



Item 1 – Cover Page

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March 23, 2017

This brochure provides information about the qualifications and business practices of KM Capital Management, Ltd. If you have any questions about the contents of this Brochure, please contact us at (512) 697-0290 and/or JFeste@KMCapitalMGT.com. 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 KM Capital Management, Ltd. also is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for KM Capital Management, Ltd. is 132887.

Any references to KM Capital Management, Ltd. as a registered investment adviser or its related persons as registered advisory representatives do not imply a certain level of skill or training.

Item 2 - MATERIAL CHANGES

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

As of March, 2017 KMC has filed an application to register with the SEC and notice file with Texas, Louisiana and Georgia.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Additionally, we will further provide you with a new brochure as necessary based on change or new information, at any time, without charge.

Our brochure may be requested free of charge by contacting Joseph Feste at (512) 697-0290 and/or JFeste@KMCapitalMGT.com. Additional information about KM Capital Management, Ltd ("KMC") is also available via the SEC's website www.adviser.sec.gov. The website also provides information about any persons affiliated with KM Capital who are registered, or are required to be registered, as investment adviser representatives of KM Capital.

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Item 4 - ADVISORY BUSINESS

- A. KMC Management, Ltd. (hereinafter referred to as “KMC”, “we” or “us”) was established in July of 2004. KMC is wholly owned by Joseph Feste.
- B. KMC offers the following advisory services. Each of the services is more fully described below.
- Asset Management
 - Financial Planning and Consulting Services
 - Bookkeeping Services

- C. KMC tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

KMC will ask you to complete a Client Questionnaire and Risk Tolerance Questionnaire to assist KMC with obtaining information about your financial situation and history. Additionally, KMC will meet with you and conduct an interview to continue the due diligence process. The information gathered by KMC will assist KMC to provide you with the requested services and customize the services to your financial situation. Depending on the services you have requested, KMC will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
 - Investment objectives
 - Investment horizon
 - Financial needs
 - Cash flow analysis
 - Cost of living needs
 - Educational needs
 - Savings tendencies
 - Other applicable financial information required by KMC in order to provide the investment advisory services requested.
- D. KMC does not participate in any wrap fee programs.
- E. As of December 31, 2016, we have approximately \$118,262,715 million of client assets under our discretionary management.

KMC Asset Management Program

Upon KMC completing its analysis of your situation, we will determine an asset allocation customized to your financial goals, objectives and risk tolerance and implement the allocation.

KMC provides continuous and ongoing management of your account. KMC will manage the account on a discretionary basis and make changes to the allocation as deemed appropriate. We will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you.

KMC may actively trade securities and hold such holdings for periods of 30 days or less or maintain positions for longer or shorter term periods. Discretionary authority will be granted by you to KMC by execution of the Asset Management agreement.

Your portfolio will be invested in a variety of investment products, including but not limited to, exchange traded funds ("ETFs"), load and no-load mutual funds (load mutual funds are purchased at net asset value "NAV"), stocks, bonds, precious metals, international equities and funds, and money market accounts or other cash equivalents.

You are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

Generally, securities transactions will be directed through Custodian or the broker/dealer where client's account is maintained. However, KMC may direct equity and/or fixed income securities transactions to other broker/dealers such as RBC Dain Rauscher, Coastal Securities, or Crews & Associates. KMC has a relationship with a RBC Dain Rauscher broker, Bryan Boynton; Mr. Boynton is related to Joseph Feste. KMC may direct trades through RBC Dain Rauscher and Mr. Boynton will be paid commissions. Trading costs may be higher or lower at RBC Dain Rauscher than other broker/dealers.

Financial Planning and Consulting Services

KMC offers a range of financial services to clients including financial, estate, real estate and retirement planning services.

KMC will schedule a meeting with you and present the analysis of your situation and recommendations for steps to be taken to assist you to work toward financial goals.

Plans are based on your financial situation at the time and are based on financial information disclosed by you to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. KMC cannot offer any guarantees or promises that your financial goals and

objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Should your financial situation or investment goals or objectives change, you must promptly notify us.

You are advised that the advice offered by KMC may be limited and is not meant to be comprehensive. Therefore, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement advice through KMC or Advisory Representatives. Should you implement the plan with KMC's Advisory Representatives commissions or other compensation may be received in addition to the advisory fee paid to us.

Bookkeeping Services

KMC will provide services such as setting up new reserve accounts, creating a Quicken or Quick Books Client file, recording all checks, credit and debit card charges, record wires, journals and transfers in checking and reserve accounts, move funds as requested by the Client, transfer monthly budget amount, reconcile accounts monthly, provide client with monthly cash flow, check register and reconciliation reports (all reports shall be prepared based only upon information processed by KMC and supplied by the Client. KMC shall have no obligation to secure any such required documents from any other source.), prepare Quarterly Financial Statements, bill preparation, which includes all bills mailed to our address, KMC will prepare checks for outstanding bills and send to client for review, approval, and signature (handled overnight) and handle any correspondence with client's vendors to reconcile any discrepancies. The above-mentioned services are based on the service level desired by the client.

Further, KMC will assist the client in the procurement of Insurance - Property and Casualty (liability, home, flood, auto, recreational vehicles, etc.), Estate Planning - coordination and recommendation of various plans, assistance as required for preparation of wills and trusts, Financial Counseling - assistance with loans (auto, home & personal/business), financing and leasing Legal assistance-personal or business, Major Asset purchases - homes, autos, pleasure vehicles (includes family members), and Review Business Plans. The client however, is responsible for payment of each service but KMC will attempt to arrange a discount wherever possible.

General Information

You are advised the investment recommendations and advice offered by KMC are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform KMC promptly with respect to any changes in your financial situation and investment goals and objectives. Failure to notify KMC of any such changes could result in investment recommendations not meeting your needs.

Item 5 - FEES AND COMPENSATION

KMC Asset Management Program

Portfolio management fees are billed quarterly in advance. Fees will be debit directly from the Client's account within the first ten business days of the first month following the most recently completed calendar quarter. The fee will be calculated based upon the market value of the Portfolio, including cash equivalents, determined as of the close of business of the last day of such preceding calendar quarter (or, in the case of new clients, on the day the first Portfolio account is opened). Any deposits or withdrawals made during the billing quarter will be pro-rated and billed accordingly.

Fees are negotiable at KMC's discretion and are based on the complexities of the case, the amount of continuing in-depth financial analysis that may be required and the time estimated to manage client's portfolio.

You may make additions to the account or withdrawals from the account, provided the account continues to meet minimum account size requirements. Additional assets deposited into the account after it is opened will be charged a pro-rata fee based upon the number of days remaining in the calendar quarter. Generally, fee adjustments will be made for partial withdrawals from the account.

In no event shall the quarterly fee be less than \$300 per quarter. Therefore, you will pay the greater of \$300 per quarter or the fee calculated based on the fee schedule below. Please note that pursuant to §116.13 of the Rules and Regulations of the Texas State Securities Board that KMC must notify you that accounts whose value are forty thousand dollars (\$40,000) or less paying the minimum quarterly fee will be paying a fee of 3% or greater of the assets under management. Fees of 3% or greater is considered to be in excess of the industry norm and similar advisory services may be obtained elsewhere for less.

Equity and Balanced Portfolios

Account Size	Annual Fee
\$0 to \$999,999	1.50%
\$1,000,000 to \$4,999,999	1.25%
\$5,000,000 to \$9,999,999	1.00%
\$10,000,000 and above	Negotiable

Fixed Income Portfolios:

1.00%

The Advisor will determine each Client's portfolio management fee on an individual basis based on the assets under management, taking into account the complexities of the case, the amount of continuing in-depth financial analysis that will be required and the time estimated to manage the Client's Portfolio. The fee for portfolio management services will range from 1.00% to 1.50% (computed on a per annum basis) of the value of the Portfolio as determined in the manner set forth above. KM Capital

Management, Ltd does not charge a fee to operate the checking or reserve accounts. The management fee for fixed income instruments is 1%.

Household accounts will be aggregated to determine your quarterly fee. We utilize the following fee formula for calculating the quarterly fee:

$\% \times \text{Account Value} / 365 \times \text{the number of days in the calendar quarter}$

KMC may change the above fee schedule upon 30-days prior written notice to you.

KMC

- B. KMC's advisory fee payable upon initial implementation of the account and all subsequent periods will be paid through direct debit of your account. Authorization for us to direct debit of the advisory fees from their account by written authorization contained in the advisory services agreement. Generally, advisory fees will be debited from the account within the first 10 business days of the beginning of each calendar quarter. You will be provided with a fee invoice that identifies the advisory fee, the value of the account and how the fee was calculated. Additionally, you will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the account does not contain sufficient funds to pay advisory fees, KMC has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to KMC, except for ERISA and IRA accounts.
- C. In addition to the advisory fees above, you will pay transaction fees for securities transactions executed in your account in accordance with the custodian's transaction fee schedule. Additionally, you may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Such fees are not charged by KMC and are charged by the product, broker/dealer or account custodian. KMC does not share in any portion of such fees. Additionally, you may pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. Such advisory fees are not shared with KMC and are compensation to the fund-manager.
- D. Advisory fees will be charged in advance of each calendar quarter. The quarterly advisory fee will be calculated based on the value of the Account on the last business day of the just completed calendar quarter. For accounts established during a calendar quarter, the initial quarterly fee will be a pro-rated portion of the fee based on the number of days remaining in the calendar quarter.

Termination Provisions

You may terminate investment advisory services obtained from KMC, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with KMC. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions

executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services with 30-days written notice to KMC. Should you terminate investment advisory services during a calendar quarter, you will be issued a pro-rated refund of the advisory fee from the date of termination (i.e. 30 days from receipt of written notice) to the end of the calendar quarter.

Financial Planning and Consulting Services

You are advised that fees for planning services are strictly for planning services. Therefore, you may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Fees are negotiable. Your fees will be dependent on several factors including time spent with KMC, number of meetings, complexity of your situation, amount of research, services requested and staff resources.

The agreed upon fee shall be reflected in the Client's executed Bookkeeping Agreement. KMC may negotiate fees at its discretion. KMC's maximum fee for planning and consultative services is \$2,500. Fees are due to KMC upon execution of the advisory agreement.

Termination Provisions

You may terminate advisory services obtained from KMC, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with KMC. Thereafter, you may terminate investment advisory services with 30-days written notice to KMC. You will be responsible for any time spent by KMC. Any refund due will be calculated based on the time spent by KMC and the amount of work already performed.

Bookkeeping Services

You are advised that fees for bookkeeping services are strictly for bookkeeping services. Therefore, you may pay fees for additional services obtained such as bank fees or.

Fees are based on the Client's personal circumstances, financial situation and the estimated time needed each month to provide the services described within the Bookkeeping Agreement. Fees are billed in advance on the first of each month for services to be performed during that calendar month. The agreed upon fee shall be reflected in the Client's executed Bookkeeping Agreement. KMC may negotiate fees at its discretion.

KMC Management, Ltd. shall have no obligation to perform any services in any month where the compensation has not been received. Such sums shall be due and payable even if Client has failed to submit the necessary documentation in any calendar month. Fees are based on the Client's personal circumstances, financial situation and the estimated time needed each month to provide the services described above.

KMC Termination Provisions

You may terminate advisory services obtained from KMC, without penalty, upon written notice within five (5) business days after entering into the advisory agreement with KMC. Thereafter, you may terminate investment advisory services with 30-days written notice to KMC. You will be responsible for any fees earned by not yet paid. Any refund due will be calculated on a pro rata basis.

Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

KMC does not offer performance-based fees. Performance fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. KMC does manage three Limited Partnerships. Although the offering documents allow for the General Partner to receive a performance fee under certain circumstances, none have been billed to date. Upon dissolution of the partnerships, KMC may receive a performance fee if all conditions described within the offering agreements are met. Upon the dissolution of the partnerships KMC will no longer participate in any type of performance fee program.

Item 7 - TYPES OF CLIENTS

KMC's services are geared toward individuals both high net worth individuals (i.e. individuals with a net worth of \$1,500,000 or more) and individuals. The Adviser's client base also includes a small number of trust and corporate accounts.

KMC generally requires a minimum amount of assets be deposited to an account for the purpose of obtaining asset management services. KMC will generally require you to deposit a minimum of \$500,000 (cash or securities). However, KMC may waive the minimum account size requirement at its discretion. Note that performance may suffer due to difficulties with diversifying smaller accounts. Performance of smaller accounts may vary from the performance of accounts with more dollars invested due to fluctuations in the market may affect smaller accounts more and the effects of compounding may be greater in larger accounts.

Additionally, KMC charges a minimum quarterly of the greater of \$300 per quarter or the fee calculated based in KMC's fee schedule disclosed under Item 5 Fees and Compensation.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

- A. KMC conducts fundamental analysis when evaluating potential investment opportunities. Fundamental analysis generally involves assessing a company's or security's value based on factors such as revenue, expenses, assets, liabilities, markets, management, products and services, earnings, and financial structure.

KMC uses multiple investment management philosophies. KMC's investment strategies are flexible depending on the suitability of the client, the financial markets and the objective of the client. KMC uses a long term (i.e. purchases of securities held at least a year), short term (i.e. securities sold within a year), and active trading (i.e. securities sold within 30 days). Additionally, depending on the objective, risk tolerance and suitability factors of the client, we may engage in transactions involving margin (trading securities that an investor has bought with money borrowed from a broker for that purpose) and options.

- B. You are advised investing in securities involves risk of loss, including the potential loss of principal. Therefore, your participation in any of the management programs offered by KMC will require you to be prepared to bear the risk of loss and fluctuating performance.

KMC does not represent, warrant or imply that the services or methods of analysis used by KMC can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by KMC will provide a better return than other investment strategies.

- C. KMC does not restrict itself to any particular type of product. However, the following discusses some of the more commonly purchased and sold products along with a brief description.

ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since most ETFs only mirror a market index, such as the S&P 500, they won't outperform the index.

The risks with stocks and bonds are that their prices fluctuate throughout the day. Stocks can drop in value and become worthless. The risks with stocks are market risk and company specific risk. The price of a stock can decline due to company-specific reasons as well as the health of the overall stock market. Even dividends, which many beginning investors believe are guaranteed payments by the company, can decline or be totally eliminated.

The risks with mutual funds include:

1. Manager Risk: which is the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
2. Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.

3. Industry Risk: is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
4. Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

These are some of the primary risks associated with the way we recommend investments to you; please do not hesitate to contact us to discuss these risks and others in more detail. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request at any time KMC will direct the client to the appropriate Web page to access the prospectus.

Long-term purchases – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Short-term purchases – Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

No investment strategy can avoid loss. Investing in securities involves risk of loss that you need to be prepared to bear.

Item 9 - DISCIPLINARY INFORMATION

There is no reportable disciplinary information required for KMC or its management persons that is material to your evaluation of KMC, its business or its management persons.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Joseph Feste is a 50% owner of KMC Management, GP, LLC which is a general partner to KMC Venture Partners, LP, KMC Venture Partners II, LP, and KMC Venture Partners III. Clients of KMC may be solicited to invest in the partnerships. The partnerships were created to hold investments. The underlying investments are as follows:

KMC Venture Partners, LP = Jardinier Corporation stock, interest in Mongsource USA, LLC, Itiva Networks stock, Guardian; AuraSource; and American Pacific Rim.

KMC Venture Partners II, LP = currently holds: 1) Investment in Guardian Technologies International, Inc.; 3 "units" where each Unit consists of 125k shares of CS, 125k Class F Warrants, & 125k Class G Warrants; 2) Itiva Networks stock; and Applied Visual.

KMC Venture Partners III = consists of Romark Holdings.

KMC is not and does not have a related person who is a: futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Further, KMC is not and does not have a related person who is: broker/dealer or other similar type of broker or dealer; investment company, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; or real estate broker or dealer.

Joey, the Managing Member and Chief Compliance Officer of the Adviser is a licensed insurance agent/broker with various companies. The sale of these products accounts for approximately –5 - 10% of his time.

Joey may recommend insurance products and may also, as an independent insurance agent, sell those recommended insurance products to clients. When such recommendations or sales are made, a conflict of interest exists as the insurance licensed IARs earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with us.

Item 11 - CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

- A. KMC has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. KMC takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as KMC's policies and procedures. Further, KMC strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with KMC's Privacy Policy. As such, KMC maintains a code of ethics for its Advisory Representatives, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, KMC's Code of Ethics establishes KMC's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

- B. As stated above under Item 10, Other Financial Industry Activities and Affiliations, Joseph Feste is a 50% owner of KMC Management, GP, LLC which is a general partner to KM Capital Venture Partners, LP, KM Capital Venture Partners II, LP, and KM Venture Partners III. Clients of KMC may be solicited to invest in the partnerships.
- C. KMC and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, KMC and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. KMC and its associated persons will not put their interests before your interest. KMC and its associated persons may not trade ahead of you or trade in such a way to obtain a better price for themselves than for you or other clients.
- D. KMC is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

Item 12 - BROKERAGE PRACTICES

KMC has a custodial relationship with US Bank Institutional Trust & Custody ("Custodian") to enable clients to establish accounts with the Custodian in order for KMC to manage the accounts.

You are not under any obligation to use US Bank. You may select another broker/dealer or account custodian. However, in order for KMC to provide management services, you must grant trading authorization to KMC and the account custodian or broker/dealer must accept trade instructions from KMC on your behalf. Clients who choose another broker/dealer or account custodian are advised that the broker/dealer must be able to provide duplicate statements and confirmations to KMC. Additionally, if possible, KMC should be given electronic access to the client's account for trading and account review purposes.

Generally, securities transactions will be directed through Custodian or the broker/dealer where client's account is maintained. However, KMC may direct equity and/or fixed income securities transactions to other broker/dealers such as Cantella & Co., Inc., Crews & Associates, Coastal Securities, Inc or RBC Dain Rauscher ("RBC"). KMC has a relationship with a RBC Dain Rauscher broker, Bryan Boynton. Mr. Boynton is related to Joseph Feste. KMC may direct trades through the Mr. Boynton and Mr. Boynton will be paid commissions for any transactions directed by KMC. Trading costs may be higher or lower at RBC Dain Rauscher than other broker/dealers. Neither KMC nor Joseph Feste shares, directly or indirectly, in any portion of the compensation received by Mr. Boynton.

If you select another broker/dealer or account custodian or request trades be directed through another broker, your trading costs may be higher and you may receive less favorable prices. You will not be able to participate in any aggregated orders submitted by KMC which often reduce transaction costs and can obtain more favorable pricing.

In initially selecting Custodian and RBC, KMC conducted due diligence to determine the cost benefit of the services provided. KMC's evaluation and criteria includes:

- Ability to service you
- Staying power as a company
- Industry reputation
- Ability to report to you and to KMC
- Availability of an efficient trading platform
- Execution capability
- Financial responsibility and viability
- Confidentiality and security of your information
- Other factors that may bear on the overall evaluation of best price and execution

You are advised there is an incentive for KMC and the Advisory Representatives to recommend a broker/dealer over another based on the products and services that will be received rather than your best interest.

Custodian may make available to KMC other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts such as investment research. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at US Bank. In addition to investment research, Custodian also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

KMC may aggregate ("bunch") transactions in the same security on behalf of more than one client in an effort to strive for best execution and to possibly reduce the price per share and/or other costs to clients. However, aggregated or bunched orders will not reduce the transaction costs to participating clients. KMC conducts aggregated transactions in a manner designed to ensure that no participating client is favored over another client. Participating clients will obtain the average price per share for the security executed that day. To the extent the aggregated order is not filled in its entirety and when possible, securities purchased or sold in an aggregated transaction will be allocated on a random

basis. Under certain circumstances, the amount of securities maybe increased or decreased to avoid holding odd-lot or a small number of shares for particular clients.

Item 13 - REVIEW OF ACCOUNTS

- A. If you are participating in the Asset Management Program you will be invited to participate in at least an annual review or another schedule as agreed by you and KMC. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. KMC conducts internal reviews on a continuous basis to determine whether to make any changes to client portfolios at the discretion of KMC. KMC will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

If you are participating in Financial Planning and Consultation Services you will not receive regular reviews. KMC recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision.

Joseph A. Feste, Mark Tracy, and/or Joseph W. Feste will conduct all reviews.

- B. You are advised that you must notify KMC promptly of any changes to your financial goals, objectives or financial situation as such changes may require KMC to review the portfolio allocation and make changes.
- C. You will be provided monthly, or at least quarterly, statements direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. Upon your request, KMC will provide you with a consolidated report of your managed account. Once a year, during the annual review, the client will be provided with a report showing the performance of their account(s). You should compare all reports provided by KMC with the statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail.

Item 14 - CLIENT REFERRALS AND OTHER COMPENSATION

- A. Product or service vendors recommended by KMC may provide monetary and non-monetary assistance with client events, provide educational tools and resources. KMC does not select products as a result of any monetary or non-monetary assistance. The selection of product is first and foremost. KMC's due diligence of a product does not take into consideration any assistance it may receive. Therefore, this is not considered a conflict of interest but a benefit for you and KMC.
- B. KMC does not directly or indirectly compensate any person who is not a supervised person of KMC for referrals, and registered with the appropriate regulatory authority

when required. Further, KMC does not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

Item 15 - CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your account custodian to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Your account custodian maintains actual custody of your assets. As stated above in Item 13.C., you will receive account statements directly from your account custodian at least quarterly. They will be sent to the email or postal mailing address you provided. You should carefully review those statements promptly when you receive them.

Item 16 - INVESTMENT DISCRETION

You may grant KMC authorization to manage your account on a discretionary basis. Discretionary authority will give KMC the authority to buy, sell, exchange and convert securities in your managed accounts. You will grant such authority to KMC by execution of the advisory agreement. You may terminate discretionary authorization at any time upon receipt of written notice by KMC.

Additionally, you are advised that:

- 1) You may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
- 2) Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;
- 3) If client's account does not contain sufficient cash to pay the quarterly investment advisory fees, KMC will take discretion to liquidate assets sufficient enough to cover the advisory fee.
- 4) KMC does not have the authority to withdraw clients' cash or securities, with the exception of deducting its advisory fee.
- 5) KMC will select the broker and/or dealer through which to execute securities transactions.
- 6) KMC often directs clients' securities transactions through registered representative of RBC Dain Rauscher, who is related to Mr. Feste. In addition, the Adviser may also execute trades through registered reps of Crews & Associates, Cantella & Co., Inc. and Coastal Securities, Inc.

Item 17 - VOTING CLIENT SECURITIES

KMC does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact KMC

about questions you may have an opinion on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

Item 18 - FINANCIAL INFORMATION

- A. As stated above, KMC has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of KMC's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contract actual commitment to you or any other client.
- B. Neither KMC nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.

Item 1 – Cover Page

**ADV PART 2B BROCHURE SUPPLEMENT - JOSEPH (“JOEY”) A.
FESTE**

**KM Capital Management, Ltd.
1701 Directors Boulevard, Suite 370
Austin, TX 78744
P: 512-697-0290**

March 23, 2017

This brochure supplement provides information about Joey Feste that supplements the KM Capital Management, Ltd. brochure. You should have received a copy of that brochure. Please contact Joey Feste, Partner and CCO, if you did not receive KM Capital Management, Ltd.’s brochure or if you have any questions about the contents of this supplement.

Additional information about Joey Feste is available on the SEC’s website at www.adviserinfo.sec.gov.

Joey Feste

Item 2 - Educational Background and Business Experience

Year of Birth: 1964

Education:

Name of School	Years Attended	Year Graduated	Degree	Major
University of Texas	1983 to 1987	1987	BS	Economics

Business Background:

Name of Employer	Type of Business	Title	Period of Employment
KM Capital Management, Ltd.	Investment Adviser	Member, Advisory Representative	07/2004 to Present
Eltekon Securities, LLC	Broker/Dealer	Registered Representative	05/2004 to 09/2009

Item 3 - Disciplinary Information

Joey Feste is not subject to legal or disciplinary events that are material to a client or prospective client's evaluation of him or the services offered by him.

Item 4 - Other Business Activities

Joey Feste is a 50% owner of KM Capital Management, GP, LLC which is a general partner to KM Capital Venture Partners, LP, KM Capital Venture Partners II, LP, KM Capital Venture Partners III ("Partnerships"). Clients of KM Capital may be solicited to invest in the partnerships. The partnerships were created to hold investments.

Mr. Feste is not actively engaged in any other investment-related business or occupation. Further, he is not actively engaged in any other business or occupation for compensation. "Actively engaged" is deemed to mean the business activity represents more than 10 percent of his time and income.

Item 5 - Additional Compensation

Joey Feste does not receive any economic benefit (i.e. sales awards and other prizes) for providing advisory services to a non-client.

Mr. Feste may recommend insurance products and may also, as independent insurance agents, sell those recommended insurance products to clients. When such recommendations or sales are made, a conflict of interest exists as the insurance licensed IARs earn insurance commissions for the sale of those products, which may create an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that

clients may purchase recommended insurance products from other insurance agents not affiliated with us.

Item 6 - Supervision

Since Joey Feste is the sole owner and the only Advisory Representative under KM Capital Management, Ltd., he is responsible for supervision and oversight of his activities. Mr. Feste can be contacted at the number indicated on the cover page. Mr. Feste has established a code of ethics for his business.

Item 1 – Cover Page

ADV PART 2B BROCHURE SUPPLEMENT – JOSEPH W. FESTE

**KM Capital Management, Ltd.
1701 Directors Boulevard, Suite 370
Austin, TX 78744
P: 512-697-0290**

March 23, 2017

This brochure supplement provides information about Joseph W Feste that supplements the KM Capital Management, Ltd. brochure. You should have received a copy of that brochure. Please contact Joseph Feste, Partner and CCO, if you did not receive KM Capital Management, Ltd.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph W Feste is available on the SEC's website at www.adviserinfo.sec.gov.

Joseph W Feste

Item 2 - Educational Background and Business Experience

Year of Birth: 1989

Education:

Name of School	Years Attended	Year Graduated	Degree	Major
University of Texas	2007 to 2011	2011	BBA	Finance

Business Background:

Name of Employer	Type of Business	Title	Period of Employment
KM Capital Management, Ltd.	Investment Adviser	Member, Advisory Representative	03/2014 to Present
McColl Partners, LLC	Investment Banking	Analyst	05/2011 to 07/2013

Item 3 - Disciplinary Information

Joseph W Feste is not subject to legal or disciplinary events that are material to a client or prospective client's evaluation of him or the services offered by him.

Item 4 - Other Business Activities

Joseph W Feste is not involved in any outside business activities.

Item 5 - Additional Compensation

Joseph W Feste does not receive any economic benefit (i.e. sales awards and other prizes) for providing advisory services to a non-client.

Item 6 - Supervision

All of Joseph W Feste's investment advisory activities are supervised by Joseph A Feste.