

# Claremont Capital Management, LLC

## Client Brochure

*This brochure provides information about the qualifications and business practices of Claremont Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (602) 222-2135 or by email at: [pkohnen@claremontcapital.com](mailto:pkohnen@claremontcapital.com). 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.*

*Additional information about Claremont Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Claremont Capital Management, LLC's CRD number is: 155189*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Material changes (since last update 3/16/2023):

4e – Assets Under Management updated as of 12/31/2023

## Item 3: Table of Contents

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since 10/01/2003, and the principal owner is Thomas Payne Palmer.

### B. Types of Advisory Services

Claremont Capital Management, LLC (hereinafter "CCM") offers the following services to advisory clients:

#### *Investment Supervisory Services*

CCM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CCM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

CCM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CCM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Services Limited to Specific Types of Investments*

CCM limits its investment advice and/or money management to mutual funds/ equities/ bonds/ fixed income/ debt securities/ ETFs/ REITs/ government securities. CCM may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

CCM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan. Clients may restrict investments and this will be reflected in their investment policy.

### **D. Wrap Fee Programs**

CCM does not participate in any wrap fee programs.

### **E. Amounts Under Management**

CCM manages over \$730,000,000 in assets (as of 12/31/2023) All client assets are managed on a discretionary basis.

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
First \$10,000,000	0.95%
Above \$10,000,000	0.75%

These fees are negotiable and the final fee schedule is included in the Investment Advisory Contract.

Clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in the billing period at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.

Assets under management will be determined by the market value shown on the monthly custodian statements, to include accrued interest.

### B. Payment of Fees

#### *Payment of Investment Supervisory Fees*

Advisory fees may be withdrawn directly from the client's accounts with client written authorization. Clients may also pay by check. Fees are paid quarterly in advance based on the amount of assets under management according to most recent monthly custodial statement. Some accounts are billed monthly or quarterly in arrears.

### C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fee etc.). Those fees are separate and distinct from the fees and expenses charged by CCM. Please see Item 12 of this brochure regarding broker/custodian.

#### **D. Prepayment of Fees**

CCM collects some client fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

#### **E. Outside Compensation For the Sale of Securities to Clients**

Neither CCM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges, commissions or services fees from the sale of mutual funds. CCM only uses “no-load” mutual funds for clients.

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

CCM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

CCM generally provides investment advice to the following Types of Clients:

- ❖ High-Net-Worth Individuals
- ❖ Insurance Pools

#### ***Minimum Account Size***

\$5,000,000\*

(\*may be waived at the discretion of the Advisor)



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

### **A. Methods of Analysis and Investment Strategies**

CCM's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

*Charting analysis* involves the use of patterns in performance charts. CCM uses this charting technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

*Fundamental analysis* involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

*Technical analysis* involves the analysis of past market data; primarily price and volume.

*Cyclical analysis* involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

CCM uses Long Term/Short Term strategies and does not feel that there are any material risks with either method. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

### **C. Risks of Specific Securities Utilized**

CCM utilizes a number of different securities, none of which include a significant or unusual risk.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CCM nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CCM nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither CCM nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

CCM does not utilize nor select other advisors or third party managers. All assets are managed by CCM management.

## **Item 11: Code of Ethics, Participation in Transactions, Personal Trading**

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

### **B. Recommendations Involving Material Financial Interests**

CCM may recommend that clients buy or sell securities in which a related person to CCM has a financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of CCM may buy or sell securities for themselves that they also recommend to clients. CCM does not believe that this presents a conflict of interest. CCM will always document any transactions that could be construed as conflicts of interest.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CCM may buy or sell securities for themselves at or around the same time as clients. CCM will always transact client business before their own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CCM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### ***1. Research and Other Soft-Dollar Benefits***

CCM receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### ***2. Brokerage for Client Referrals***

CCM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

CCM does not allow clients to direct brokerage. CCM attempts to get the best execution for clients and feels directed brokerage would limit that ability.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

CCM maintains the ability to block trade purchases across accounts and will do so if we feel that it would benefit the client. While block trading may benefit clients by purchasing larger blocks in groups, it may also increase trading costs under some circumstances.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly by Thomas Payne Palmer or Patrick Kennedy Kohnen. Mr. Palmer and Mr. Kohnen are the chief advisors and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at IA are assigned to these reviewers.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive monthly a written statement detailing the clients account holdings and market values which will come directly from the custodian. Additional performance reports may be provided as requested by clients.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CCM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CCM clients.

### **B. Compensation to Non –Advisory Personnel for Client Referrals**

CCM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

CCM does not take custody of client accounts at any time. Custody is held by the custodian for each account. Clients will receive account statements from the custodian and should carefully review those statements. CCM does have the ability to directly debit fees from some client accounts.

## **Item 16: Investment Discretion**

CCM generally has discretionary authority over buying and selling of securities in client accounts. For those client accounts where CCM provides ongoing money management or investment advice with ongoing supervision, CCM maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

## **Item 17: Voting Client Securities (Proxy Voting)**

CCM will not ask for, nor accept voting authority for client securities. CCM believes that the cost associated with this service is not in the client's best interest. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security. Clients may also contact CCM directly if they have any questions.

## **Item 18: Financial Information**

### **A. Balance Sheet**

CCM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

CCM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

CCM nor its management have been the subject of a bankruptcy petition in the last ten years.