

CARMEL CAPITAL MANAGEMENT, L.L.C.

Client Relationship Summary [Form CRS]

February 2024

There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. This document provides a summary of the types of services we provide and how you will pay for them. Please feel free to reach out to us for additional information. Questions you might consider asking us are noted (➔) throughout this Summary.

Introduction

Carmel Capital Management, L.L.C. is an investment adviser registered with the U.S. Securities and Exchange Commission that has provided investment management services to investors since 1999. We do not provide services as a broker-dealer. There are differences between investment advisers and broker-dealers, and it is important for you to understand them as you decide what kind of account is right for you. The SEC provides free and simple tools you can use to learn more about the differences between investment advisers and broker-dealers like <https://www.investor.gov/crs>.

What Investment Services and Advice Can You Provide Me?

Carmel Capital provides wealth and portfolio management through separately managed accounts for trusts, retirement accounts, primarily high net-worth individuals, family offices, corporations, pensions and profit-sharing plans, endowments and foundations. Our current minimum account size is \$4.0 million for new clients. Although we will consider waivers to the minimum account size, in our sole discretion, we may decide to charge accounts below the \$4 million minimum a higher investment advisory fee. Our Firm manages client accounts on a discretionary basis as authorized in our investment management agreement with our clients. Our advisory services are tailored to clients' needs as determined by the information provided by each client. We are granted the discretion to invest client assets in equity securities, fixed income securities, exchange traded funds and notes, mutual funds, and other securities. In addition, we may also recommend private fund investments to eligible clients. The mix of securities held in client portfolios will vary depending upon our portfolio management decisions and client investment objectives. Additional detail about our services is provided in our Form ADV Part 2A. Please visit <https://www.adviserinfo.sec.gov/> to access our ADV Part 2A.

- ➔ Given my financial situation, should I choose an investment advisory service and 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 your professional qualifications mean?

What Fees Will I Pay?

These are the principal types of fees you will pay to us in connection with our services:

- Asset-Based Fees: Investment management fees charged as a percentage of the value of the assets under our management. These are paid quarterly.

Other fees & costs you will pay to others in relation to your investments include:

- Custodian fees. If charged, these are paid to your custodian directly on an annual or a monthly basis.
- Maintenance fees. If charged, these are paid to your custodian directly.
- Fees Related to Funds. Mutual funds, exchange traded funds (ETFs), and other products may impose ongoing management fees, administrative fees and redemption or surrender fees. These are paid to the issuer of the security directly.
- Transactional and Product-Level fees (commissions). If charged, these are paid to your executing broker-dealer directly at the time of each transaction.

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. You will pay the asset-based fee each period even if no securities are bought or sold in your account. More detail about our fees is in our Form ADV Part 2A, Item 5. Please visit <https://www.adviserinfo.sec.gov/> to access our ADV Part 2A for more about our advisory fee practices.

➔ Help me understand how 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 remain in investment positions?

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?

When we act as your investment adviser, we must act in your best interest and not put our interests 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 investment advice we provide you. We have adopted a code of conduct to govern our provision of services.

Here are examples to help you understand what this means:

- We charge fees for our services and the more assets there are in your account, the more you pay to us in fees. We therefore have an incentive to encourage you to increase the assets in your account.
- We may recommend that you rollover a 401K retirement account to an IRA account managed by our Firm as this would increase the amount of assets under our management.
- We may advise you to invest in stocks, mutual funds, bonds rather than non-managed assets because the investments increase the amount of assets under our management.
- Our employees personally invest in the same, or different securities based upon their personal financial situations and their investments may perform as well as, better or worse than our clients' investments.

How Do Your Financial Professionals Make Money?

Our financial professionals are compensated based upon their education, professional training, work history and the level of skill, sophistication and dedication they exhibit in their work for the Firm. Financial professionals who are owners of the business share in the profits of the business. A financial professional with ownership interests in the firm benefits from the overall profits of the firm. All our professionals are entitled to participate in the Firm's bonus program in years in which bonuses are awarded.

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

Do You or Your Financial Professionals Have Legal or Disciplinary Histories?

Yes. CCM entered into a settlement with the SEC on July 26, 2021, without admitting or denying any factual allegation, which resulted in the entry of a settled administrative order for violating the requirement that it timely file and deliver to clients its initial Form CRS that included a \$25,000 civil monetary penalty. In accordance with best practices, CCM has implemented policies and procedures for distributing its Form CRS going forward. No Firm individual professionals have any disciplinary histories. We recommend that you visit <https://www.investor.gov/crs> for a free and simple search tool to research our Firm and our financial professionals.

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

We encourage you to seek out additional information.

Visit <https://www.investor.gov/> that provides helpful educational materials to learn more about investing. For additional information on our advisory services, fees, conflicts and personnel, see our Form ADV Parts 1 and 2 on <https://www.adviserinfo.sec.gov/>. If you have any concerns or questions, or to obtain copies of our Form ADV Part 2 or Form CRS, please contact our Principal and Chief Compliance Officer, at 831-625-1375.

- ➔ Who is my primary contact person?
- ➔ Is she or he an Investment Adviser Representative or a Broker-Dealer Representative?
- ➔ Who can I speak with if I have concerns about how this person is treating me?