

ADV Part 3: Client Relationship Summary

June 30, 2020



Kerns Capital Management, Inc. is registered with the Securities and Exchange Commission as a Registered Investment Advisor. Because brokerage and investment advisory services differ, it is important that you 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. The “Conversation Starters” below are intended to be conversation starters for you to have with us and are required by the instructions to Form CRS.

What investment services and advice can you provide me?

A family wealth advisor. We have developed and refined a proprietary process to help grow and protect our client’s wealth, engage outside professionals as their lives unfold and needs evolve, and to put all the pieces of their financial puzzle together. Our services include portfolio management, financial planning, consulting and value-added services.

Monitoring. We will manage your portfolio based on your investment objectives and other special circumstances. We will monitor your investments on an ongoing basis and make changes as we determine necessary.

Investment Authority. We manage portfolios on a discretionary basis, which means we have the authority to buy and sell investments in your account without speaking to you prior to doing so. You can place reasonable restrictions on the securities that we buy by notifying us, in writing.

Investment Offerings. We do not limit the scope of securities we use in managing your account. We use equity securities (“stocks”), fixed income securities (“bonds”), mutual funds and exchange traded funds (ETFs).

Account Minimums: We typically require a minimum account size of \$250,000 to open or maintain a relationship; however, we reserve the right to accept a client. We aggregate client accounts for purposes of this requirement.

For detailed information about our Fees & Services, please See Items 4 and 7, respectively, in our [Form ADV Part 2A](#).

Conversation Starters

1. Given my financial situation, should I choose an investment advisory service? Why or why not?
2. How will you choose investments to recommend to me?
3. What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?”

What fees will I pay?

You will pay an ongoing **asset-based fee** according to the terms of our advisory agreement with you based on the value of the cash and investments in your account. Our standard fees range from 0.75% to 2% of assets under management and are negotiated on an individual basis. The more assets there are in your advisory account, the more you will pay in fees, and this creates an incentive for us to encourage you to increase the amount of assets you entrust to us.

You are responsible for all fees charged by the custodian, executing broker-dealer and/or investment provider. Our asset-based fees are separate and distinct. Our fees do not vary based on the type of investments we select on your behalf.

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. For more detailed information about our Fees and Costs, please See Item 5.A., B., C. and D in our [Form ADV Brochure](#).

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 must 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 your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are examples to help you understand what this means.

We are the sub-advisor to the AXS Multi-Strategy Alternatives Fund. We have an incentive to invest in that fund because the sponsor of this investment shares with us revenue it earns on the fund. We mitigate this conflict of interest by reducing your advisory fee on a dollar-by-dollar basis by the amount of revenue we receive from the fund.

We may recommend rollovers out of employer-sponsored retirement plans and into Individual Retirement Accounts that we manage for an asset-based fee. If we don't currently manage your account held with your employer's plan, this will increase our compensation.

For more detailed information about our Conflicts of Interest please see our [Form ADV Part 2A Brochure](#).

Conversation Starter

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

How do your financial professionals make money?

Our financial professionals are compensated on a salary and bonus basis. Mr. Kerns is the sole equity owner and stands to receive a share of the profits of the firm. This structure incentivizes our financial professionals to recommend that you place additional assets under our management.

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

No. We encourage you to visit www.investor.gov/crs for a free and simple tool to research our firm and our financial professionals.

Conversation Starter

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

Additional Information.

Additional information about our firm is available on the SEC's website at www.adviserinfo.sec.gov. You may contact our Chief Compliance Officer, Martin Kerns, at any time to request a current copy of our *Relationship Summary* or our Form ADV Part 2A. Mr. Kerns may be reached by telephone at 800.945.2125. Our Form ADV Part 2A is available at: <http://kernscapital.com/wp-content/uploads/2020/03/KCM-ADV-Parts-2A-2B.pdf>.

Conversation Starter

- Who is my primary contact person? Is he or she a representative of KCM? Who can I talk to if I have concerns about how this person is treating me?