

KANEN WEALTH MANAGEMENT LLC
Form CRS - Client Relationship Summary
March 21, 2024

Kanen Wealth Management LLC (referred to herein as “we,” “us,” or “our”) is registered with the Securities and Exchange Commission as an investment advisor. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available for you to use to research firms and financial professionals at www.investor.gov/crs, which also provides educational materials about broker-dealers, investment advisors, and investing.

WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Our firm provides portfolio management services and alternative investment advisement to individuals and high net-worth individuals. We require a minimum investment amount of \$200,000 to engage our firm for investment advisory services. We analyze your personal and financial circumstances, including but not limited to your tolerance for risk, current assets, investment time horizon, objectives, cash flow needs, tax considerations, as well as other financial data to substantiate whether our investment strategy can assist you in meeting your financial goals and objectives.

We are also the investment advisor to Philotimo Focused Growth and Income, an affiliated open-end mutual fund (the “Mutual Fund”) whose shares are offered to our clients and the general public through unaffiliated financial intermediaries. The Mutual Fund requires an initial investment of \$2,500 and subsequent investments of at least \$1,000.

We generally only exercise discretionary authority to manage your investments. Upon signing our agreement for investment advisory services, you authorize us to use discretionary authority. When we use discretionary authority, we make initial and ongoing decisions about the types of investments used to implement our investment strategy without your prior approval. We consider requests for non-discretionary authority on a case-by-case basis.

Portfolios are typically invested in small-cap equities, common stocks, preferred stocks, and fixed income securities. Our investment strategy utilizes a large proportion of small-cap equities to meet a specific investment objective. Even though we have discretionary authority and our investment implementation decisions do not require your prior approval, you may impose reasonable restrictions on our authority. Typical limits include restrictions on the dollar amount invested in any asset class or investments in a specific industry, etc. Clients are unable to include restrictions relative to investment holdings in the Mutual Fund.

We monitor your portfolio of investments continually during our advisory relationship. We use our discretionary authority to adjust allocations as a result of changes in economic or market conditions or other relevant factors, such as a change in your financial circumstances. The investment advisory agreement that you sign remains in effect until terminated by either you or our firm.

For additional information, please also review Item 4 Advisory Services, Item 7 Types of Clients and Item 16 Investment Discretion of our Brochure. Please also review the Mutual Fund prospectus which can be found at philotimomutualfunds.com.

Ask your financial professional these questions about our relationships and services:

- **Given my 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 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.

We charge an annual ongoing asset-based investment advisory fee for portfolio management services and alternative investment advisement. The annual advisory fee is based on a percentage of the investments we manage for you. We bill you quarterly for our advisory services. Advisory fees are due and payable in advance. Payable quarterly in advance means at the beginning of each calendar quarter. The advisory fee calculation is based on the value of the investment assets in your portfolio, including accrued interest, on the last business day of the previous quarter. Additionally, the value of unaffiliated alternative investments is included as a part of your assets under management for billing purposes.

We also earn an annual management fee of 1% for our advisory services to the Mutual Fund. The annual management is paid by shareholders from the Mutual Fund’s average daily net assets. Therefore, we receive fees from Mutual Fund assets and your other investment portfolio holdings. It is important to note that if you have portfolio holdings in the Mutual Fund, we will exclude the value of those shares/holdings for the purpose of calculating advisory fees.

The advisory fees you pay us do not cover all fees, costs, and expenses associated with investing. You are responsible for paying additional fees and costs which may include but are not limited to transaction costs, account maintenance fees, electronic funds transfer and wire fees, mailing fees, insufficient fund fees, and regulatory fees for securities sold, etc. Please inquire about additional fees, costs, and expenses that impact your investments. We will provide you with a detailed list upon your request.

For additional information, please review our advisory fee schedule in Item 5 Fees and Compensation of our Brochure. This section includes additional details regarding fees and expenses. Also, review Item 12 Brokerage Practices for details regarding our account custodian.

Ask your financial professional this question about the impact of fees and costs on investments:

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000, 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 ADVISOR? HOW ELSE DOES YOUR FIRM MAKE MONEY, AND WHAT CONFLICTS DO YOU HAVE?

When we act as your investment advisor, we have a fiduciary duty to act in your best interest and not put our interests 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.

Our legal obligation requires us to act with a substantial duty of care and operate pursuant to a commitment of loyalty, which means that we are required to provide advice and recommendations that are in your best interest.

In adhering to our duty of care mandate, we must obtain detailed information regarding your financial circumstances. We must also ensure that our recommendations align with your best interest and the analysis of your financial circumstances. We are also required to conduct due diligence regarding the investments we recommend and continually monitor our recommendations during the advisory relationship.

Our duty of loyalty to you requires our firm to provide advice free from self-interest and always place your interests before our own. We must make full and fair disclosure of all material facts related to our investment advisory services. We are also required to avoid or disclose circumstances where our interests actually conflict, could potentially conflict, or have an appearance of conflicts with your interest.

The way we make money conflicts with your interests. We make money by charging you an asset-based advisory fee for portfolio management services. The prospect of additional fee revenue incentivizes us to encourage you to invest more assets with us. We earn additional fees as a result of managing more investments for you. The incentive to increase our assets under management and fee revenue creates an inherent conflict with your interests.

We have a financial incentive to recommend that clients invest in the Mutual Fund rather than similar unaffiliated investments. When we buy shares of the Mutual Fund (an affiliated mutual fund) as a holding in your investment portfolio, we profit through fees paid by the Mutual Fund, compensation that we would not receive from other unaffiliated mutual funds. The receipt of additional fees creates conflicts with your interests.

Please also review [Item 4 Advisory Services](#), [Item 10 Other Affiliations](#), [Item 11 Code of Ethics](#), [Item 12 Brokerage Practices](#), and [Item 17 Proxy Voting](#) of our Brochure for details regarding actual or potential conflicts of interest. Please also review the Mutual Fund prospectus, which can be found at philotimomutualfunds.com.

Ask your financial professional this question about our conflicts of interest:

- **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 paid a salary by our firm. In addition, financial professionals receive bonuses for client referrals. Some financial professionals also receive compensation for investment management services to a (non-retail) proprietary private investment fund and/or ownership interests in affiliated entities (i.e., the Mutual Fund).

DO YOU OR YOUR FINANCIAL PROFESSIONALS HAVE A LEGAL OR DISCIPLINARY HISTORY?

NO; neither our firm nor financial professionals have a legal or disciplinary history. Please also visit www.investor.gov/crs for a free and simple search tool to research our firm and financial professionals.

Ask your financial professional these questions about legal or disciplinary history information:

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

For additional information about our investment advisory services, please visit our website at www.kanenadvisory.com or review the full copy of our Brochure, as attached. If you would like additional, up-to-date information or a copy of this relationship summary, please contact our chief compliance officer, David L. Kanen, by phone (631) 863-3100 or by email at dkanen@kanenadvisory.com.

Ask your financial professional these questions about our firm and its supervisory contacts:

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



SCAN THIS CODE TO
SAVE OUR CONTACT INFO
TO YOUR MOBILE DEVICE

SUMMARY OF CHANGES
Kanen Wealth Management LLC
FORM CRS - CLIENT RELATIONSHIP SUMMARY
MARCH 21, 2024

Regulations require that we advise you of the changes and revisions to this disclosure document. Accordingly, our changes are outlined below:

Header: How Do Your Financial Professionals Make Money?

Changes: This section has been augmented as a result of the firm hiring another investment advisor representative and additional advisory personnel.

We have revised some language throughout this document to ensure that our disclosures are clear and concise.

END OF FORM CRS CHANGE REPORT
(03.31.2023 vs. 03.31.2024)