

**Brochure**

**Form ADV Part 2A**

**Item 1 - Cover Page**

**Kenneth Frenke & Co., Inc.**

**CRD# 109352**

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[www.Frenke.com](http://www.Frenke.com)

**August 28, 2017**

This Brochure provides information about the qualifications and business practices of Kenneth Frenke & Co., Inc. If you have any questions about the contents of this Brochure, please contact us at (877) 940-9494 or (800) 940-9494 or [info@frenke.com](mailto:info@frenke.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Kenneth Frenke & Co., Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Kenneth Frenke & Co., Inc. also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

**Item 2 - Material Changes**

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on February 17, 2017. Of course the complete Brochure is available to clients at any time upon request.

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#### ***Item 4 - Advisory Business***

##### **General Information**

Kenneth Frenke & Co., ("KF & Co.") Inc. was formed in 1987 and provides fee-only financial counsel from a Biblical perspective. Specifically, KF & Co. provides financial planning and portfolio management services to its clients.

Kenneth B. Frenke and R. Glenn Zimmerman are the owners of KF & Co. Please see ***Brochure Supplements, Exhibit A***, for more information about these and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of December 31, 2016, KF & Co. managed \$123,963,211 on a discretionary basis, and no assets on a non-discretionary basis.

#### **SERVICES PROVIDED**

New or prospective clients schedule an initial financial overview meeting. Not everyone who meets with a financial planner needs ongoing service. In this meeting, which lasts approximately one hour, we review the main areas of financial planning in light of your specific situation. These areas may include cash flow management, investing, insurance, taxes and estate planning. We try to be as specific as we can with our advice when that is possible. We will be able to tell you what steps we would recommend you take to pursue your goals. This is done without any expectation on our part that you will choose us to do further work. For example, we may not be able to tell you if you can retire in ten years, but we can assess the progress you are making and suggest the steps you can take to determine when you can retire.

When a client decides to retain KF & Co. for financial planning and/or portfolio management services, we spend time with the client at the outset of the relationship, asking questions, discussing your investment experience and financial circumstances, and broadly identifying your major goals. We will usually ask you to complete extensive financial planning and investment questionnaires.

If you retain KF & Co. to prepare a full financial plan, you will receive a report assessing where you are financially today and recommending specific steps to help you achieve your goals. This includes financial projections and portfolio recommendations. While some clients choose to manage their own portfolio, most subsequently decide to retain KF & Co. to implement the investment portion of the plan. In these situations, we develop and follow an Investment Policy Statement ("IPS") based on the financial plan. The IPS takes into consideration your temperament and risk tolerance, specific needs and individual circumstances.

While we almost always prepare a financial plan for each client, occasionally a client does not need planning services and will retain KF & Co. to develop an investment plan, which they can either implement on their own or choose to have us manage on their behalf.

Finally, KF & Co. may also be engaged to provide limited financial planning or general consulting services, in which case we work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

With respect to any account for which KF & Co. meets the definition of a fiduciary under Department of Labor rules, KF & Co. acknowledges that both KF & Co. and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between KF & Co. and Client.

### Financial Planning

Financial planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, cash flow management, retirement planning, education funding, and investment portfolio design and ongoing management. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Working with your attorney to plan for the efficient transfer of assets to heirs, including assisting you with the many family issues that may be involved. (However, we do not act as an attorney or prepare estate documents.);
- Assessing risk and reviewing basic insurance needs; or
- Reviewing goals and objectives and measuring progress toward these goals.

Once financial planning advice is given, the client may choose to have KF & Co. implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by KF & Co. under a Financial Planning engagement and/or engage the services of any recommended professional.

### Portfolio Management

As described above, at the beginning of a client relationship, KF & Co. meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Policy Statement. The IPS will be periodically reviewed and updated from time to time when requested by the client, or when determined to be necessary or advisable by KF & Co. based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, KF & Co. will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, KF & Co. will have the authority to supervise and direct the portfolio, following the agreed upon IPS guidelines, without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on KF & Co. in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For

these and other reasons, such as liquidity and cash flow needs, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ. Thus, clients should not expect that the composition or performance of their investment portfolios would necessarily be identical to portfolios of similar clients of KF & Co.

### ***Item 5 - Fees and Compensation***

#### **General Fee Information**

Fees paid to KF & Co. are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to KF & Co. are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, KF & Co. and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### **Financial Planning Fees**

Most fees range, depending on the complexity of the client's circumstances, between \$1,500 and \$5,000. This fee is payable partially in advance, with the remainder due according to an agreed upon schedule.

#### **Portfolio Management Fees**

The annual fee schedule, based on a percentage of assets under management, is as follows:

|                           |       |
|---------------------------|-------|
| First \$500,000           | 1.00% |
| Next \$1,000,000          | 0.75% |
| Next \$1,000,000          | 0.50% |
| Balance above \$2,500,000 | 0.25% |

KF & Co. may impose a minimum portfolio value for managed accounts and sets a minimum annual fee for any account. This minimum annual fee is currently \$1,250. KF & Co. may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where KF & Co. deems it appropriate under unique circumstances.

Portfolio management fees are generally payable quarterly, in arrears. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

Either KF & Co. or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to KF & Co. from the client will be invoiced or deducted from the client's account prior to termination.

### ***Item 6 - Performance-Based Fees and Side-By-Side Management***

KF & Co. does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because KF & Co. has no performance-based fee accounts, it has no side-by-side management.

### ***Item 7 - Types of Clients***

KF & Co. primarily provides investment services to individuals, trusts, and estates.

### ***Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss***

#### **Methods of Analysis**

In accordance with the IPS, KF & Co. will primarily invest in mutual funds, ETFs and other pooled investments available through brokerage firms. Some individual bonds and common stocks may also be included as appropriate for client accounts.

**Equity investments may include:** open and closed end mutual funds, ETFs; U.S. and international stocks, including large cap, mid cap and small cap stocks; real estate investment trusts (REITs), as well as tactical and other types of investments.

**Income Investments may include:** Open and closed end mutual funds; ETFs; bonds and notes of varying maturities and quality including, without limitation, U.S. Treasury notes and bonds, corporate bonds, municipal bonds and international bonds; certificates of deposit and money market funds; utility and preferred stocks, target term trusts, as well as tactical and other types of investments.

Income-producing investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. KF & Co. may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

KF & Co. uses several methods to carefully evaluate investments for use in client accounts using a number of different sources. This includes a professional version of Morningstar that allows us to search the universe of mutual fund and stock investments based on a number of different criteria such as Morningstar rating, investment category, and performance compared to similar funds. The formal Morningstar rating system is less important than such things as the manager, fund objective overall ratings for safety and returns, style, performance history, and other factors. Further research is conducted using professional articles, investment newsletters and periodicals. KF & Co. also obtains information directly from fund companies, as much as possible, through phone calls, investment conference calls and in-person meetings. This helps us understand the reasons for a fund's under performance or out performance. Our investment committee must be in agreement before we make investment or policy changes.

### Investment Strategies:

KF & Co.'s strategic approach is to invest each portfolio in accordance with the IPS that has been developed specifically for each client. Any investment strategy must consider your financial objectives, liquidity requirements, risk tolerance/temperament, and time horizon. While there is no perfect strategy, we have found broad asset allocation with periodic rebalancing meets the needs of most investors.

### Risk of Loss

While KF & Co. seeks to diversify clients' investment portfolios across various asset classes consistent with their IPS in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While KF & Co. manages client investment portfolios based on KF & Co.'s experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that KF & Co. allocates client assets to individual securities and/or asset classes that are adversely affected by unanticipated market movements, and the risk that KF & Co.'s specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, KF & Co. may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* KF & Co. will usually invest portions of client assets directly into equity investments, primarily in pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* KF & Co. may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* KF & Co. may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

### ***Item 9 - Disciplinary Information***

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of KF & Co. or the integrity of KF & Co.'s management. KF & Co. has no disciplinary events to report.

### ***Item 10 - Other Financial Industry Activities and Affiliations***

Neither KF & Co. nor its Management Persons have any other financial industry activities or affiliations to report.

### ***Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

#### Code of Ethics and Personal Trading

KF & Co. has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. KF & Co.'s Code has several goals. First, the Code is designed to assist KF & Co. in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, KF & Co. owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with KF & Co. (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for KF & Co.'s associated persons. Under the Code's Professional Standards, KF & Co. expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, KF & Co. associated persons are not to take inappropriate advantage of their positions in relation to KF & Co. clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, KF & Co.'s associated persons may invest in the same securities recommended to clients. Under its Code, KF & Co. has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

#### Participation or Interest in Client Transactions

Because client accounts are invested mostly in open-end mutual funds and ETFs, there is little opportunity for a conflict of interest between personal trades by KF & Co. associated persons and



trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified potential trading conflicts of interest, KF & Co.'s goal is to place client interests first.

Consistent with the foregoing, KF & Co. maintains policies regarding participation in initial public offerings ("IPOs") and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a KF & Co. associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with KF & Co.'s written policy.

## ***Item 12 - Brokerage Practices***

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, KF & Co. seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, KF & Co. may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of KF & Co.'s clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

KF & Co. recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. KF & Co. may also effect trades for client accounts at Schwab, or may in some instances, consistent with KF & Co.'s duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although KF & Co. may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. KF & Co. is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides KF & Co. with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help KF & Co. manage or administer our clients' accounts while others help KF & Co. manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For KF & Co. client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to KF & Co. other

products and services that benefit KF & Co. but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of KF & Co. accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist KF & Co. in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of KF & Co.'s fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help KF & Co. manage and further develop its business enterprise. These services may include: (i) technology, compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to KF & Co. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to KF & Co. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of KF & Co. personnel. In evaluating whether to recommend that clients custody their assets at Schwab, KF & Co. may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

KF & Co. also participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional, a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"). TD Ameritrade offers its Program to independent investment advisers. The Program includes such services as custody of securities, trade execution, clearance and settlement of transactions. KF & Co. receives some benefits from TD Ameritrade through its participation in the Program. KF & Co. is independently owned and operated and is not affiliated with TD Ameritrade.

KF & Co. recommends TD Ameritrade to clients for custody and brokerage services. While there is no direct link between KF & Co.'s participation in the Program and the investment advice it gives to its clients, through its participation in the Program KF & Co. receives economic benefits that are typically not available to TD Ameritrade retail investors. These benefits generally include, without limitation, the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Program participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to KF & Co. by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by KF & Co.'s related persons. These services are not soft dollar arrangements, but are part of the institutional platform offered by TD Ameritrade.

Some of the products and services made available by TD Ameritrade through the Program may benefit KF & Co. but may not directly benefit its client accounts. These products or services may assist KF & Co. in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help KF & Co. manage and further develop its business enterprise. The benefits received by KF & Co. or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, KF & Co. endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by KF & Co. or its related persons in and of itself creates a potential conflict of interest and may indirectly influence KF & Co.'s choice of TD Ameritrade for custody and brokerage services.

#### Directed Brokerage

In certain unique circumstance, clients may direct KF & Co. to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangements that KF & Co. has with Schwab and TD Ameritrade are designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing KF & Co. to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with KF & Co. that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

#### Aggregated Trade Policy

KF & Co. typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, KF & Co. may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities. If such an aggregated trade is not completely filled, KF & Co. will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by KF & Co. or its officers, directors, or employees will be excluded first.

### ***Item 13 - Review of Accounts***

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by KF & Co. These factors generally include but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Kenneth Frenke, KF & Co.'s President, Glenn Zimmerman, KF & Co.'s Vice President, and Ken Downer, Financial Planner of KF & Co., review all accounts.

For those clients to whom KF & Co. provides separate financial planning and/or consulting services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of KF & Co.'s investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, KF & Co. provides at least an annual report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

### ***Item 14 - Client Referrals and Other Compensation***

As noted above, KF & Co. receives an economic benefit from Schwab and TD Ameritrade in the form of support products and services it makes available to KF & Co. and other independent investment advisors that have their clients maintain accounts at Schwab and TD Ameritrade. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab's products and services to KF & Co. is based solely on our participation in the programs and not in the provision of any particular investment advice. Neither Schwab nor TD Ameritrade nor any other party is paid to refer clients to KF & Co.

### ***Item 15 - Custody***

Schwab and TD Ameritrade are the custodians of nearly all client accounts at KF & Co. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify KF & Co. of any questions or concerns. Clients are also asked to promptly notify KF & Co. if the custodian fails to provide statements on each account held.

From time to time and in accordance with KF & Co.'s agreement with clients, KF & Co. will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times, there may be small differences due to accrued interest, the timing of dividend reporting, and pending trades.

### ***Item 16 - Investment Discretion***

As described above under ***Item 4 - Advisory Business***, KF & Co. manages portfolios on a discretionary basis. This means that after an IPS is developed for the client's investment portfolio, KF & Co. will execute that plan without specific consent from the client for each transaction. For

discretionary accounts, a Limited Power of Attorney (“LPOA”) is executed by the client, giving KF & Co. the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. KF & Co. then directs investment of the client’s portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client’s investment advisory agreement with KF & Co. and the requirements of the client’s custodian. The discretionary relationship is further described in the agreement between KF & Co. and the client.

### ***Item 17 - Voting Client Securities***

Where KF & Co. has authority to vote proxies, KF & Co. will seek to vote proxies in the best interest of the client(s) holding the applicable securities. In voting proxies, KF & Co. considers factors that KF & Co. believes relate to the client’s investment(s) and factors, if any, that are set forth in written instructions from the client.

In general, KF & Co. believes that voting proxies in accordance with the following guidelines, with respect to routine items, is in the best interests of our clients. KF & Co. generally votes **for** proposals that strengthen the shared interests of shareholders and management, proposals that KF & Co. believes may lead to an increase in shareholder value or that maintain or increase the rights of shareholders.

KF & Co. will generally vote **against** any proposals that KF & Co. believes will have a negative impact on shareholder value or rights. If KF & Co. perceives a conflict of interest, KF & Co.’s policy is to notify affected clients so that they may choose the course of action they deem most appropriate.

A copy of our complete policy, as well as records of proxies voted; are available to clients upon request. As required under the Advisers Act, such records are maintained for a period of five (5) years.

### ***Item 18 - Financial Information***

KF & Co. does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure required for this item.

# **Exhibit A**

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Kenneth B. Frenke, CFP®**

**CRD# 1155183**

**of**

**Kenneth Frenke & Co., Inc.**

15 Loop Road  
Suite 105  
Arden, North Carolina 28704

(877) 940-9494

[www.Frenke.com](http://www.Frenke.com)

August 28, 2017

This Brochure Supplement provides information about Ken Frenke, and supplements the Kenneth Frenke & Co., Inc. ("KF & Co.") Brochure. You should have received a copy of that Brochure. Please contact us at (877) 940-9494 if you did not receive KF & Co.'s Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Ken is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Kenneth B. Frenke (year of birth 1946) founded KF & Co. in 1987 and serves as its President. Ken is a speaker and writer and has presented the biblical principles of finances on radio since 1986. He served as the Financial Analyst for SRN News and for more than two decades was a regular guest on Moody Radio. Ken sees KF & Co.'s personnel as not just technicians, but as friends and trusted counselors to those whom God has called them to serve.

Because of his consumer-oriented approach to money management, Ken's opinion has been sought over the years by diverse groups such as Crown Financial Ministries, Good Morning America, The New York Times and Money Magazine. Ken holds the CERTIFIED FINANCIAL PLANNER™ certification\* and the Certified Kingdom Advisor, CKA® designation.\*\* He is a member of the Financial Planning Association ("FPA"), the National Association of Personal Financial Advisors ("NAPFA") and is a Member of Kingdom Advisors of which he was a founding board member and past chairman.

Ken received his Bachelor of Science degree from Allegheny College and, following United States Military Service in the Republic of South Vietnam, he received a Master of Science degree from Adelphi University. Ken enjoys traveling, walking, color pencil drawing, astronomy and accumulating friends and pre-war tinplate toy trains. He and his wife, Pat, reside on a small mountainside near Asheville, North Carolina, are members of Trinity Presbyterian Church (PCA) and enjoy frequent visits to their children and grandchildren.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination, experience and ethics requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. A comprehensive examination tests the candidate's ability to apply financial planning knowledge to client situations. Qualifying work experience is also required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process. CFP® professionals must complete 30 hours of continuing education accepted by CFP Board every two years.

\*\* The central mission of Kingdom Advisors ("KA") is to benefit the public by granting the Certified Kingdom Advisor® designation and upholding it as the standard of excellence for biblically wise financial advice. As part of that mission, all Certified Kingdom Advisor® designees are required to remain in substantial compliance with a set of ethical principles, rules, and standards in order to use or to continue to use the Certified Kingdom Advisor® designation. Attaining the Certified Kingdom Advisor® designation allows advisers to confidently integrate technical expertise and biblically wise counsel in the financial advising role. The designation sets advisers apart as a financial professional who has pursued faith/work integration to the highest credentialed level in the financial advising world. More and more Christians are discovering that the worldview of their financial advisor is of critical importance. The Certified Kingdom Advisor® provides a principled class of Christian financial advisors who have been trained in biblically wise financial advice to men and women seeking biblically wise financial counsel,

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Ken has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Ken is not engaged in any other business activities.

### ***Item 5 - Additional Compensation***

Ken has no other income or compensation to disclose.



***Item 6 - Supervision***

Ken Frenke is the President of KF & Co. Glenn Zimmerman is the Vice President and Ken Downer is a Financial Planner and Chief Compliance Officer of KF & Co. All are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ken Downer is responsible for providing compliance oversight to the staff; Ken also participates as a team member in the investment and trading processes. Ken may be contacted at the phone number as shown on the cover page.

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**R. Glenn Zimmerman, J.D., CFP®**

**CRD# 2831422**

1870 The Exchange  
Suite 100  
Atlanta, GA 30339

(770) 980-2506

**of**

**Kenneth Frenke & Co., Inc.**

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Suite 105  
Arden, North Carolina 28704

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[www.Frenke.com](http://www.Frenke.com)

August 28, 2017

This Brochure Supplement provides information about Glenn Zimmerman, and supplements the Kenneth Frenke & Co., Inc. ("KF & Co.") Brochure. You should have received a copy of that Brochure. Please contact us at (800) 940-9494 or (877) 940-9494 if you did not receive KF & Co.'s Brochure, or if you have any questions about the contents of this Supplement.

Additional information about Glenn is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

R. Glenn Zimmerman (year of birth 1970) joined KF & Co. in 1996. Glenn currently serves as KF & Co.'s Vice-President, Chair of its Investment Committee and manages its Atlanta office. He also travels to South Florida to meet with clients. Glenn holds the CERTIFIED FINANCIAL PLANNER™ certification\* and is an attorney and member of The Florida Bar. He received a Bachelor of Science in Mathematics and a Bachelor of Arts in Biblical Studies from Wheaton College. Glenn received his law degree\*\* (J.D.) from Regent University School of Law. He is also a Certified Kingdom Advisor® ("CKA®").\*\*\*

Glenn provides periodic financial commentary on the Moody Bible Institute station, WRMB, in South Florida. He serves on the Board of Governors for Opportunity International ([www.opportunity.org](http://www.opportunity.org)), a charity that provides micro-loans to the desperately poor around the world. These loans give the poor dignity, and the opportunity to work their way out of poverty. Glenn lives in Atlanta with his wife, Emily, and their dog, Alex. He enjoys traveling with Emily, trail running and mountain biking.

\* The CFP® certification is granted by Certified Financial Planner Board of Standards, Inc. (CFP Board). To attain the certification, the candidate must complete the required educational, examination, experience and ethics requirements set forth by CFP Board. Certain designations, such as the CPA, CFA and others may satisfy the education component, and allow a candidate to sit for the CFP® Certification Examination. A comprehensive examination tests the candidate's ability to apply financial planning knowledge to client situations. Qualifying work experience is also required for certification. Qualifying experience includes work in the area of the delivery of the personal financial planning process to clients, the direct support or supervision of others in the personal financial planning process, or teaching all, or any portion, of the personal financial planning process. CFP® professionals must complete 30 hours of continuing education accepted by CFP Board every two years.

\*\* A Juris Doctorate degree is the degree commonly conferred by law schools.

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### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Glenn has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Glenn is not engaged in any other business activities.

### ***Item 5 - Additional Compensation***

Glenn has no other income or compensation to disclose.

***Item 6 - Supervision***

Ken Frenke is the President of KF & Co. Glenn is the Vice President and Ken Downer is a Financial Planner and Chief Compliance Officer of KF & Co. All are Portfolio Managers and serve on the investment committee.

Overall investment decisions are made as a team by the investment committee, and portfolio activity based on these decisions will be carried by these individuals, as assisted by other staff members of the firm.

As Chief Compliance Officer, Ken Downer is responsible for providing compliance oversight to the staff; Ken also participates as a team member in the investment and trading processes. Ken may be contacted at the phone number as shown on the cover page.

**Brochure Supplement**

**Form ADV Part 2B**

**Item 1 - Cover Page**

**Kenneth F. Downer, CPA, CFP®**

**CRD# 4480846**

**of**

**Kenneth Frenke & Co., Inc.**

15 Loop Road  
Suite 105  
Arden, North Carolina 28704

(877) 940-9494

[www.Frenke.com](http://www.Frenke.com)

August 28, 2017

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Additional information about Ken is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

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***Item 2 - Educational Background and Business Experience***

Kenneth F. Downer (year of birth 1966) joined KF & Co. in 2007 as a Financial Planner. He now serves as Chief Compliance Officer and Member of KF & Co.'s Investment Committee. Ken is a Certified Public Accountant\* (CPA) and holds the CERTIFIED FINANCIAL PLANNER™ certification\*\*. He is a member of the National Association of Personal Financial Advisors (NAPFA), the American Institute of Certified Public Accountants ("AICPA") and is also a Certified Kingdom Advisor®("CKA®").\*\*\* Ken graduated from the University of Georgia with a Bachelor of Arts degree in Accounting in 1989 and worked in a leading CPA firm in Atlanta where he met his wife-to-be, Beth, who worked for the same firm. When they decided to marry, Ken left the firm and joined Georgia-Pacific Corporation, a Fortune 100 company.

As their family grew, they moved to Minnesota so their children would grow up around Beth's family in Minneapolis. Ken worked for a local CPA firm located in Hopkins, Minnesota and after 4 years, helped them start Hopkins Financial Advisors, LLC, a financial planning firm. Desiring to have the freedom to apply Biblical principles in his practice, his own firm, IHS Financial Planning,

Inc., was born in November 2002. While that decision was rewarded with great clients and strong business growth, their roots in the South (Ken grew up in Stone Mountain, Georgia and Beth graduated from Western Carolina University) tugged at their hearts.

Ken had met Ken Frenke, KF & Co.'s Founder and President, several years earlier through Kingdom Advisors and when the opportunity arose, both Kens (as KF & Co. likes to call them) welcomed the opportunity to work together. Ken and Beth have settled with their four daughters in Mills River, North Carolina and are active in Grace Community Church (PCA), and the local volleyball and home schooling communities.

\* A CPA is a Certified Public Accountant. ALL CPA candidates must pass the Uniform CPA Examination to qualify for a CPA certificate and license to practice public accounting. While the exam is the same regardless of where it is taken, every state/jurisdiction has its own set of education and experience requirements that individuals must meet. However, most states require at least a bachelor's degree and a concentration in accounting, and at least one year public accounting experience under the supervision of or verification by a CPA. Once the designation is attained, the CPA is required to meet continuing education requirements.

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### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Ken has no such disciplinary information to report.

***Item 4 - Other Business Activities***

Ken is not engaged in any other business activities.

***Item 5 - Additional Compensation***

Ken has no other income or compensation to disclose.

***Item 6 - Supervision***

Ken Frenke is the President of KF & Co. Glenn Zimmerman is the Vice President and Ken Downer is a Financial Planner and Chief Compliance Officer of KF & Co. All are Portfolio Managers and serve on the investment committee.

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