

Item 1: Cover Page
Part 2A Appendix 1 of Form ADV: Wrap Fee Program Brochure
February 8th, 2020

RMR Capital Management, LLC Wrap Program

Sponsored By:



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Chief Compliance Officer

This brochure provides information about the qualifications and business practices of RMR Capital Management, LLC. If clients have any questions about the contents of this brochure, please contact us by at (949) 922-3145. 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 our firm is also available on the SEC's website at www.adviserinfo.sec.gov by searching CRD #285334.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

Item 2: Material Changes

RMR Capital Management, LLC is required to make clients aware of information that has changed since the last annual update to the Wrap Brochure ("Wrap Brochure") and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes. Since our firm's last annual amendment filing on January 13th, 2020, we have the following material changes to disclose:

- Our firm is now registered with the Securities and Exchange Commission.

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Item 4: Services, Fees & Compensation

Our firm manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary, it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. Our firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

Our firm only provides Portfolio Management services on a wrap fee basis. As such, wrap fee service allows clients to pay a single fee for investment advisory services and associated custodial transaction costs. Because our firm absorbs client transaction fees, an incentive exists to limit trading activities in client accounts. A Portfolio Management service where the client pays separate fees for investment advisory services and associated custodian transaction costs is not made available by our firm.

Our recommended custodian, Charles Schwab & Co., Inc. ("Schwab") does not charge transaction fees for U.S. listed equities and exchange traded funds. Since we pay the transaction fees charged by the custodian to clients participating in our wrap fee program, our firm's expenses have decreased. This presents a conflict of interest because we are incentivized to recommend equities and exchange traded funds over other types of securities in order to reduce our costs.

Our Wrap Advisory Services

Wrap Portfolio Management:

As part of our Portfolio Management services, Clients may be provided with standalone asset management or a combination of asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client that may consist of individual stocks, bonds, Exchange Traded Funds ("ETFs"), options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client's individual needs, stated goals and objectives. Upon client request, our firm provides a summary of observations and recommendations for the planning or consulting aspects of this service.

Fee Schedule

<u>Assets Under Management</u>	<u>Annual Percentage of Assets Charge</u>
\$0 - \$1,000,000	Up to 2.00%
\$1,000,001 & Above	Up to 1.25%

Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Annualized fees are billed on a pro-rata basis monthly in arrears based on the value of the

account(s) on the time-weighted daily average of the month. Fees are negotiable and will be deducted from client account(s). In rare cases, our firm will agree to directly invoice. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

Other Types of Fees & Expenses:

The fees not included in the advisory fee for our wrap services are charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. There may be transactions costs for trades executed away from the custodian listed in Item 12 of Form ADV Part 2A.

Wrap Fee Program Recommendations

Our firm does not recommend or offer the wrap program services of other providers. Clients participate in the wrap program services sponsored by our firm. With the exception of absorbing custodial transaction fees on the client's behalf, the revenue generated from the provision of these services is not shared with any third party. Our firm does not pay referral fees for the referral of clients for the use of our Wrap Portfolio Management service.

Item 5: Account Requirements & Types of Clients

Our firm does not impose requirements for opening and maintaining accounts or otherwise engaging us. Our firm has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations; and
- Corporations, Limited Liability Companies and/or Other Business Types.

Item 6: Portfolio Manager Selection & Evaluation

Selection of Portfolio Managers

Our firm's investment adviser representatives ("IARs") act as portfolio manager(s) for this wrap fee program. A conflict arises in that other investment advisory firms may charge the same or lower fees than our firm for similar services. Our IARs are subject to individual licensing requirements as imposed by state securities boards. Our firm is required to confirm or update each IAR's Form U4 on

an annual basis. IAR supervision is conducted by our Chief Compliance Officer or management personnel.

Our firm does not utilize outside portfolio managers. All accounts are managed by our in-house licensed IARs of our firm. Prior to becoming licensed with our firm, each IARs industry experience, licensure, outside business activities, client complaints (if any), disciplinary or regulatory history (if any) and financial well-being will be reviewed. Each IAR will then have a Form U4 and ADV Part 2B on file with our firm.

Advisory Business:

Information about our wrap fee services can be found in Item 4 of this brochure. Our firm offers individualized investment advice to our Wrap Portfolio Management clients. Each Wrap Portfolio Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs:

Our firm only offers wrap fee account management to our clients for Portfolio Management services. These accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. With the exception of absorbing custodial transaction fees on the client's behalf, the revenue generated from the provision of these services is not shared with any third party.

Performance-Based Fees & Side-By-Side Management:

Our firm does not charge performance-based fees.

Methods of Analysis, Investment Strategies & Risk of Loss:

The following methods of analysis are utilized by our firm when formulating investment advice and/or managing client assets:

Cyclical Analysis: statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

Fundamental Analysis: considers the economic, financial, and other qualitative/quantitative factors that may impact the price of a security. Fundamental analysis attempts to measure its intrinsic value as compared to its current price. Risks may include using incorrect assumptions, financial misreporting and/or failure by management to disclose key, material events, and unforeseen micro/macroeconomic factors that may cause the price of a security to diverge from its intrinsic value.

The following investment strategies are used managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Fixed Income Portfolio Management Investment Strategies: We believe that a conservative, risk-averse approach to fixed income management will provide both steady incremental performance, and low relative volatility. The disciplined process we employ in an effort to realize this philosophy is generally grounded in four key decisions:

- Constraint of portfolio duration within a narrow range relative to the benchmark in order to limit exposure to market and interest rate risk.
- Strategic allocations to key sectors to add value relative to the benchmark.
- Proactive management of term structure to add value in different yield curve environments.
- Security selection based on rigorous credit and relative value analysis and broad diversification of nongovernment issuers.

Long-Term Purchases: We may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that we could miss out on potential short-term gains that could have been profitable to your account. Moreover, if our predictions are incorrect, it's possible that the security's value may decline sharply before we make a decision to sell.

Please Note: Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask any questions you may have.

Voting Client Securities:

Our firm does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, our firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 7: Client Information Provided to Portfolio Manager(s)

All accounts are managed by our in-house licensed IARs. The IAR selected to manage the client's account(s) or portfolio(s) will be privy to the client's investment goals and objectives, risk tolerance, restrictions placed on the management of the account(s) or portfolio(s) and relevant client notes taken by our firm. Please see our firm's Privacy Policy for more information on how our firm utilizes client information.

Item 8: Client Contact with Portfolio Manager(s)

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns about their portfolios or other matters.

Item 9: Additional Information

Disciplinary Information

Neither our firm nor its management personnel have been subject to any criminal or civil actions, administrative proceedings, or self-regulatory organization ("SRO") proceedings.

Financial Industry Activities & Affiliations

Representatives of our firm are registered representatives of Purshe Kaplan Sterling Investments, Inc, member FINRA/SIPC, and licensed insurance agents. As a result of these transactions, they receive commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest.

Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

Our firm does not recommend or select other investment advisers for clients. Our firm does not directly or indirectly receive compensation for the recommendation or selection of other investment advisers.

Our firm does not have compensation arrangements connected with advisory services which are in addition to our advisory fees. Our management persons and representatives do not engage in other financial industry activities or affiliations.

Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out

in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts¹. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

Review of Accounts

Our David Van Overeem, Chief Compliance Officer, reviews accounts on at least an annual basis for our Wrap Portfolio Management clients. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Wrap Portfolio Management clients are contacted.

Other Compensation

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in *Form ADV Part 2A, Item 12 – Brokerage Practices*. The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

Client Referrals

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Our firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with state statutes and rules.

Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.