



Item 1 – Cover Page

Form ADV

Part 2A

February 18, 2021

This Brochure provides information about the qualifications and business practices of Kerns Capital Management, Inc. (“KCM”). If you have any questions about the contents of this Brochure, please contact us at (713) 993-0949 or ir@kernscapital.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 Kerns Capital Management, Inc. is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This section provides a summary of material updates made to this brochure since its filing on February 18, 2021. The Form ADV Part 2 has been revised as follows:

February 18, 2021

- KCM no longer acts as sub-adviser to registered investment companies, including but not limited to the AXS Multi-Strategy Alternatives Fund (the Fund”). Accordingly, all references to this service and the Fund have been removed.
- In addition to stocks, bonds, exchanged traded funds and mutual funds KCM may recommend alternative such as real estate, private equity and hedge funds in the management of client accounts.

A copy of our Brochure may be requested by contacting Marty Kerns, President and Chief Compliance Officer, at (713) 993-0949 or via email at marty@kernscapital.com. Our Brochure is also available for free on our website at www.kernscapital.com.

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Item 4 – Advisory Business

This Brochure provides an overview of the investment management services provided by Kerns Capital Management, Inc. (KCM). KCM is an independent, fee-based, SEC-Registered Investment Adviser. The firm was founded in 1996 by M. Lane Kerns. Martin (“Marty”) L. Kerns, II acquired KCM in 2012 and is the firm’s President, Chief Executive Officer, and Chief Compliance Officer. He is the firm’s sole shareholder.

KCM provides advisory services to individuals, trusts and pensions. KCM sells investment advice in the form of “signals” to other investment advisers. This Brochure is not an offering document for any Fund, and all descriptions of a Fund and its objective, strategy, and the Prospectus and Statement of Additional Information set risks forth in their entirety for mutual funds and the Private Placement Memorandum for any private fund.

KCM provides free access to Orion, a digital planning and reporting software. Orion allows a client to view their complete asset allocation, including those assets that KCM does not manage (the “Excluded Assets”). KCM does not provide investment management, monitoring, or implementation services for the Excluded Assets. KCM is not responsible for the performance of the Excluded Assets. The client may engage KCM to manage some or all the Excluded Assets pursuant to the terms and conditions of a written agreement between the client and KCM.

As of January 1, 2021, KCM manages client assets of \$155,174,497 on a discretionary basis, including \$73,201,434 in a registered investment company (the “Fund”). KCM ceased management of the fund on January 31, 2021.

Item 5 – Fees & Compensation

1. Management Fees

Generally, KCM charges fees based on a percentage of assets under management.

Individual Clients

Client advisory fees are based on the value of the account on the last day of the month and are billed either monthly or quarterly, in arrears, as set forth in the Investment Advisory Agreement. Fees are deducted from the client’s account when possible. KCM’s annual investment management fee is negotiable and ranges from .5 to 2.0%, with a minimum annual fee of \$2,500.

Cash Positions. At any time and for a substantial length of time KCM may hold a significant portion of a client’s assets in cash or cash equivalents. Investments in these assets may cause a client to miss positive performance in the markets. Unless KCM agrees otherwise in writing, account assets consisting of cash and cash equivalents are included in the value of an account’s assets for purposes of calculating its advisory fee. A client can advise KCM not to maintain (or to limit the amount of) cash holdings in the client’s account.

Fee Differentials. Fees are negotiable and may vary by client depending upon various objective and subjective factors, including but not limited to the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and

servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. Thus, similar clients could pay different fees, which will correspondingly impact a client's net account performance. Moreover, the services provided by KCM might be available from other advisors at lower fees. All clients and prospective clients should be guided accordingly.

2. Other Fees.

KCM's advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal fees, which are disclosed in a fund's prospectus. These charges, fees and commissions are exclusive of and in addition to KCM's fee, and KCM shall not receive any portion of those commissions, fees, and costs, unless otherwise disclosed.

3. Termination.

Accounts initiated or terminated during the billing period will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Individual clients have the right to terminate the Investment Advisory Agreement without penalty within five business days after entering into the agreement.

Item 6 – Performance-Based Fees & Side-By-Side Management

Currently, KCM does not offer performance-based fee arrangements, but reserves the right to do so in the future.

Item 7 – Types of Clients

KCM provides services to individuals, their trusts and estates, and a mutual fund.

To open an account with us for individual portfolio management services, we typically require a minimum account size of \$500,000. We aggregate client accounts for purposes of this requirement.

Investors in a Fund must meet a minimum initial investment requirement contained in the prospectus or offering memorandum.

Retirement Rollovers: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If KCM recommends that a client roll over their retirement plan assets into an account to be managed by KCM, such a recommendation creates a conflict of interest if KCM will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by KCM. KCM's Chief Compliance Officer, Marty Kerns, remains available to address any

questions that a client or prospective client may have regarding the conflict of interest presented by a rollover recommendation.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

1. Methods of Analysis & Investment Strategies

- **Introduction**

KCM investment philosophy centers around active management. The goal of all KCM strategies is long-term growth of capital. As a secondary goal, KCM's strategies seek to manage volatility and control risk.

KCM invests in equity, long-short equity, credit and volatility. We use fundamental, technical and quantitative analysis in security selection, and invest principally in domestic equities (common stock), exchange-listed foreign equities (American Depositary Receipts), exchange-traded funds ("ETFs"), open-ended mutual funds, private equity and hedge funds.

- **Investment Strategies**

The descriptions of strategies below, as applied to a particular Fund, are qualified in their entirety by the Fund's prospectus, Key Investor Information Document, or other offering document.

Separately Managed Accounts

KCM offers several managed account strategies, including long equity, long/short equity, long credit and volatility. We use stocks, ETFs and mutual funds in the management of these accounts.

Risk-Based Model Portfolios

KCM offers a suite of risk-based asset allocation models. We allocate tactically to mutual funds and ETFs in the management of these models, which have as their objective:

Stable: Emphasis on preservation of capital with current return more than money market rates and inflation, while seeking to not decline in value more than 1.00% in any month. Little consideration is placed on growth of capital. The portfolio may invest in all asset types, both domestic and international.

Conservative: An investment portfolio with conservative objectives is characterized by risk aversion. Minimizing volatility is a clear priority over growth. A Conservative portfolio may be appropriate for persons with a relatively short time horizon (under 5 years), with a need for more predictable income or, notwithstanding a longer time horizon, with a high sensitivity to short-term volatility. Over time, portfolios with a Conservative objective can be expected to produce low average total returns on investment but have relatively low volatility. Investors with a Conservative objective are willing to sacrifice substantial return potential for long-term capital preservation. The portfolio may invest in all asset types, both domestic and international.

Moderate: An investment portfolio characterized by moderate risk. The main objective is to achieve steady portfolio growth while limiting fluctuations in the value of the portfolio to less than those of the overall equity markets. This objective is for a client who accepts a fair degree of risk and is looking to exceed long-term inflation by a fair margin (e.g., 3-5% over the long term). The investor understands, and is comfortable with the fact, that short-term volatility is expected in achieving higher long-term returns. The portfolio may invest in all asset types, both domestic and international.

Aggressive: An investment portfolio characterized by high risk. The Aggressive model is for an investor looking to exceed long-term inflation by a high margin and who can accept a high degree of short-term volatility. It is for the investor seeking high growth over a very long-term time horizon (greater than 10 years). This portfolio may have substantial fluctuations in value greater than overall equity markets. The portfolio may invest in all asset types, both domestic and international.

- **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear.

Cybersecurity Risk. Cyber-attacks affecting a client or its service providers (including, but not limited to, KCM, its custodian or their agents) may result in financial losses to the client. Similar types of cyber security risks are also present for issuers of securities in which the client may invest, which could result in material adverse consequences for such issuers and may cause the client's investment therein to lose value. While measures have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in such measures and there is no guarantee those measures will be effective, particularly since the client does not directly control the cyber security measures of its service providers, financial intermediaries and companies in which it invests or with which it does business.

Mutual Fund & ETF Risk. There are specific risks involved in the management of mutual funds and ETFs (collectively "funds") which are described in detail in their prospectus. Each fund exposes KCM's strategies to the strategy-specific risk of that fund and the value of your portfolio will fluctuate in response to the performance of the funds in which your account is invested.

Market Risk. Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. Investments may decline in value if the stock markets perform poorly. There is also a risk that the investments will underperform either the securities markets generally or segments of the securities markets.

Portfolio Turnover Risk. Portfolio turnover refers to the rate at which investments are replaced. The higher the rate, the higher the transactional and brokerage costs associated with the turnover which may reduce the return, unless the securities traded can be bought and sold without corresponding commission costs. Active trading of securities may also increase your realized capital gains or losses, which may affect the taxes you pay.

Foreign Risk. Foreign markets can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from

the U.S. market. Special risks associated with investments in foreign companies include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards.

Small and Medium-Size Company Risk. Small and medium size companies may have narrower markets and more limited managerial and financial resources than do larger, more established companies. Thus, their performances can be more volatile, and they may face a greater risk of business failure.

Issuer-Specific Risk. The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than that of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments.

Short Selling Risk. Positions (purchases) in shorted securities are speculative and riskier than "long" positions (purchases) because the cost of the replacement security is unknown. Therefore, the potential loss on the short sale is unlimited, whereas the potential loss on long positions is limited to the original purchase price. Any strategy that includes selling securities short could suffer significant losses. Short selling will also result in higher transaction costs (such as interest and dividends), which reduce return, and may result in higher taxes.

Derivatives Risk. Investments in futures and options are considered "derivative" investments. A small investment in derivatives could have a potentially large impact on performance. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that the hedging technique will fail if changes in the value of a derivative held do not correlate with the portfolio securities being hedged.

Put and Call Options Risk. There are risks associated with the sale and purchase of call and put options. As seller (writer) of a covered call option, assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the option is uncovered, and the Seller must purchase the security at the current market price because the option is exercised, the loss could be significant. The buyer of a put or call option risks losing the entire premium invested in the option if they do not exercise the option.

Item 9 – Disciplinary Information

None.

Item 10 – Other Financial Industry Activities and Affiliates

- **Investment Adviser Representative of Other Investment Adviser Firm.**

Marty Kerns, KCM's President and Chief Executive Officer, also serves as an investment adviser representative of Pensionmark Financial Group, LLC, ("Pensionmark") an unaffiliated SEC-registered

investment adviser firm. KCM may refer certain clients to Pensionmark for ERISA retirement plan services. No client is under any obligation to engage the services of Pensionmark.

Item 11 – Code of Ethics

KCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at KCM must acknowledge the terms of the Code of Ethics annually, or as amended.

KCM's employees and persons associated with KCM are required to follow KCM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of KCM may trade for their own accounts in securities which are recommended to and/or purchased for KCM's clients. The Code of Ethics, which prohibits "front running" and provides that trades for the firm and trades for employees of the firm may occur only simultaneously with or after trades are placed for clients in the same security, is designed to assure that the personal securities transactions, activities and interests of the employees of KCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between KCM and its clients.

Item 12 – Brokerage Practices

The Custodians and Brokers We Use

We generally recommend that our individual clients use TD Ameritrade Institutional ("TDA"), Charles Schwab & Co., Inc. ("Schwab"), or Interactive Brokers Group, Inc. ("Interactive Brokers"). KCM is independently owned and operated and is not affiliated with TDA, Schwab, or Interactive Brokers.

TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TDA"), an unaffiliated SEC-registered broker-dealer and FINRA member.

KCM participates in the institutional advisor programs (the "Program") offered by TD Ameritrade Institutional and Schwab Advisor Services™ (formerly called Schwab Institutional®) ("Schwab").

TDA and Schwab offer services to independent investment advisors, which include custody of securities, trade execution, clearance and settlement of transactions. KCM receives benefits from TDA and Schwab through its participation in the Program.

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are most advantageous overall when compared to other available providers and their services. We consider a wide range of factors, including among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist in making investment decisions
- Quality of services
- Competitiveness of the price of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below

Brokerage and Custody Costs

TDA, Schwab, and Interactive Brokers generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your account.

We generally trade no transaction fee, no-load mutual funds in client accounts. There is no commission or fee expense for you associated with trading no transaction fee, no-load mutual funds. Commissions and fees are paid to the custodian by the fund company for access to their platform and your account, which is a benefit to you.

In addition to the commission and asset-based fees, TDA, Schwab, or Interactive Brokers may charge you a flat dollar amount as a “Prime Broker” or “trade away” fee for each trade that we have executed by a different broker but where the securities bought or the funds from the securities sold are deposited (settled) into your account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, to minimize your trading costs, we have TDA, Schwab, or Interactive Brokers execute most trades for your account. We have determined that having them execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see *“How We Select Brokers/Custodians”*).

Client Directed Brokerage. If the client directs that trades be executed through another broker-dealer, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by that broker-dealer. KCM will assume no responsibility for obtaining the “best execution” of your trade through another broker-dealer.

Products and Services Available to us from TDA, Schwab, and Interactive Brokers

TDA, Schwab, and Interactive Brokers (collectively “the Custodians”) serve independent investment advisory firms such as KCM. They provide our clients and us with access to institutional brokerage-trading, custody, reporting and related services – many of which are not typically available to retail customers. They also make available various support services. Some of those services help us manage or administer our clients’ accounts, while other services help us manage and grow our business. Their support services are generally available on an unsolicited basis (we do not have to request them) and are at no charge to us.

Services That Benefit You. Custodian institutional brokerage services include access to a broad range of investment products, execution of securities transactions, monthly statements, and custody of client assets. The investment products available through the Custodians include some products we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. These services generally benefit you and your account.

Services That May Not Directly Benefit You. The Custodian may also make available to us other products and services that benefit us but may not directly benefit you and your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, including their own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at the Custodians. In addition to investment research, TDA, Schwab, and Interactive Brokers also make 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

Services That Generally Benefit Only Us. The Custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers

The Custodians may provide some of these services without cost, or at a discount. In other cases, they will arrange for third-party vendors to provide the services to us. They may also discount or waive their fees for some of these services or pay all or a part of a third-party’s fees. The Custodians also provide us with other benefits, such as occasional business entertainment for our personnel.

Directed Brokerage

KCM does not generally accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer). In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and KCM will not

seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by KCM. Thus, a client may pay higher commissions or other transaction costs or greater spreads or receive less favorable net prices on transactions for the account than would otherwise be the case. If the client directs KCM to effect securities transactions for the client's accounts through a specific broker-dealer, the client acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through KCM. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of transactions for non-directed accounts.

Item 13 – Review of Accounts

Marty Kerns reviews client accounts on a quarterly basis. For accounts with balances of \$100,000 or more, KCM provides written quarterly reports that include account balance, performance and fee information.

Client Obligations. In performing its services, KCM shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify KCM if there is any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising KCM's previous recommendations or services.

Item 14 – Client Referrals and Other Compensation

KCM may compensate third parties for client referrals. Clients whose accounts are the subject of referral fees will receive full written disclosure, in advance, of the terms of the referral arrangement.

As disclosed under Item 12, above, KCM participates in the institutional customer programs of TDA, Schwab, and Interactive Brokers (collectively, "Custodians"), and KCM may recommend Custodians to clients for custody and brokerage services. There is no direct link between KCM's participation in the program and the investment advice it gives to its clients, although KCM receives economic benefits through its participation in the programs that are typically not available to retail investors.

These benefits include 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 servicing KCM participants; access to block trading (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 KCM by third-party vendors.

Custodians may have paid for business consulting and professional services received by KCM's related persons.

Some of the products and services made available by Custodians may benefit KCM but may not benefit its client accounts. These products or services may assist KCM in managing and administering client accounts, including accounts not maintained at Custodians. Other services made available by Custodians are intended to help KCM manage and further develop its business enterprise.

The benefits received by KCM or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to Custodians. Clients should be aware, however, that the receipt of economic benefits by KCM or its related persons in and of itself creates a conflict of interest and may indirectly influence KCM's choice of Custodians for custody and brokerage services.

Item 15 - Custody

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct your broker-dealer, bank or other qualified custodian, *e.g.*, TDA, Schwab, or Interactive Brokers (collectively called "custodian"), to deduct our advisory fees directly from your account. Your custodian, however, maintains actual custody of your assets. You will receive an account statement directly from your custodian at least quarterly. They will be sent to the email or postal mailing address you provided to the custodian. You should carefully review these statements promptly when you receive them. KCM urges you to carefully review such statements and compare such official custodial records to the account statements you receive from us. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

KCM manages money on a discretionary basis. Clients opening discretionary accounts are required to execute an Investment Advisory Agreement and limited power of attorney that, among other things, grants us authority to manage their assets on a discretionary basis, meaning we have the authority to select the identity and amount of securities to be bought or sold in the clients' account. In all cases, however, such discretion is to be exercised in a manner consistent with the client's stated investment objectives.

When selecting securities and determining amounts, KCM observes the investment policies, limitations and restrictions of the clients for which it advises, if any.

Item 17 – Voting Securities

KCM does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. Proxies are mailed or electronically delivered by the Custodian directly to each client.

Item 18 – Financial Information

KCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

Item 1 – Cover Page

Martin L. Kerns, II
Kerns Capital Management, Inc.
9821 Katy Freeway, Suite 400
Houston, TX 77024
(713) 993-0949
www.kernscapital.com

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This Brochure Supplement provides information about Martin Lane Kerns, II that supplements the Kerns Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Martin Kerns, President, Kerns Capital Management, if you did not receive the Brochure or if you have any questions about the contents of this supplement.

Additional information about Martin L. Kerns, II is available on the SEC’s website at www.adviserinfo.sec.gov.

Martin L. Kerns, II

Marty Kerns gives investment advice, has direct client contact and/or has discretionary authority of a client’s assets on behalf of Kerns Capital Management, Inc. (“KCM”).

Item 2 - Educational Background and Business Experience

Marty Kerns is Chief Executive Officer, President and Chief Compliance Officer of KCM. He was born in 1966. Mr. Kerns joined the firm in May 2007 and purchased it in 2012. Prior to joining KCM, Mr. Kerns was a partner in the law firm of Beirne, Maynard & Parsons, LLP. He has B.A. in finance from the University of Texas at Austin (1989) and a J.D. from South Texas College of Law (1992).

Item 3 - Disciplinary Information

None.

Item 4 - Other Business Activities

Mr. Kerns is registered with Pensionmark Financial Group, LLC, a SEC-registered investment advisor. KCM may recommend the retirement plan advisory services of Pensionmark to qualified and non-qualified company retirement plans. No client is under any obligation to engage the services of Pensionmark.

Item 5 - Additional Compensation

None.

Item 6 - Supervision

Martin L. Kerns, II, as President and Chief Executive Officer of Kerns Capital Management. He has no supervisor.