

Firm Brochure

(Part 2A of Form ADV)

JERRMAR CAPITAL MANAGEMENT, INC.

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This brochure provides information about the qualifications and business practices of Jerrmar Capital Management. If you have any questions about the contents of this brochure, please contact us at 248-269-9222, or by email at info@jerrmarcapital.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 Jerrmar Capital Management is available on the SEC's website at www.adviserinfo.sec.gov.

Jerrmar Capital Management is an SEC-registered investment adviser. This registration does not imply any level of skill or training.

February 9, 2015

Item 2 Material Changes

The following material changes have occurred since April 14, 2014, the date when we last updated our Form ADV, Part 2 Disclosure Statement and provided it to our clients:

As of December 31, 2014, we manage \$95,259,700 in assets for 108 clients. All of these assets are managed on a discretionary basis, and none are managed on a non-discretionary basis.

In the future, this Item 2 (Summary of Changes) will address and summarize only those changes that have occurred since the last annual update of our brochure.

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Item 4 Advisory Business

Jerrmar Capital Management is an independently owned SEC-registered investment adviser. The firm is headquartered and maintains its sole office in Troy, Michigan. The firm was founded in 2004 by Gerald R. DeHondt (President and Chief Compliance Officer). Mr. DeHondt, who owns 100% of Jerrmar Capital Management, is the sole investment adviser representative of the firm.

Our investment advisory services begin with you, the client. Our objective is to structure your account specifically to meet your reasonable investment objectives. We will discuss your needs and expectations from your portfolio and make future recommendations on how to best realize your investment objectives. To meet your financial goals, we will discuss your current income needs, future expectations, risk tolerance, family situation, work expectations, and other factors affecting your financial well being. You may impose restrictions on investing in certain securities or types of securities.

Your portfolio will be structured with an asset mix to specifically meet your investment objectives and provide a reasonable level of income within your risk parameters. Your asset mix can change to meet varying market conditions. We do not take custody of your assets. You may select a third party brokerage firm to provide custody of your account and execute trades as directed by our firm.

We will invest your assets in the following types of assets, appropriate to your investment needs, risk tolerance, and investment time horizon:

- Equity Securities
- Warrants
- Corporate Debt Instruments (including Commercial Paper)
- Money Market Funds
- Municipal Securities
- United States Government Securities
- Exchange Traded Funds (ETFs)

We do not participate in wrap fee programs by providing portfolio management services.

Accounts are managed on a discretionary basis in accordance with your objectives and market conditions. Specific securities that are bought and sold, as well as dollar values and diversification, are determined by us. You may be contacted before we initiate a transaction if specifically requested by you.

As of December 31, 2014, we manage \$95,259,700 in assets for 108 clients. All of these assets are managed on a discretionary basis, and none are managed on a non-discretionary basis.

Item 5 Fees and Compensation

We do not use a performance-based fee structure because of the potential conflict of interest. We believe that performance-based compensation creates an incentive for an adviser to recommend an investment that may carry a higher degree of risk to you. Fees are based on assets under management only. We do not manage commission-based accounts for you.

For all services rendered, we charge a management fee based on a percentage of the assets under management at the end of each calendar quarter. The fee schedule is as follows:

- 0.8% annually on the first \$500,000
- 0.7% annually on the next \$500,000
- 0.6% annually on the balance

When an account is opened with us, we prepare an initial appraisal which establishes the fee for the first quarterly period or part of the current quarter. Subsequent quarterly fees are based on the prior quarter's ending value. There is no prepayment of fees. Fees are billed and due at the end of each calendar quarter. You may elect to either have us deduct the fees directly from your account following prior notice of the amount invoiced or be billed by us for our services.

It is our policy to negotiate fees for large accounts, special relationships, charitable accounts or unusual circumstances. The relationship can be terminated at any time by either party. We do not charge a closure fee; however, you will be billed on a pro rata basis for the portion of the quarter for which services were rendered prior to termination.

Our normal practice is to invest in individual stocks, bonds and money market funds. With new investment securities, such as index funds, I

shares, ETFs, and specific geographic and industry funds, we may elect to use these investments instead of individual securities. In such cases, you would pay a fee to the fund as well as the regular management fees. Client trades are not bundled or necessarily executed on the same day or at the same price. Transactions may occur at different times of day or over a period of several days depending on market conditions, security prices, tax reasons, or other considerations.

Neither Jerrmar Capital Management nor any of its supervised persons accepts compensation for the sale of securities or other investment products. Our only compensation is based on the size of the assets under management. You will also incur brokerage commissions, SEC fees, and possibly other charges that are paid directly to the custodian. See Item 12 (Brokerage Practices).

Item 6 Performance-Based Fees and Side-By-Side Management

Neither Jerrmar Capital Management nor any of its supervised persons accepts performance-based fees. This policy enables us to avoid conflicts of interest that could result by favoring accounts where management fees have the potential to be substantially higher.

Item 7 Types of Clients

We provide investment advice to individuals (including trusts, estates, 401(k) plans and IRAs of individuals), high net worth individuals and charitable organizations. Client relationships vary in scope and length of service.

There is no minimum value for opening an account or having it managed by us.

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

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

Our main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Your personal investment strategy is based upon the objectives you discuss with us. You may change these objectives at any time. Investment strategies may include asset allocation, long-term purchases, short-term purchases, and balanced accounts including both stocks and bonds in your portfolio. It is important to remember to update us promptly when any of your information changes so that your goals and objectives can be modified accordingly.

All investment programs carry a risk of loss and there is no guarantee that any investment strategy will meet its objective. Depending on the types of securities you invest in, you may face the following investment risks:

- Interest Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Currency Risk: Non-U.S. investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Fixed Income Risks: Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from his or her portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- High-Yield, Fixed-Income Securities Risk: Investments in high-yielding, non-investment grade bonds involve higher risk than investment grade bonds. Adverse conditions may affect the issuer's ability to make timely interest and principal payments on these securities.
- Small or Mid-Cap Risk: Stocks of small or small, emerging companies may have less liquidity than those of larger, established companies and may be subject to greater price volatility and risk than the overall stock market.

- **Diversification Risk:** Investments that are concentrated in one or few industries or sectors may involve more risk than more diversified investments, including the potential for greater volatility.

Item 9 Disciplinary Information

Neither Jerrmar Capital Management nor any of its employees has had any civil or criminal actions brought against them.

Neither Jerrmar Capital Management nor any of its employees has had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Neither Jerrmar Capital Management, nor any of its employees, has had any proceedings before a self-regulatory organization.

Item 10 Other Financial Industry Activities and Affiliations

No Jerrmar Capital Management employees are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No Jerrmar Capital Management employees are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Jerrmar Capital Management does not have any related parties. As a result, we do not have a relationship with any related parties.

Jerrmar Capital Management only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

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

Code of Ethics

We adopted our Investment Adviser Compliance Policy Manual (the "Manual") on January 5, 2005. The Manual includes, among other things, our Code of Ethics and Personal Trading Policy. A copy of the Manual, which is reviewed annually and revised as necessary, is available to any client or prospective client upon written request to us.

Our Code of Ethics consists of the following core principles:

- The interests of clients will be placed ahead of the firm's or any employee's own investment interests.
- Anyone employed by us is expected to conduct his or her personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client.
- Employees may not take inappropriate advantage of their position with the firm.
- All employees are expected to act in the best interest of each client.
- All employees are expected to comply with federal and state securities laws. Strict adherence to the Manual will assist the employee in complying with this important requirement.

Participation in Client Transactions; Personal Trading

Participation in client transactions always involves real or perceived conflicts of interest. It is important that you understand these issues as it may affect your decision to buy or sell certain securities.

We may from time to time recommend to clients that they buy or sell securities or investment products in which the firm or Mr. DeHondt has a financial interest. Also, we may from time to time buy or sell securities that are also recommended to clients. Generally, such a financial interest will consist of ownership in an investment portfolio of a publicly traded company's debt or equity securities. Neither the firm nor its employees may purchase or sell the same individual securities on the same day as that on which transactions are initiated for client portfolios. Employee transactions

are monitored on a continuous basis and reported as soon as completed. Because of the limited nature of our investments, the likelihood of a conflict of interest is extremely remote, but where conflict of interest exists, the client will be fully advised of the issue.

Trade Errors

From time to time, we may make an error in submitting a trade on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless (a) the same error involved other client accounts that should receive the gain, (b) it is not permissible for you to retain the gain, or (c) we confer with you and you decide to forego the gain (e.g., due to tax reasons). In any event, we will not benefit from any investment gain accruing to your account. Your account will not be disadvantaged by any losses that occur due to trading errors.

Item 12 Brokerage Practices

You select the brokerage firm to be designated as custodian and to execute transactions initiated by us. We do not select or recommend specific broker-dealers. All of your trades will be executed through the brokerage firm that you select to serve as your custodian. Brokerage commission rates and fees will vary depending on the policies and practices of the specific firm selected by you.

We do not recommend, request or require our clients to direct brokerage transactions. By directing us to exclusively use a specific broker-dealer for transaction execution, we may not be able to obtain the most favorable execution of client transactions. Also, directing brokerage may be more costly for clients. These factors could have an effect on the overall performance of the client's account in certain circumstances. We do not have any relationships with broker-dealers which would create a material conflict of interest with our firm.

We do not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions (which are commonly referred to as "soft-dollar benefits"). The majority of our information comes from various subscription services which we pay for on a hard-dollar basis.

Item 13 Review of Accounts

Gerald R. DeHondt, President and Chief Compliance Officer, conducts all account and company reviews in accordance with account objectives and current financial news and developments.

We review, on not less than a bi-weekly basis, all accounts and individual securities within the accounts. We conduct an in-depth analysis at least bi-weekly or more frequently as needed by you as a result of your changing circumstances, company-specific news, or changing economic and political conditions.

You will receive a portfolio appraisal not less than once per calendar quarter. Quarterly client appraisals also include a written "Financial Markets Report" that summarizes current market conditions and/or focuses on a specific financial or political topic for consideration by you.

If necessary and requested by you, we will provide monthly account appraisals. Additionally, we can provide you with an appraisal or other special report at any time it is needed. The brokerage firm, as custodian, will also provide you with regular monthly statements and a confirmation each time a transaction is initiated for the account by us.

Item 14 Client Referrals and Other Compensation

We do not receive a financial benefit from anyone other than our clients.

Item 15 Custody

We have authority to debit fees directly from client accounts. For this reason only, we are deemed to have custody of client funds. Clients receive account statements from their custodian at least quarterly but typically monthly. These statements should be reviewed carefully. We send a report to clients quarterly. We urge you to compare the statements received from your custodian with the reports we send you each quarter.

The following procedures are designed to help ensure that we do not inadvertently obtain further custody (other than by the deduction of advisory fees noted above) over client assets:

- We will obtain prior written authorization from you before deducting fees directly from your account;

- We will not hold your securities in Jerrmar Capital Management's name or in bearer form;
- We do not require you to prepay any fees;
- Proceeds from the redemption of your securities may not be directed to us;
- We may not have signatory power over your checking or custodial account;
- An employee may not serve as trustee over your account, unless you are an immediate family member of the employee; and
- All wires from your custodial accounts to outside (i.e., non-client) accounts must be accompanied by your authorization.

All of your assets will be held by a qualified custodian, which may include a broker-dealer, bank or foreign financial institution, as selected by you. We will not route original custodial statements to you on behalf of a custodian. The custodian will deliver client account statements directly to you. Custodial accounts are opened by you. We may assist you in preparing paperwork for a new custodial account, but you are required to authorize any new custodial account.

Item 16 Investment Discretion

We accept discretionary authority to manage the assets in your account. We observe investment limitations and restrictions that are outlined in each account's investment management agreement. Each client signs a portfolio management agreement that authorizes us to enter purchase and sale transactions directly with the custodian. It also covers other important parts of our relationship, including investment objectives, fees, billing practices, risks and limitations.

Item 17 Voting Client Securities

We do not, without exception, vote proxies on behalf of individual clients. All proxy materials received on behalf of your account will be sent directly to you or your designated representative, who is responsible for voting the proxy. We may answer your questions regarding proxy-voting matters in an effort to assist you in determining how to vote the proxy. You may call us to seek our advice in this regard. However, the final decision of

how to vote the proxy rests with you. Generally, the custodian sends proxies directly to you.

Jerrmar Capital Management will vote proxies on behalf of ERISA clients pursuant to the policy described below. This proxy voting policy is designed to ensure proxies are voted in your best economic interest, when the responsibility for voting client proxies rests with us. Mr. DeHondt is responsible for voting client proxies. Upon inception of a client relationship with an ERISA account, we will provide you with a description of the firm's proxy voting policies and how you may obtain information on our record of voting the client's proxies. A copy of this policy is available upon request.

We will keep the following proxy voting records for a minimum of 5 years:

- Our proxy voting policies and procedures;
- Proxy statements received regarding your securities; electronic statements, such as those maintained on EDGAR or by a proxy voting service, are acceptable;
- Records of proxy votes cast on your behalf;
- Records of your requests for proxy voting information, including a record of the information provided by us; and
- Documents prepared by us that were material to making the decision of how to vote.

We may encounter a material conflict in voting client proxies. We have a duty to recognize a material conflict and to resolve the conflict before voting the proxy. For purposes of our policy, material conflicts of interest are defined as those conflicts that, in the opinion of Mr. DeHondt, a reasonable investor would view as important in making a decision regarding how to vote a proxy.

We maintain a list of all material business conflicts of interest – those business relationships between the firm and other parties that are deemed to be material and may result in a conflict with respect to a future proxy contest. Mr. DeHondt will maintain the list of material business conflicts and is responsible for ensuring the list is updated regularly. Employees are required to disclose all personal and familial relationships that may present a material conflict of interest with respect to a future proxy contest.

Unless you request otherwise, we will take one of the following actions to ensure the proxy voting decision is based on your best interests and is not a result of the conflict:

- Vote in proportion to other shareholders;
- Refer the proxy to you or your representative for voting purposes; or
- Disclose the conflict to you and seek your consent to vote the proxy prior to casting the vote.

We strive to vote all proxies in your best economic interests. The decision of how to vote follows the same criteria we use in managing your accounts – to vote for proposals in such a manner that, in our opinion, will increase shareholder value. In evaluating a particular proxy proposal, Jerrmar Capital Management takes into consideration, among other items:

- Our determination of how the proxy proposal will impact you;
- The period of time over which shares of the company are expected to be held in your portfolio;
- The size of the position;
- The costs involved in the proxy proposal; and
- Management's assertions regarding the proxy proposal.

We will generally support management's recommendations on proxy issues, since management's ability is a key factor we consider in selecting equity securities for your portfolio. We believe a company's management should generally have the latitude to make decisions related to the company's business operations. However, when we believe the company's management is acting in a manner that is inconsistent with your best interests, we will vote against management's recommendations.

Item 18 Financial Information

Jerrmar Capital Management does not have any debt today, nor has the firm carried any debt since its inception. We do not plan on borrowing any money in the future. The firm holds excess cash in case of an emergency. We do not require clients to prepay any fees.

Jerrmar Capital Management has discretionary authority over client accounts. There are no financial conditions that are likely to impair our ability to meet our contractual commitments to clients.

Jerrmar Capital Management has not been the subject of a bankruptcy petition.

Brochure Supplement

(Part 2B of Form ADV)

JERRMAR CAPITAL MANAGEMENT, INC.

Gerald R. DeHondt

President and Chief Compliance Officer

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This brochure supplement provides information about Gerald R. DeHondt that supplements the Jerrmar Capital Management brochure. A copy of that brochure precedes this supplement. Please contact Gerald R. DeHondt if the Jerrmar Capital Management brochure is not included with this supplement or if you have any questions about the contents of this supplement. Additional information about Gerald R. DeHondt is available on the SEC's website at www.adviserinfo.sec.gov.

February 9, 2015

Item 2: Educational Background and Business Expertise

Gerald R. DeHondt, our President and Chief Compliance Officer, solely provides all investment management or other investment services to our clients. Mr. DeHondt was born in 1942. He graduated from Wayne State University (Bachelor of Science in Management), St. John's University (MBA in Finance and Advanced Professional Certificate in Accounting), New York University (MBA in Management), and Oakland University (Certificate in Financial Planning).

Mr. DeHondt earned a Chartered Financial Analyst (CFA) designation in 1980. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include accounting, economics, ethics, equity analysis, fixed income analysis, portfolio management and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

Mr. DeHondt founded Jerrmar Capital Management in 2004 and has worked continually with the firm since that time.

Item 3: Disciplinary Information

Mr. DeHondt has not had any civil or criminal actions brought against him.

Mr. DeHondt has not had any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

Mr. DeHondt has not had any proceedings before a self-regulatory organization.

Mr. DeHondt has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

Item 4: Other Business Activities

Mr. DeHondt is not engaged in any investment-related businesses outside of Jerrmar Capital Management, nor does he have any applications pending to register with a broker-dealer or other investment firm. Mr.

DeHondt does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

Mr. DeHondt does not engage in any other business that provides a substantial source of his income or consumes a substantial portion of his time.

Item 5: Additional Compensation

Mr. DeHondt does not receive any additional compensation beyond his salary for providing advisory services.

Item 6: Supervision

Mr. DeHondt is our President and Chief Compliance Officer. His phone number is (248) 269-9222. He is the only individual at Jerrmar Capital Management who provides investment advice to clients. Given the number of our clients and employees, this is done on an individual client basis.