

Lamont Trading Advisors, Inc.

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www.LTAdvisors.net

2/27/2023

This brochure provides information about the qualifications and business practices of Lamont Trading Advisors. If you have any questions about the contents of this brochure, please contact us at (256) 850-4161. 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 Lamont Trading Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Material Changes since the Last Update – None.

Full Brochure Available – Whenever you would like to receive a full copy of our Firm Brochure, please contact us by telephone at (256) 850-4161 or by email at info@ltadvisors.net.

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Our Advisory Business

Founder and sole-owner Paul Lamont established Lamont Trading Advisors, Inc. ("LTA") in 2004. After two years of research, LTA began offering wealth preservation services in 2006. LTA provides investment advice, account management, and personal consultation to individuals, corporations, trusts and pension plans.

We offer two types of managed accounts depending on a client's risk tolerance. The first is the U.S. Treasury Bill Account which is fully invested in short term U.S. Treasury Bills. The second is our Bear Market Strategies Account. The Bear Market Strategies Account is an actively managed account that incorporates some of our investment ideas.

Lamont Trading Advisors, Inc. also provides private financial consultation for a fixed fee or an hourly rate which consists of reviewing, analyzing and consulting on assets at the specific request of the client.

As of December 31st, 2022 LTA manages and supervises 23 accounts valued at \$3,124,510.

In addition, LTA publishes a newsletter on general market trends called The Investment Analysis Report. It does not generate individual advice.

Our Compensation

For its managed accounts, Lamont Trading Advisors, Inc. charges a fixed fee of the assets under management. Clients are billed by invoice for the previous quarter using the account value on the last business day of each quarter. The fee schedule is as follows:

LTA U.S. Treasury Bill Account **quarterly** percentage fee on the account is **1/40%**.

LTA BearMarket Strategies Account **quarterly** percentage fee on the account is **1/4%**.

Advisory contracts can be terminated by either the advisor or the client at any time. If a contract is terminated before the end of a quarter, fees are prorated for the portion of the quarter during which the contract was in effect. Fees are non-negotiable. LTA performs our financial consulting services for a fixed retainer of \$2,500 per quarter or for \$150.00 per hour. The Investment Analysis Report is \$40 per month.

Clients will incur other fees such as brokerage transaction costs or fund expenses during the management of their accounts. We will work to keep these fees low. See Page 7 for our Brokerage Practices.

Performance-Based fees and Side-By-Side Management

Lamont Trading Advisors, Inc. does not enter into any performance fee arrangements.

Types of Clients

Lamont Trading Advisors provides investment advice, account management, and personal consultation to individuals, corporations, trusts, and pension plans.

Methods of Analysis, Investment Strategies and Risk of Loss

LTA uses charting, cyclical, fundamental and technical research to analyze investments for long and short-term holdings.

Investing in securities involves risk of loss that clients should be prepared to bear. The U.S. Treasury Bill Account loses purchasing power over time due to inflation. The Bear Market Strategies Account involves significant risk by using complex and risky funds to employ its strategy. **Any monies allocated to these funds should be considered at risk of a complete loss.** Specifically, short-selling involves increased risks and costs. Leverage increases volatility and losses. Due to rollover costs, inverse funds lose money over time. Frequent trading can also reduce investment performance through increased brokerage and other transaction costs and taxes. Some of the risks involved in securities accounts are as follows:

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 tangible and intangible 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.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas 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.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Lamont Trading Advisors, Inc. and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Lamont Trading Advisors, Inc. and its employees have no outside affiliations material to its business.

Code of Ethics

Lamont Trading Advisors, Inc. has adopted a written code of ethics that addresses our policy toward general business conduct, the prohibition against insider trading, compliance procedures dealing with personal securities transactions, protecting the confidentiality of client information, the certification of employees, the keeping of records that relate to our code of ethics, and the reporting of violations and sanctions. LTA has adopted procedures to implement the firm's policy on personal securities transactions and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- The firm maintains a list of all personal investment accounts and any accounts in which the employee has a beneficial interest, including any accounts for the immediate family and household members, upon hire, annually thereafter and upon opening or closing any account(s).
- Employees must report all required information for covered personal securities transactions on a quarterly basis within 10 days of the end of each calendar quarter.

- The firm maintains appropriate records of the firm's advisory representatives and reports of personal securities transactions.
- All personal securities transactions must comply with the firm's policies, including the Insider Trading Policy, regulatory requirements and the firm's fiduciary duty to its clients.
- All transactions in which an employee has any financial interest must also comply with the firm's Code of Ethics Policy (and procedures related therein).

Participation or interest in client transactions: Employees of Lamont Trading Advisors, Inc. may buy or sell for their own accounts securities that are also purchase or sold for client accounts only after all orders are filled for clients.

Employees will be required to have duplicate confirmations and statements provided directly to LTA for any brokerage account in which they have an interest. Any employees' securities positions must be consistent with the clients' positions. LTA's investment advisory agreements with clients shall state that the Advisor, its owners, officers or employees may buy or sell for their own account securities that are also recommended to clients.

A copy of our Code of Ethics is available upon request.

Brokerage Practices

Investment Brokerage Discretion

1. Securities to be bought and sold: Unless the client specifically requests to have final approval on purchases and sales, the Advisor will determine which securities it deems appropriate and consistent with the client's goals and objectives.
2. Amount of securities to be bought and sold: Unless the client specifically requests to have final approval of amounts of purchases and sales, the Advisor will determine amounts it considers appropriate and consistent with the client's goals and objectives.
3. Broker or dealer to be used: The client retains the right to specify a particular broker or dealer. If the client does not specify a particular broker or dealer, the Advisor will select the brokers or dealers that will execute the purchases and sales of portfolio securities for the client. Advisor will use its best efforts to obtain the best available price and most favorable execution through broker-dealers that have a track record for financial stability, customer satisfaction and quality service.
4. Commission rates paid: The Advisor will use its best efforts to obtain competitively low commission rates, but may also pay higher commission in recognition of brokerage services felt necessary for better executions and related services, if this is in the client's best interest.

Advisor usually recommends a broker-dealer that provides custodial services, as well as trade execution, clearance and settlement of transactions.

While the Advisor believes this generally can be accomplished at commission rates that are comparable to those of other qualified broker-dealer firms, it is possible that clients will pay higher commissions.

There is no direct link between the broker-dealer services and the services Lamont Trading Advisors, Inc. provides to its clients, but we do receive some economic benefits. These benefits include receipt of duplicate client statements and confirmations, access to an electronic communications network for client order entry and account information, and access to mutual funds with no transaction fees. These benefits received by Lamont Trading Advisors, Inc. do not depend on the amount of brokerage transactions directed to the broker-dealer.

As part of its fiduciary duties to clients, Lamont Trading Advisors, Inc. endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Lamont Trading Advisors, Inc. in and of itself creates a potential conflict of interest; these benefits may indirectly influence Lamont Trading Advisors' choice of the broker-dealer.

Review of Accounts

Accounts are monitored on a continuous basis. They will be reviewed monthly for accuracy, appropriateness of investment holdings in relation to current market conditions, and long term prospects and trends. Additional reviews are conducted upon client request or client withdrawals and deposits. Paul J. Lamont is the sole reviewer.

Reviews: Daily – Unusual market moves
 Weekly – all accounts
 Monthly – all accounts
 Quarterly – all accounts

Reviewer: Paul J. Lamont is the sole reviewer

Client Referrals and Other Compensation

Lamont Trading Advisors, Inc. does not compensate for client referrals.

Custody

The Clients' financial institution holds their assets, securities and cash. However, LTA is considered to have custody in a limited capacity, referred to as 'constructive custody.' This is because the Client may authorize the financial institution to pay LTA's management fee, following the submission of a bill to the financial institution. Constructive custody is only due to the withdrawal of fees and does not entail all the legal and regulatory requirements as an investment advisor with physical custody of Client funds. Therefore, Clients will only receive account statements from their financial institution.

Investment Discretion

Through a limited power of attorney, Lamont Trading Advisors Inc. accepts discretionary authority to manage securities accounts on behalf of our clients. Lamont Trading Advisors, Inc. has the authority to determine, without specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

For our private consultation service, assets are under the Client's sole discretion. No discretionary power or trading authority is granted to the Advisor.

Voting Client Securities

Lamont Trading Advisors Inc. does not accept authority to vote for its clients.

Financial Information

Lamont Trading Advisors, Inc. does not require prepayment of fees. We also do not have any financial impairment that would preclude the firm from meeting contractual commitments.

Requirements for State-Registered Advisers

Paul J. Lamont is the sole individual who determines investment advice given to clients and is the sole executive officer of Lamont Trading Advisors, Inc.

- Birth date: February 1, 1980
- Education: B.S. from Vanderbilt University, Double major in Economics and Engineering Science with a Minor in Management of Technology
- Business background:
 - February 2004 - Current: Lamont Trading Advisors, Inc.

- July 2003 - November 2003, clerical office assistant, Madison Deane Associates, Inc.
- 2000 - 2002, part-time (during college): Smith Barney (Decatur, Alabama and Nashville, Tennessee), clerical assistant to back office.

Mr. Lamont was also President of Eureka Cattle Company Inc. from 2010-2020.

Privacy Policy

Lamont Trading Advisors, Inc. has adopted various procedures to implement the firm's policy and reviews to monitor and insure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

Non-Disclosure of Client Information

Lamont Trading Advisors, Inc. maintains safeguards to comply with federal and state standards to guard each client's nonpublic personal information. Lamont Trading Advisors, Inc. does not share any nonpublic personal information with any nonaffiliated third parties, except in the following circumstances: As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account; As required by regulatory authorities or law enforcement officials who have jurisdiction over Lamont Trading Advisors, Inc., or as otherwise required by any applicable law; and To the extent reasonably necessary to prevent fraud and unauthorized transactions. Employees are prohibited, either during or after termination of their employment, from disclosing nonpublic personal information to any person or entity outside Lamont Trading Advisors, Inc., including family members, except under the circumstances described above. An employee is permitted to disclose nonpublic personal information only to such other employees who need to have access to such information to deliver our services to the client.

Security and Disposal of Client Information

Lamont Trading Advisors, Inc. restricts access to nonpublic personal information to those employees who need to know such information to provide services to our clients. Any employee who is authorized to have access to nonpublic personal information is required to keep such information in a secure compartment or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Computer passwords shall be changed every 90 days.

Any conversations involving nonpublic personal information, if appropriate at all, must be conducted by employees in private, and care must be taken to avoid any unauthorized persons overhearing or intercepting such conversations. Any employee who is authorized to possess "consumer report information" for a business purpose is

required to take reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal.

Privacy Notices

Lamont Trading Advisors, Inc. will provide each client with initial notice of the firm's current policy when the client relationship is established. Lamont Trading Advisors, Inc. shall also provide each such client with a new notice of the firm's current privacy policies at least annually. If, at any time, Lamont Trading Advisors, Inc. adopts material changes to its privacy policies, the firm shall provide each such client with a revised notice reflecting the new privacy policies. The Compliance Officer is responsible for ensuring that required notices are distributed to Lamont Trading Advisors, Inc.'s clients.

Brochure Supplement

Paul J. Lamont is the sole individual who determines investment advice given to clients and is the sole executive officer of Lamont Trading Advisors, Inc.

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- Education: B.S. from Vanderbilt University, Double major in Economics and Engineering Science with a Minor in Management of Technology
- Business background:
 - February 2004 - Current: Lamont Trading Advisors, Inc.
 - July 2003 - November 2003, clerical office assistant, Madison Deane Associates, Inc.
 - 2000 - 2002, part-time (during college): Smith Barney (Decatur, Alabama and Nashville, Tennessee), clerical assistant to back office.

Disciplinary Information: None

Other Business Activities: Mr. Lamont was President of Eureka Cattle Company Inc. from 2010-2020.

Additional Compensation: None

Supervision: As senior member of the company, I receive no direct supervision.

Arbitration Claims: None

Self Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Lamont Trading Advisors^{Inc}

470 Providence Main St Suite 302B Huntsville, AL 35806 T/F (256) 850-4161

RE: Regulation Best Interest disclosure

As you know Lamont Trading Advisors, Inc is a registered investment advisor. We differ from a brokerage firm in that we buy and sell securities for your portfolio on your behalf for a set fee, whereas a broker typically executes trades for customers and are generally paid commissions. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS which also provides educational materials about investment advisors, brokers and investing.

What investment services and advice can you provide me?

If you have an account with us, you have opted to hire us as your investment manager. We will make the decision to buy, sell or hold securities in your account. This is called discretionary authority. We will also conduct ongoing daily monitoring of your positions. To open an account, we do not require an account minimum. Because we are so focused on the best opportunities as we see them, you only receive advice regarding a limited range of investments. For example, we would not offer advice on complex option trades.

CONVERSATION STARTER

- Given my financial situation, should I choose an investment advisory service? Why or why not? 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?

What fees will I pay?

You will incur advisory fees which are assessed quarterly at the rate of 1% per year. This management fee does not include trade commissions to the broker/dealer, account charges by the custodian or other expenses of investment products. Because we are compensated based on the amount of assets in your account, we are incentivized to increase your assets. During periods of lower trading activity, our advisory fee may be higher than the transaction charges you would have paid in a brokerage account. To determine whether an investment advisory account is appropriate for you, you should carefully analyze the projected costs of an investment advisory account versus a brokerage account based on factors such as expected size, volume and frequency transactions, projected holding period and the advisory services provided by another financial professional.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

CONVERSATION STARTER

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

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?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. Therefore, we do not receive any monetary compensation other than what is deducted quarterly from your account. While there is no direct link between the broker dealer and the services we provide, we do receive some economic benefits. These benefits include receipt of duplicate client statements and confirmations, access to electronic order entry and account information, and access to mutual funds with no transaction fees. These benefits do not depend on the amount of brokerage transactions directed to the broker/dealer but indirectly affect our choice of broker-dealer.

If you do not wish to purchase ongoing investment management services and you wish to follow a buy and hold strategy, you should consider opening a brokerage account somewhere else rather than a fee-based account.

CONVERSATION STARTER

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

Do you or your financial professionals have legal or disciplinary history?

No. Please visit Investor.gov/CRS for a free and simple search tool to research us and/or other financial professionals.

CONVERSATION STARTER

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

Additional Information: This Form CRS is an SEC-mandated summary disclosure on certain important topics about Lamont Trading Advisors. The information in this Form CRS is subject to the more complete terms and conditions of our investment advisory agreements and disclosures

(including Form ADV Part 2), and does not create or modify any agreement, relationship or obligation you have with us. If you would like additional information or a copy of this Form CRS, please call us at (256)850-4161. Our Form CRS is also available at LTAdvisors.net/CRSForm.

CONVERSATION STARTER

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker/dealer? Who can I talk to if I have concerns about how this person is treating me?