

Kenney Investments, Inc.
Form ADV, Part 3 (Relationship Summary)
March 25, 2024

Kenney Investments, Inc. (KI), established in 1989, is a privately held investment counseling firm registered with the Securities and Exchange Commission as an Investment Adviser.

Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at <https://investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

KI is an investment advisory firm that manages investment portfolios for retail investors. Our minimum account size is generally \$1.3 million. We are long-term investors with a relatively low portfolio turnover. Our philosophy is to treat clients individually while assessing their risk parameters and attempting to meet their investment objectives. Investment advice is provided on a continuing basis. Each portfolio, which may invest in large cap stocks, covered call options, mutual funds, ETFs, and high-quality fixed income securities, is tailored to the particular client's needs and objectives. Clients are free to impose restrictions regarding the purchase of individual securities or types of securities. Brian and Greg Kenney will provide ongoing documented review of all accounts. This will include a quarterly review of asset allocation, diversification, and individual holdings to assure they meet client needs and objectives. We are knowledgeable in the management of individual retirement plans and coordinating one's retirement plan with other investment accounts to minimize income taxes while meeting any required annual distributions. In addition, we assist in making decisions on such related financial matters as gifts to family members and/or charity and the appropriate mortgage strategy in the purchase of a primary or second home. As of 12/31/23, 80% of the assets under management were in discretionary accounts where KI can buy or sell any security (based on client objectives and investment guidelines) deemed appropriate without seeking your prior approval. We offer non-discretionary accounts where security trades are suggested, but the client makes the ultimate decision.

In general, we do not recommend you invest in private limited partnerships or placements.

Conversation starters. Ask your financial professional:

- **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?

Our fee is 0.75% ([sample of fee calculation](#)) per annum of the assets managed for a typical account. Fees are calculated at the annual rate and then billed on a quarterly basis based on the value of your account at the end of the previous quarter. The billing value is the market value of the account less the value of any exempted assets. Our fees are negotiable for larger accounts or accounts with a large holding of one security. Generally, our minimum quarterly fee is \$2,500. Our clients will also be subject to brokerage commissions, bank custodian fees (if utilized), or embedded mutual fund management fees if held in their account. See Item 5 of our ADV Part II for a more detailed response available at:

https://drive.google.com/file/d/1S9Y12KLIymDf6Qme0atzxtJgP17r898M/view?usp=drive_link

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 starters. Ask your financial professional: ([sample of fee calculation](#))

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

As mentioned above, every kind of fee involves the possibility of conflicting interests. Since our revenue is from fees charged on the value of your account, we could be motivated to recommend that you put more assets in your account. We recommend you keep your accounts at Schwab because of their very low commission rates (sometimes \$0), compatible interface with our software, and overall professionalism. KI may have incentive to select or recommend Schwab based on its interest in receiving their research, products, or services, rather than your interest in receiving the most favorable execution. KI employees and immediate family members maintain accounts with the firm. Transactions are reviewed daily by the President for every client, employee, and immediate family member. Principals and employees may invest in the same securities purchased for the clients, but only after discretionary accounts, deemed suitable for the same trade, are entered first. Assuming the trades are suitable for non-discretionary clients, the employee/family trades can be entered ahead of them if the advisor has first attempted to contact the client for trade approval. Refer to KI's ADV Part II for further info.

https://drive.google.com/file/d/1S9Y12KLJymDf6Qme0atzxtJgP17r898M/view?usp=drive_link

Conversation starters. Ask your financial professional:

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

How do your financial professionals make money?

Our revenue comes solely from the advisory fees we collect from managed accounts each quarter. We compensate our principals with a base salary and an annual bonus based on our net revenue after operating expenses. Your fee increases if your managed assets gain in value and your fee will decrease if your managed assets decline in value, but not below the \$2,500 minimum quarterly fee.

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

NO. Visit the free SEC search tool to research our firm and its principals at <https://investor.gov/CRS>.

Conversation starters. Ask your financial professional:

- *As a financial professional, do you have any disciplinary history? For what type of conduct.*
- *Who is my primary contact person? Who can I talk to if I have concerns about how this person is treating me?*

Additional information about our firm can be obtained by calling Greg Kenney at (847) 441-2640 or emailing him at GregHKenney@Gmail.com.