

# CIM, LLC

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The wrap fee program brochure provides information about the qualifications and business practices of CIM, LLC (d/b/a Curran Wealth Management and d/b/a Curran Investment Management). If you have any questions about the contents of this brochure, please contact us at 518-391-4200 or [info@curranllc.com](mailto:info@curranllc.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 CIM, LLC (d/b/a Curran Wealth Management and d/b/a Curran Investment Management) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 27, 2020

# Material Changes

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## Annual Update

CIM, LLC (d/b/a Curran Wealth Management and d/b/a Curran Investment Management) is providing this information as part of our annual updating amendment of the wrap fee program brochure which contains any material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 29, 2019.

## Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") which includes Appendix 1 Wrap Fee Program Brochure and Part 2B (the "Brochure Supplement"). Each update of the Wrap Fee Program Brochure must now include a summary of all material changes since the last annual update.

There have been some changes to our wrap-fee structure. These are summarized as:

Wrap-fee accounts have reduced the minimum account balance to \$100,000, and eliminated any differences in fee schedules based on whether the accounts consist of 100% equities or if they are balanced accounts (containing a percentage of fixed income investments). All wrap fee accounts have a default fee scheduled of 1.75% on the first \$500,000, 0.75% on the next \$4,500,000, and 0.5% on any amounts over \$5,000,000. The minimum annual fee remains \$2,500, which will apply to all accounts with assets less than \$143,000.

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# Services, Fees and Compensation

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## Services Description

CIM, LLC is the sponsor and investment manager of the CIM, LLC Wrap-Fee Program (hereinafter the "Program"). A "wrap-fee" program is one that provides the client with advisory and brokerage execution services for one all-inclusive fee. Except as described in *Services, Fees and Compensation* section below, a Program client is not charged separate fees for the respective components of the total service. CIM, LLC actively solicits advisory clients for the Program. CIM, LLC is also responsible for the marketing of the Program. CIM, LLC provides investment supervisory services through the Program, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, CIM, LLC develops a client's personal investment policy and creates and manages a portfolio (refer to services detailed in the *Portfolio Management Selection and Evaluation* section below) based on that policy.

As investment manager CIM, LLC will manage Portfolio Management wrap-fee client accounts on either a discretionary or non-discretionary basis, depending on each client's particular needs and circumstances. CIM, LLC will allocate the client's assets among various investments taking into consideration the overall objectives of the client. Mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. From time to time, assets in the Account may be held in cash and/or cash equivalents temporarily pending investment, as a defensive strategy or due to circumstances beyond CIM, LLC's control. CIM, LLC's investment philosophy emphasizes quality investing. CIM, LLC is generally a long-term investor committed to identifying superior companies its clients can own for long periods of time. CIM, LLC's investment discipline is based on a fundamental bottom up approach to security selection. CIM, LLC employs a proprietary screening process to identify companies that CIM, LLC believes will offer its clients the best opportunities for long-term growth.

CIM, LLC looks for quality companies that meet the following criteria:

1. Consistent earnings growth at rates higher than 10%;
2. Resilience to the economic cycle;
3. Return on equity of more than 15% and retention of most, if not all, of their earnings;
4. Strong balance sheet;
5. Superior management; and

## 6. Low debt to equity ratio.

CIM, LLC utilizes several data resources in gathering historical information, as well as annual and quarterly reports. Using quantitative and fundamental analysis, a sustainable growth rate is determined. Securities are continuously monitored and evaluated relative to market and industry conditions. CIM, LLC utilizes a number of sources of financial information in the firm's analysis of securities including financial newspapers and magazines, research materials and reports, corporate rating services, annual reports, prospectuses, SEC filings and company press releases. Research services are received in various forms, which may include written reports, or information obtained on the World Wide Web.

CIM, LLC may decide to sell one of its holdings due to a fundamental change in the direction of a company, disappointing earnings over a significant period of time or deterioration of a company's balance sheet. CIM, LLC's balanced accounts are invested to provide clients with long-term growth and a steady source of income. Fixed income also serves to reduce the overall portfolio volatility. CIM, LLC adheres to strict maturity limitations and quality ratings on fixed income investments. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on their behalf. Clients will retain individual ownership of all securities. CIM, LLC may use money market mutual funds to sweep unused cash balances until they can be appropriately invested. When appropriate to the needs of the client, CIM, LLC may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

## Program Cost

CIM, LLC charges an annual "wrap-fee" for participation in the Program. The wrap-fee will be charged as a percentage of assets under management, typically ranging from 1.00% to 2.00%, depending on the size and nature of the client's account. CIM, LLC will quote an exact percentage to each client prior to executing the advisory agreement. Fees are negotiable.

1.75% on the first \$500,000

0.75% on the next \$4,500,000

0.50% on any amount over \$5 million

**Minimum annual fee:** \$2,500. In the event that a client's account falls below approximately \$143,000 the account will be charged this minimum annual fee. In such circumstances, this minimum annual fee will exceed the 1.75% annual fee percentages charged to other client accounts and may be higher than the fee that would be charged by other investment advisers or investment professionals for managing accounts that size.

**Fee Payment:** Consistent with the written agreement between CIM, LLC and each client, the wrap fee is calculated and payable either in advance or in arrears, depending on which custodian holds a client's account. Currently, for accounts where Fidelity or Schwab is the

custodian, the fee is payable quarterly in advance<sup>1</sup>, based on the market value of all assets in the account on the last trading day of the prior calendar quarter. For accounts where Interactive Brokers is the custodian, the fee is payable quarterly in arrears, which is accrued daily based on the end of day market value of all assets at the end of each day of the prior calendar quarter. Client fees will be debited directly from the client's account, in advance or in arrears as applicable, at the beginning of each calendar quarter.

Notwithstanding the fact that the wrap-fee may be payable quarterly in advance, the wrap-fee may be adjusted (and refunds given and/or new fees assessed, as appropriate) quarterly in arrears at the beginning of the quarter following any net additions or net withdrawals in a client's account. A pro-rata refund of the wrap-fee paid will be made, or an additional pro-rata wrap-fee will be charged, at such time only if the addition to or withdrawal from the account would result in an increase or a decrease in the market value of 10% or more from the previous market close. No wrap-fee adjustment will be made during any period for appreciation or depreciation in the value of the assets in the client's account. The management agreement continues in effect until terminated by either party upon 30 days prior written notice to either party, CIM, LLC or the client. Upon termination of the agreement, CIM, LLC will calculate the actual days the account was under management since the most recent quarter end and if warranted will return a credit to the account for the days during the quarter that the account was not managed by CIM, LLC. Note that agreements terminated within 30 days of the close of the calendar quarter will not receive a credit because they will not fulfill the 30 days prior notice.

Included Fees: The wrap-fee includes all advisory and brokerage costs (including transaction costs), quarterly performance reports, third party custodial fees and exchange fees. In determining whether to participate in the Program, the client should consider that, depending upon the level of the wrap-fee charged by CIM, LLC, the size of the account, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may be more or less than the aggregate cost of such services if they were to be provided separately to the client by CIM, LLC and its affiliates or by other investment professionals. Therefore, CIM, LLC may have an incentive to recommend this program over other programs or services.

## **Additional Fees**

The wrap-fee does not cover certain incidental fees relating to the account, including, without limitation: account termination fees, account transfer (ACAT) fees, wire transfer fees, ATM/POS fees, transfer taxes or trustee fees. Accordingly, Program clients are responsible for paying these fees and expenses separately.

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<sup>1</sup> The exception to this are donor-advised fund "Giving Accounts" established by clients with Fidelity Charitable, for which we have been nominated and approved as the CIAP investment adviser of record, and the fee CIM, LLC collects is debited in arrears according to the terms of the agreement between CIM, LLC and Fidelity Charitable.

# Account Requirements and Types of Clients

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## Program Requirements

Minimum account size to open or maintain wrap-fee accounts is \$10,000, however, all minimum account size requirements may be negotiable under certain circumstances.

## Types of Clients

CIM, LLC welcomes all investors meeting our minimum investment threshold seeking a manager investing in quality investments, a historically low portfolio turnover and value consistency measured in years not quarters. Types of clients include but are not limited to individuals, families, qualified investors, pension and profit sharing plans, trusts, estates, charitable organizations, business entities and corporations.

# Portfolio Management Selection and Evaluation

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## Process for Selection and Review of Portfolio Managers

CIM, LLC primarily manages its wrap-fee assets internally. Spaulding Group, an independent firm specializing in GIPS verification examinations, subjects a representative sample of our accounts and their holdings to review and scrutiny during its annual onsite audit. The examination verifies CIM, LLC has complied with the GIPS standards on a firm-wide basis regarding composite construction requirements and that the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. In determining whether to participate in the Program, the client should consider that, depending upon the level of the wrap-fee charged by CIM, LLC, the size of the account, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap-fee may be more or less than the aggregate cost of such services if they were to be provided separately to the client by CIM, LLC and its affiliates or by other investment professionals. Therefore, CIM, LLC may have an incentive to recommend this program over other programs or services. CIM, LLC addresses this conflict of interest by offering the client to participate in its wrap-fee strategy equivalent, Portfolio Management where the client pays a management fee plus commissions.

In limited instances CIM, LLC may use outside managers. Generally these managers fill a unique client need such as socially responsible investing or the strategy complement's the investment strategies at CIM, LLC. For instance CIM, LLC's investment strategies tend to emphasize growth companies which tend to have stronger sales and earnings growth than their peers and their growth rates tend to be independent of the market cycle. This is what some investors may have heard referred to as secular growth companies. A complementary strategy

may emphasize companies' that trade at lower price/earnings multiples and book values than growth companies. This style of investing is often referred to as value investing. CIM, LLC selects managers with long performance histories consisting of several years, low portfolio turnover and a history of outperforming the strategy's benchmark return. CIM, LLC subjects outside managers to periodic review, no less than quarterly to assure that account holdings remain consistent with both the strategy's stated investment objectives and more importantly remain in line with our client's needs.

## Client Information Provided to Portfolio Manager

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CIM, LLC in its role as portfolio manager for the wrap-fee program has full access to all client information. Client information is withheld from outside managers to maintain client confidentiality.

## Client Contact with Portfolio Manager

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There are no restrictions placed on clients' ability to contact and consult with their portfolio managers.