab and Fidelity for their higher quality of execution (i.e. error free, correct follow through, support, etc.) in lieu of solely obtaining the lowest commission. AR&M also recognizes and utilizes Schwab and Fidelity for the following values: past experience, mutual familiarity, brokers' integrity, reliability, reputation and financial stability, infrequency of failed trades, brokers' error policies, good record keeping and overall service.

AR&M is familiar with trading alternatives and available industry information. On an annual basis, AR&M reviews and assesses the overall performance of Schwab and Fidelity relative to industry options/alternatives.

#### *Block Trading*

AR&M reserves the right to combine trades across accounts to improve execution.

### **Item 13: Review of Accounts**

The securities held in a client's portfolio are reviewed on a rotating basis at least quarterly by Eric Strand, CEO and President, and Andrew McIntire, Chief Compliance Officer and Vice President.

The security holdings in the accounts are under constant review. Should an adverse development occur to a company, all accounts holding that security will be reviewed.

A quarterly portfolio analysis, giving the date of purchase, cost basis, projected income and market value of each security is provided to each client.

#### **Item 14: Client Referrals and Other Compensation**

AR&M does not compensate others for client referrals nor receive other compensation outside that earned from its advisory services.

#### **Item 15: Custody**

Clients should receive statements at least quarterly from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. AR&M urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to clients. AR&M statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

#### **Item 16: Investment Discretion**

For actively managed investment advisory accounts, AR&M has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from clients. These accounts require the careful research, selection and monitoring of individual equities, ETFs, Mutual Funds, REITS and fixed income securities. These purchases or sales may be subject to specified investment objectives, guidelines or limitations previously set forth by the client and agreed to by AR&M.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an agreement containing all applicable limitations to such authority. All discretionary trades made by AR&M will be in accordance with each client's investment objectives and goals.

#### **Item 17: Voting Client Securities**

AR&M will vote proxies for its clients unless instructed otherwise. AR&M's first responsibility is to act in the best interest of its clients. By adhering to a thorough security selection process, AR&M tries to invest client funds only in high quality companies that are directed by managers who demonstrate honesty, integrity and a strong shareholder-orientation. As such, it is AR&M's general policy to vote proxies in support of the recommendations of management. If AR&M discovers that management is not acting to maximize shareholder value, AR&M will refrain from buying the company's stock or will sell it if already owned by its clients.

AR&M's Proxy Voting Policies & Procedures and a record of proxy votes cast are available by written request.

AR&M will not advise or act for clients in any legal matters, including class actions and bankruptcies, related to any securities held or previously held in the account of the issuers of those securities. AR&M will take reasonable steps to arrange for any materials related to such matters to be forwarded directly to you by the Custodian.

## **Item 18: Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about AR&M's financial condition. AR&M has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

As of the date of this filing, AR&M does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

## **Item 19: Requirements of State Registered Advisers**

Please refer to Part 2B for further information with respect to firm personnel. It is the policy of AR&M that associated persons (other than those on a clerical level) should have a college education with experience in the field of finance and/or business. Representatives or persons providing investment advice must also meet the appropriate qualifications for registration.

## **Item 20: Additional Information**

### *Privacy Notice*

AR&M tries to collect as much relevant, non-public personal financial information as necessary in order to provide superior investment advisory and financial planning services to its clients. This information may include: address, age, social security number, assets, liabilities, income, tax rate, tax payment history, investment objectives, investment experience, retirement savings, family assets, beneficial trust exposure (income/principal), family relationships, estate plan documents and relevant financial transactions (within and outside AR&M).

AR&M may collect non-public personal information from the following sources:

- the client or client's representative on the application
- transactional activity in the client's account
- interactions with AR&M personnel
- other sources with the client's consent or the consent of the client's representative

AR&M does not disclose any non-public personal information about its clients (or former clients) to anyone except as directed by its clients. AR&M restricts access to non-public, personal information about its customers to those employees who need to know that information in order to provide services. All employees and external vendors must sign annually a "Privacy & Non-Disclosure Agreement." Non-compliance is grounds for termination and legal action. AR&M maintains physical, electronic and procedural safeguards that comply with federal standards to guard clients' non-public personal information.

### *Business Continuity Plan*

AR&M plans to quickly recover and resume business operations after a significant business disruption. AR&M would respond by: safeguarding its employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing its customers



to transact business. In short, AR&M's Business Continuity Plan is designed to permit the firm to resume operations as quickly as possible, given the scope and severity of the business disruption.

AR&M's Business Continuity Plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees and regulators; alternate physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring its customers prompt access to their funds and securities if AR&M is unable to continue our business.

A complete copy of AR&M's Business Continuity Plan is available upon request.

#### *Customer Complaints*

Eric Strand, President, or Andrew McIntire, Chief Compliance Officer, at (508) 748-1665. Written complaints should be sent to American Research & Management Co., P.O. Box 576, Marion, MA 02738.

FORM ADV Uniform Application for Investment Adviser Registration  
Part 2B: Brochure Supplements  
Investment Adviser Representatives and/or Supervised Persons: Supplemental  
Information  
Item 1: Cover Page

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Issue date: December 31, 2017

<b>Item 2: Educational Background and Business Experience</b>
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**Eric H. Strand:** President, CEO, Investment Adviser Representative  
CRD # 2963186

**Year Born:** 1966

**Education:** U.S. Merchant Marine Academy at Kings Point, B.S., 1988  
Boston University, M.B.A., 1997

**Business Experience:**

07/1997 to Present American Research & Management Company

**Licenses:** Series 65

**Andrew F. McIntire:** Vice President, CCO, Investment Adviser Representative  
CRD # 1965888

**Year Born:** 1966

**Education:** College of Holy Cross, B.A., 1988  
New York University, M.B.A., 1994

**Business Experience:**

11/1998 to Present American Research & Management Company

**Licenses:** Chartered Financial Analyst (CFA)

**Item 3: Disciplinary Information**

Please refer to AR&M's ADV Part 2A, Item 9.

**Item 4: Other Business Activities**

AR&M's supervised personnel do not participate in investment-related business activities outside of the firm.

**Item 5: Additional Compensation**

AR&M and its supervised personnel do not receive additional compensation from individuals who are not clients and may receive advisory services from our firm.

**Item 6: Supervision**

Andrew McIntire, Chief Compliance Officer and a principal of AR&M, supervises the operations of the firm. This supervision extends to the ongoing review of the firm's business practices and the monitoring of advice given to clients. Questions related to the operation of the firm and the supervision of the investment adviser representatives may be directed to Mr. McIntire at (508)748-1665.