

September 2023
CALLAHAN CAPITAL MANAGEMENT, INC.
FORM ADV, PART 3
CLIENT RELATIONSHIP SUMMARY (FORM CRS)

Item 1. Introduction.

Callahan Capital Management, Inc. is registered with the Securities and Exchange Commission as an Investment Adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. *What investment services and advice can you provide me?*

Callahan Capital provides investment advisory services, portfolio management, and financial planning to retail investors. With each client we discuss their circumstances, such as objectives, time horizons, risk tolerance, and liquidity needs. Given that data we construct an appropriate portfolio and manage it on an ongoing basis as their needs, and the investment landscapes, change.

Client accounts are managed on a discretionary basis, meaning we don't call you before making a change in an account. Some portfolios also include non-discretionary accounts, which we monitor, but the investment decisions are made by the client. For all accounts, the client can make the ultimate decision regarding the purchase or sale of investments and may terminate our services at any time. There is no minimum account size and investments can be redeemed at any time.

We monitor every investment at least weekly, often daily. We review every client portfolio at least quarterly.

Additional information is available on our firm brochure, [Form ADV, Part 2](#).

Additional questions to ask a financial professional:

- Given my financial situation, should I choose an investment advisory service? Why?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

Item 3. *What fees will I pay?*

Our fee is calculated as a percentage of the assets under management, usually between 0.50% and 1.00% per year, charged quarterly in advance. Our incentive is to increase the value of your account, which would increase our fee. That could create a conflict of interest if we encourage you to increase the assets in your account. We do not charge performance-based fees. You will pay fees whether you make or lose money on your investments, and fees will reduce the total return on your investments. We do not partake in any commission-based products.

We do not hold investments for our clients. There is a custodian that holds them. The custodian may charge commissions or account maintenance fees. In addition, some investments, such as mutual funds, have their own internal fees.

More information is available on our firm brochure, [Form ADV, Part 2](#) or this [bulletin from the SEC](#).

Additional questions to ask a financial professional:

- Help me understand how these fees and costs will affect my investments.
- Do you take part in any commission-based products?
- If I hire you to invest \$10,000 for me, how much will go to fees and costs and how much will be invested for me?

Item 3.B. *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?*

We have a fiduciary obligation to our clients. *When we act as your investment adviser*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with our interests. You should understand and ask us about these conflicts because they can affect the investment advice, we provide you with. For example, we may recommend Charles Schwab as a custodian. Schwab provides us with software and services at no cost that benefit us, but do not benefit you, thus creating a conflict of interest as it gives us an incentive to recommend Schwab as a custodian. Our firm does not make money from any source outside of the management fee or receive any third-party compensation or commissions that would cause a conflict of interest.

Additional questions to ask a financial professional:

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

Item 3.C. *How do your financial professionals make money?*

Each of our financial professionals is paid a salary and a discretionary bonus. They are not compensated on products sold. The firm does not compensate any person for client referrals.

Item 4. *Do you or your financial professionals have a legal or disciplinary history?*

No. Please go to www.investor.gov/CRS for a free and simple search tool to research financial professionals.

Additional questions to ask a financial professional:

- As a financial professional, do you have any disciplinary history?
- If so, for what type of conduct?

Item 5. Additional Information.

You can find additional information and a copy of this Form CRS at www.adviserinfo.sec.gov or by calling us at 970-870-8750.

Additional questions to ask a financial professional:

- Who is my primary contact person?
- Is he or she a representative of an investment-adviser or a broker-dealer?
- Who else can I talk to about my portfolio?