

**Item 1 Cover Page**

Romen Capital  
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New York, NY 10024

October 22, 2024

**This brochure provides information about the qualifications and business practices of Romen Capital. If you have any questions about the contents of this brochure, please contact us at 917-613-2887. 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. Registration as a registered investment advisor does not imply a certain level of skill or training.**

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

## **Item 2 Material Changes**

This is a new brochure and there has not been a previous annual update. Therefore, there are no changes to report.

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## **Item 4 Advisory Business**

Romen Capital is a firm that was formed in 2018 and became a registered investment advisor in June 2024.

The principal owner of Romen Capital is Michael Rome, Managing Partner.

### Advisory Services

Romen Capital's principal service is providing fee-based investment advisory services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use exchange listed securities, over-the-counter securities, foreign securities, and options on securities to accomplish this objective. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

Romen Capital will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Romen Capital does not provide portfolio management services to wrap fee programs.

As of September 30, 2024, Romen Capital had \$45,000,000 in discretionary client assets under management.

## **Item 5 Fees and Compensation**

Romen Capital is compensated for its advisory services by a performance fee only that is described in Item 6 below.

Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's performance fee is separate and distinct from the custodian and execution fees.

At no time will Romen Capital accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Neither Romen Capital nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Qualified clients, as defined by Rule 205-3 of the Investment Adviser's Act, enters into advisory agreements where Romen Capital is entitled to a performance fee as its compensation. Qualified clients must meet one or more of the following requirements:

- i. Client is a natural person who, or a company that, immediately after entering into the contract has at least \$1,100,000 under the management of the Advisor;
- ii. Client is a natural person who, or a company that, immediately prior to entering into the contract, has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000 at the time the contract is entered into (excluding the equity in the Clients' primary residence) reduced by any indebtedness that is secured by the Client's primary residence in excess of the estimate fair market value of the residence;
- iii. Client is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into.

Suitability will be determined through due diligence inquiries determined to be appropriate in the circumstances by Romen Capital. Romen Capital, at its sole discretion, may reject any client application where the above financial standards are not met and/or where it reasonably believes the investor lacks the necessary financial sophistication, who purport to not fully understand Romen Capital's method of compensation and the nature of its risks, or who are otherwise deemed to be unsuitable for such an arrangement.

Romen Capital has two performance fees structures. The first is a performance fee of 20% of profits in the client account for the calendar year. At the end of the year, the fee is calculated and deducted from the client's account in January of the following year. The second is a performance fee of 50% of the profits in the client account for each calendar quarter. At the end of the quarter the fee is calculated and deducted from the client account in the first month of the next quarter. The performance fees will be subject to a "high water mark" to ensure that the firm will not receive the performance fee unless, and only to the extent that, there are cumulative gains in the client's account during the period. For accounts terminated before the end of the calendar year, Advisor will calculate the performance fee for the period from the beginning of the year through the termination date and deduct the fee directly from the client account. The client will provide written consent to have the performance fee deducted from its account, and Romen Capital will ensure that the client receives statements from the custodian at least quarterly.

A conflict of interest concerning accounts with performance-based fees is that the advisor is incented to use higher risk investments than called for by the client risk profile. Such investments may generate higher returns, which in turn would generate higher performance-based fees for the advisor. Romen Capital has a fiduciary obligation to its clients to put the interest of their clients first over and above the interest of the firm and its supervised persons. In addition, Romen Capital attempts to further mitigate this conflict by maintaining suitability and employing trading policies

and procedures designed to assist the advisor in further meeting its fiduciary obligations to adhere to the client's agreed upon risk profile.

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

The Advisor will offer its services to individuals and corporations or other business entities.

The Advisor does not have any minimum requirements for opening or maintaining an account.

The Advisor requires that its clients, be Qualified Clients (by investing either \$1,100,000 in the Fund or that they have a net worth of at least \$2.2 million), or Qualified Purchasers as discussed in Item 6 above.

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

In addition to the investment strategies disclosed in Item 4 above, the Advisor may utilize fundamental and technical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

The investment strategies the Advisor will be implemented using techniques including long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, trading of securities sold within 30 days, short sales, margin transactions and option writing.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions

by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.

The Advisor primarily uses domestic and foreign equity securities and options on securities.

### Risks of Investing in Stocks

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be.

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

#### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products.

### Risks that apply to Equity Strategies

- Management Risk: Due to its passive and defensive management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.
- Allocation Risk: A portfolio may use an asset allocation strategy in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.
- Sector/Industry Risk: The risk that the strategy's concentration in equities in a specific sector or industry will cause the strategy to be more exposed to the price movements in and developments affecting that sector.
- Market and Timing Risk: Prices of securities may become more volatile due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions or outlooks, adverse investor sentiment, changes in the outlook for corporate earnings, or changes in interest rates.
- Event Risk: The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.
- Liquidity Risk: The risk that exists when a security's limited marketability prevents it from being bought or sold quickly enough to avoid or minimize a loss.

### Risks of Investing in Foreign Securities

Investing in emerging international markets may face increased volatility as a result of dramatic changes in market value and, in some cases, political risk can suddenly upend a nation's economy. Furthermore, international markets may be less regulated than those in the United States, increasing the risk of manipulation and fraud. Information may be inadequate, resulting in the investor's inability to interpret or understand events. Finally, currency risk stemming from changes in the exchange rate may affect the investor's home currency.

### Risks of Uncovered Options Strategies

An uncovered option strategy refers to an option that does not have an offsetting position in the underlying asset. Any investor who sells an option has a potential obligation. That obligation is met, or covered, by having a position in the security that underlies the option. If the investor sells the option but has no position in the underlying security, then the position is said to be uncovered, or naked. Uncovered put options are inherently risky because of the limited upside profit potential, and at the same time holding a significant downside loss potential. The maximum loss is theoretically significant because the price of the underlying security can fall to zero. The higher



the strike price, the higher the potential loss. Uncovered call options are also inherently risky because of the limited upside profit potential, and a theoretically unlimited downside loss potential. Maximum loss is theoretically unlimited because there is no cap on how high the price of the underlying security can rise. Uncovered options are only suitable for experienced investors who understand the risks and can also afford substantial losses.

### Margin Risks

Trading on margin is a strategy that involves borrowing funds from a broker to purchase securities. A margin account increases purchasing power and allows investors to use someone else's funds to increase financial leverage. While this may offer the potential for increased gains, it also presents greater risks. Purchasing securities on margin amplifies the effects of losses, and the broker may issue a margin call, which requires the investor to liquidate its position or provide additional capital to keep the investment open. Margin accounts are typically charged a rate of interest by the broker lending the funds to the investor, and the investor must repay the broker the initial loan amount plus the interest. Margin accounts must keep a minimum amount of equity in the account, which is the market value of the securities in the account less the margin loan amount. If the value of the securities in the margin account decreases, causing the equity to fall below the broker's pre-set maintenance level (generally 25-40%), the broker may issue a margin call. A margin call requires the investor to increase the equity in the account by liquidating securities or depositing additional cash. If the investor cannot meet the financial requirement, the broker may sell securities in the account without prior notification, in order to increase the equity in the account. Thus, trading on margin involves greater risk to the investor, and amplification of losses may result in the investor losing more than just the initial principal invested in the account.

### **Item 9 Disciplinary Information**

Neither Romen Capital nor its management persons have been subject to any criminal or civil actions, administrative proceedings, or self-regulatory organization (SRO) proceedings.

### **Item 10 Other Financial Industry Activities and Affiliations**

Neither Romen Capital nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Romen Capital does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund" and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Romen Capital does not recommend or select other investment advisors for clients.

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

Romen Capital is an investment advisor registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1 that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the Advisor. In addition, the Code of Ethics governs personal trading by each employee of Romen Capital deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Romen Capital are conducted in a manner that avoids any conflict of interest between such persons and clients of the Advisor or its affiliates. Romen Capital collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Romen Capital will provide a copy of the Code of Ethics to any client or prospective client upon request.

Romen Capital does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Romen Capital and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Romen Capital can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To mitigate these conflicts, Romen Capital has adopted a Code of Ethics as noted above. Romen Capital's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Romen Capital requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Romen Capital may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Romen Capital's policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Romen Capital's personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

If requested by the client, Romen Capital may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Romen Capital will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

Romen Capital may receive proprietary research services or other products as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers. If Romen Capital does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of Romen Capital's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Benefits received may be used as soft dollars provided that:

- The service is primarily for the benefit of Romen Capital's clients
- The commission rates are competitive with rates charged by comparable broker-dealers; and
- Romen Capital does not guarantee a minimum amount of commissions to any broker-dealer.

Romen Capital does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Romen Capital recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Romen Capital to direct all transactions through that broker-dealer in the investment advisory agreement.

As an investment advisory firm, Romen Capital has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in

question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Romen Capital primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Romen Capital may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Romen Capital does not permit clients to direct brokerage except for choosing the custodian at the outset of the relationship.

Romen Capital may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Romen Capital's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Romen Capital may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

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

The firm reviews client accounts on a continuous and ongoing basis, but no less frequently than annually or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Romen Capital becoming aware of a change in client's investment objective, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. The nature of the review is to determine if the client account is still in line with the client's stated objectives. Financial plans, once prepared and delivered to the client are not reviewed again unless the client requests a financial plan be updated. Client accounts are reviewed by Michael Rome, Managing Partner.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. Romen Capital does not deliver separate client reports.

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

Romen Capital is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Romen Capital does not directly or indirectly compensate any person who is not a supervised person for client referrals.

#### **Item 15 Custody**

Romen Capital does not have custody of client funds or securities, except for the withdrawal of performance fees directly from client accounts (please see Item 6 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

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

Romen Capital generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Romen Capital.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Romen Capital will be in accordance with each client's investment objectives and goals.

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

Romen Capital will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Romen Capital cannot give any advice or take any action with respect to the voting of these proxies. The client and Romen Capital agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

#### **Item 18 Financial Information**

Romen Capital does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Romen Capital has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Romen

Capital does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Romen Capital has never been subject to a bankruptcy petition.