

**Form ADV Part 2A  
Brochure**

**Kestra Investment Management, LLC**

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**This brochure provides information about the qualifications and business practices of Kestra Investment Management, LLC (“Kestra IM”). If you have any questions about the contents of this brochure, please contact us at 844-553-7872. 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 our firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Kestra IM is a registered investment advisor. Registration does not imply a certain level of skill or training.**

**Item 1            Cover Page**

Please refer to the previous page.

**Item 2            Material Changes**

In the future, this section will be used to identify material changes to our Brochure since the date of our last annual update.

**Item 3            Table of Contents**

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## **Item 4            Advisory Business**

Kestra Investment Management, LLC (Kestra IM, we or our) provides investment advisory services to clients as described in this Brochure. Kestra IM has been registered as an investment advisor with the Securities and Exchange Commission (SEC) under the Investment Advisers Act of 1940 (Advisers Act) since 2021. Kestra IM's principal owner is Kestra Advisor Services Holdings C, Inc. (d/b/a Kestra Holdings) and its ultimate parent company is Kingfisher Holding LP.

### **Investment Management Services**

Kestra IM provides ongoing discretionary investment management services to clients through programs and platforms offered by or through third party registered investment advisers (referred to in this Brochure as Advisors). We do not offer our services directly to clients without the involvement of an Advisor. Advisors are affiliates of Kestra IM as described later in this Brochure.

Your Advisors and their investment adviser representatives/associated persons (IARs) will work with you to collect information regarding your financial situation, risk tolerance, investment objectives, and investment time horizon. This information helps your Advisor and IAR determine that our management services are appropriate for you given your goals and circumstances and will help guide your selection of an appropriate portfolio or portfolios of investments (each a Portfolio) that is consistent with your investment objectives. Your Advisor provides ongoing advice about your selection or replacement of a Portfolio. If you wish to provide your Advisor with discretionary authority to select and replace the Portfolio for you, you may do so during the account opening process.

We act as the manager of your Portfolio (Portfolio Manager) and structure both strategic and tactical Portfolios with approaches for both taxable and retirement accounts to address various client needs as discussed later in this Brochure. Within each Portfolio we will invest in mutual funds and/or exchange traded funds (ETFs) on a discretionary basis. We are responsible for selecting the securities within the Portfolio and making changes as needed. In some cases, we may hire another third-party, unaffiliated investment adviser to provide us with recommendations for structuring Portfolios from an asset allocation and/or security selection standpoint. Even when this happens, we are still responsible for the discretionary management of your account; the third-party investment adviser is not authorized to place transactions in your account and will not provide you with individual investment advice.

Your Portfolio will be reviewed on a periodic basis and rebalanced if it meets our rebalancing criteria. It is possible that your Portfolio will not be rebalanced if it does not meet or exceed our thresholds for rebalancing at the time of our Portfolio review. While you may request that we place restrictions on your account to avoid certain securities, types of securities, or industries/sectors, keep in mind that because we only invest in mutual funds or ETFs such restrictions may make it impossible for us to manage the account and may result in our being unable to accept your account.

For us to manage your Portfolio, your Advisor will ask you to enter into an investment advisory agreement with their company setting forth the terms and conditions of the advisory relationship and appointing us as your Portfolio Manager. Your Advisor will also ask you to enter into a separate broker-dealer and custody agreement with the broker-dealer/custodian that will be responsible for executing transactions at our direction and holding your funds and securities.

Your Advisor will require you to use their affiliated broker-dealer to establish your account. These broker-dealers are also our affiliates. National Financial Services, LLC (NFS) or Pershing, LLC (Pershing) will act as custodian of your funds and securities, depending on the custodial relationship of the broker-dealer used.

Your Advisor will also have an arrangement with Envestnet Asset Management, Inc. (Envestnet). Envestnet will also serve as an investment adviser on your account, provide us and your Advisor with access to its technology platform and perform certain administrative services on your account, including but not limited to, facilitating the account opening process, placing transactions with the applicable custodian, and billing advisory fees. Envestnet will be a party to the agreement you enter with your Advisor. Kestra IM is a Portfolio Manager on Envestnet's platform to provide management services for your Portfolio.

For more information regarding your Advisor and IAR, you should refer to the Advisor's Form ADV Part 2A Appendix 1 wrap fee program disclosure brochure or ADV Part 2A disclosure brochure, and your IAR's brochure supplement, and for more information regarding Envestnet, you should refer to Envestnet's Form ADV Part 2A disclosure brochure (collectively Disclosure Brochures).

## **Retirement Accounts**

If you are a qualified plan subject to ERISA, we are acting as a fiduciary under ERISA as defined in Section 3(21) of ERISA solely with respect to the services listed in Item 4 of this Brochure.

If you are currently invested in a retirement plan, either through an employer-sponsored retirement plan (such as a 401(k) plan) or an individual retirement account held at another financial institution and are considering a rollover into an account through your Advisor where you will select us as a Portfolio Manager, please understand that we do not make any recommendations with respect to whether you should roll over your assets.

To the extent you are participating in an employer-sponsored retirement plan (such as a 401(k) plan) and are no longer with that employer, you typically have four options (and may engage in a combination of these options): i) leave the money in the former employer's plan, if permitted, ii) rollover the assets to a new employer's plan, if one is available and rollovers are permitted, iii) roll over to an IRA, or iv) cash out the account value (which could, depending on your age, result in adverse tax consequences). We suggest that you carefully weigh the advantages and disadvantages of each option, including any applicable fees and all benefits and features of each option, considering your individual needs and circumstances.

## **Item 5 Fees and Compensation**

You will pay us a Portfolio Manager Fee for ongoing investment advice, Portfolio construction, security selection, and rebalancing. The Portfolio Manager Fee ranges from 0.00% to 0.50% of the total market value of your Portfolio. The Portfolio Manager Fee is not negotiable. The amount of the Portfolio Manager Fee for the Portfolio you select will be stated in the investment advisory agreement you sign during the account opening process with your Advisor. Portfolio Manager Fees are typically billed quarterly or monthly in advance as determined by your Advisor and calculated based on the Portfolio's fair market value on the last business day of the preceding quarter. Portfolio Manager Fees are deducted from your Portfolio by the account custodian and reflected on the custodian's account statement.

To the extent we hire a third-party investment adviser to provide us with recommendations for asset allocation and security selection with respect to the Portfolio you selected, we will generally pay a portion of the Portfolio Manager Fee to the third-party investment adviser. In some cases, this will result in our earning less on the strategy when a third-party investment adviser is involved than our other strategies. When this occurs, it means that we have a conflict of interest because we have a financial incentive for you to select a Portfolio where we do not hire a third-party investment adviser and instead make all decisions regarding asset allocation and security selection since we will retain 100% of the Portfolio Manager Fee in this instance.

In certain situations, instead of sharing a portion of the Portfolio Manager Fee with the third-party investment advisor, we will receive the recommendations for no charge if certain levels of our client assets are invested in Portfolios using the recommendations provided by the third-party investment advisor. This is because the third-party investment advisor will receive compensation in the form of management and other fees from the product sponsors. When this occurs, it means that we have a conflict of interest because we have a financial incentive for you to select one of these Portfolios so we reach the asset levels and avoid paying separately for the recommendations.

If you terminate your investment advisory agreement before the end of a billing period (quarterly or monthly), you will receive a pro-rated refund of any prepaid Portfolio Manager Fee based on the number of days remaining in the period after the termination date. Any refunds will be processed by Envestnet or your Advisor, through the appropriate custodian.

### **Other Types of Fees and Charges**

In addition to our Portfolio Manager Fee, you will also pay an advisor fee to your Advisor for providing investment advisory services and a program fee to your Advisor and/or Envestnet for providing certain investment advisory, administrative and trading support to your Portfolio. The advisor fee is generally negotiable between you and your Advisor, and your Advisor will share a portion of this fee with its IAR. We do not receive any portion of the advisor fee. A portion of the program fee is used to offset the cost of trading through the custodians and advisory fee billing, performance reporting and general maintenance of the Envestnet technology platform. The program fee is generally not negotiable and may be shared with multiple parties, some of which will be our affiliates. In certain situations where we charge a Portfolio Manager Fee of 0.00%, we will receive a portion of the program fee. For more information about the advisor fee and program fee, refer to your Advisor's and Envestnet's Disclosure Brochures.

You will also pay certain miscellaneous fees and charges imposed by the broker-dealer and custodian for applicable administrative and custody-related services for your Portfolio. These fees and charges are in addition to the Portfolio Manager Fees, and we do not receive any portion of the fees and charges. However, our affiliated broker-dealers, and possibly your Advisor, will receive a portion of the fees and charges. The types of custodian fees and charges include, but are not necessarily limited to, the following: IRA and qualified retirement plan account and termination fees, margin interest, administrative servicing fees for trust accounts, fees based on cash or money market deposits and sweeps, electronic and wire transfer fees, and other charges required by law and imposed by the custodian. You will be notified of the level of these fees during the account opening process and should reach out to your Advisor if you have any questions. For more information about the broker-dealer and custodian fees and charges, refer to your Advisor's Disclosure Brochure.

Since we invest your Portfolio in mutual funds and ETFs, you will also pay charges imposed directly by a mutual fund or ETF including fund internal management fees, other fund administrative expenses, and potentially performance-based fees if charged by the fund. As the funds are generally available for purchase directly, the second layer of fees could be avoided by not using our management services and making your own fund investment decisions. If you would like to learn more about the fees assessed by the funds, you should request a copy of the appropriate prospectus from your Advisor or contact the fund sponsor directly.

We generally expect that you will fund your Portfolio by check, and not deposit previously purchased securities. If you deposit previously purchased securities, we will liquidate those positions at our discretion unless you have made other arrangements with your Advisor, subject to our approval in advance of deposit. We will not fully liquidate previously purchased mutual funds or ETFs that we intend to manage as part of your Portfolio. Please note that if we liquidate any transferred in securities, you may incur costs associated with those holdings if applicable, including, but not limited to, contingent deferred sales charges and redemption charges. In addition, if the legacy position is a mutual fund that charges a 12b-1 fee, our affiliated broker-dealer or your custodian will rebate any 12b-1 fees received prior to liquidation of the position except in the case of certain money market mutual funds. If we agree to manage a previously purchased security as an alternate holding in your Portfolio, we will include the alternate position in your Portfolio value for purposes of calculating our Portfolio Manager Fee. If you decide with your Advisor to transfer in certain previously purchased securities that will be liquidated over time by your Advisor to avoid immediate tax consequences, please note that we will not be responsible for managing these legacy positions and, therefore, will not earn a Portfolio Manager Fee on the legacy positions.

Within your Portfolio, we will invest in mutual funds that your Advisor and its custodian make available within the platform. Mutual funds offer multiple share classes. However, different mutual fund share classes have different expense structures (i.e., some higher and some lower) and in some cases the mutual fund share classes pay a 12b-1 fee, administrative fee, recordkeeping fee, and/or revenue sharing fee to your Advisor or custodian. We do not receive any portion of these fees and we will not purchase mutual funds within your Portfolio that pay a 12b-1 fee, though you should be aware certain money market mutual funds options pay a 12b-1 fee to our affiliated broker-dealer.

Your Advisor will generally make available to us a subset of the mutual fund families available through the custodian. The availability of individual mutual funds and share classes is dependent upon the agreement that the custodians have with individual fund families. Your Advisor will only make one share class available for each fund, and we will be required to use that share class if we decide to purchase that fund for your Portfolio. You should understand that your Advisor will choose the fund share class based on a set of criteria they believe is designed to be appropriate for the largest segment of the Advisor's clients while having consistency with the Advisor's other advisory platforms. This means that the funds and share classes we have available for your Portfolio will in many cases not be the lowest cost share class available in the marketplace but will meet your Advisor's criteria based on an assessment of cost, custodial availability, minimum investment size, and average client trade volume. You should understand that another financial services firm may offer the same mutual fund at a lower overall cost to you than is available through your Portfolio. You should not assume that you are invested in the share class with the lowest possible expense ratio or cost. For more information about your Advisor's mutual fund share class selection criteria, you should refer to your Advisor's Disclosure Brochure and consult with your Advisor for share-class specific

information. You should also refer to Item 12 and Item 14 of this Brochure for further information regarding brokerage practices and other compensation to our affiliates.

### **Other Important Considerations**

The Portfolio Manager Fee we charge you may be higher or lower than the Portfolio Manager Fee we charge through another Advisor. It may also be higher or lower than fees charged by other investment advisers for comparable services. The fees that we charge to manage assets in your Portfolio may be more than the amount you would pay a broker-dealer to buy or sell securities on a commission basis in a non-managed account. In addition, the mutual funds and ETFs we manage in your Portfolio are generally available for you to purchase directly or through other investment firms not affiliated with Kestra IM.

Although you do not pay a transaction charge for transactions in your Portfolio, you should be aware that your Advisor or their affiliate pays your broker-dealer either a per-trade transaction charge or an asset-based fee to cover brokerage, custody and clearing services provided by the custodian. The amount of the transaction charges or asset-based fee is determined between your Advisor and their broker-dealer. To the extent your Advisor pays a per-trade transaction charge, we have a conflict of interest to trade less frequently in your Portfolio so that your Advisor, our affiliate, does not incur transaction charges. For more information about your Advisor's custodian relationship, refer to your Advisor's Disclosure Brochure.

Because we are providing services through a wrap program, the fees you will be charged represent an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodian services, except for the miscellaneous fees and charges described above (see Other Types of Fees and Charges). The fees may cost you more or less than the cost of purchasing similar services separately, for example, paying an advisory fee plus commissions or transaction charges. Factors that bear upon the cost of your Portfolio in relation to the cost of the same services purchased separately include the account size, the type of account, expected size and number of trades in your account, and the number and range of other advisory and client-related services.

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

We do not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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

We offer our services to individuals, IRAs, pension and profit-sharing plans, corporations and other business organizations, trusts, estates, and charitable organizations. We require a minimum investment into a Portfolio of either \$5,000 or \$25,000, depending upon the investment strategy selected. We may make exceptions to the account minimum on a case-by-case basis. Certain Advisors may also impose a higher minimum or impose an additional minimum fee on accounts below a certain minimum. Please refer to the Advisor's Disclosure Brochure for additional information.



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

We act as the Portfolio Manager and structure Portfolios designed to address various strategic and tactical investment strategies described below and manage/rebalance the Portfolios on a discretionary and ongoing basis.

Your Advisor, through its IAR, is responsible for helping you determine the appropriateness of using Kestra IM as a Portfolio Manager, select a Portfolio that is consistent with your investment objective and risk tolerance, and provide you with ongoing advice and services regarding the selection or replacement of a Portfolio. You are responsible for selecting your Advisor and IAR, and you may provide your Advisor and IAR with discretionary authority to select or replace your Portfolio if desired. Your Advisor is responsible for overseeing its IAR. For more information regarding your Advisor and IAR, you should refer to the Advisor's Disclosure Brochures.

Within each Portfolio we will invest in mutual funds and/or ETFs on a discretionary basis. We use a team of investment professionals to manage Portfolios. We are responsible for determining the appropriate asset allocation, selecting the securities, and determining the weighting of the securities within the Portfolio, as well as making changes as needed. In some cases, we may hire another third-party investment adviser to provide us with recommendations for structuring Portfolios from an asset allocation and/or security selection standpoint. Even when this happens, we remain responsible for the discretionary management of your account; the third-party investment adviser is not authorized to place transactions in your account and will not provide you with individual investment advice.

Prior to hiring a third-party investment adviser to provide us with recommendations, we will conduct due diligence on the third-party investment adviser using data and information gathered from internal and outside sources, as well as from the third-party investment adviser directly. The data and information collected will typically include, but not be limited to, the following: investment philosophy, investment style, manager tenure, historical performance, historical volatility, risk, correlation across asset classes, fees and operational strength, and regulatory history. We do not calculate or verify the accuracy of performance data that is collected in our due diligence review, and the performance data collected may not be calculated on a uniform and consistent basis.

As a Portfolio Manager we have constructed a variety of Portfolios designed to address different strategic and tactical investment strategies that we believe will meet client needs. The strategic investment strategies offer a series of Portfolio options designed to provide strategic asset allocation, representing a widely diversified set of asset classes. The Portfolios will be constructed using mutual funds and ETFs, taking a long-term approach designed to balance risk and return. The tactical investment strategies offer a series of Portfolio options designed to provide a more active approach to asset allocation, identifying near-term and medium-term opportunities in the market. The Portfolios will be constructed to provide a well-diversified set of mutual funds and ETFs and designed to balance risk and return. We will expand our available strategies over time.

The frequency and timing of transactions in Portfolios vary significantly and depend partly upon the trading bands we determine appropriate given certain factors such as Portfolio risk relative to a target portfolio, tax sensitivity, liquidity of underlying positions, trading costs and Portfolio goals. For certain investment strategies, such as strategic strategies, we may trade infrequently. Other strategies are more tactical and may adjust depending upon economic indicators or market conditions. Certain strategies attempt to improve the taxable consequence of assets

invested, using tax management strategies, though we do not guarantee the ability to prevent or reduce a taxable consequence in managing Portfolios.

Your Advisor and IAR are your primary contact with respect to your Portfolio. As stated above, your Advisor works with you to collect personal information and helps you determine your Portfolio selection consistent with your investment objective and risk tolerance, among other items. Your Portfolio selection is provided to us so that we can invest and rebalance your Portfolio as needed. You are responsible for providing your Advisor with any changes to your financial situation, investment objective and risk tolerance and your Advisor will share the information with us. You are also responsible for providing your Advisor with any changes in the restrictions on the management of your Portfolio.

You are encouraged to contact your Advisor and IAR at any time with questions regarding your Portfolio. Your Advisor may contact us to obtain any additional information that may be required from us. You may also request to speak with a member of our investment management team, and such requests will be considered on a case-by-case basis. Please keep in mind that our investment management team may only speak to the investment strategy, asset allocation and security selection for your Portfolio and will not be able to address any questions regarding your financial situation, investment objective or risk tolerance.

Investing in securities, regardless of the investment strategy, involves risk of loss that you should be prepared to bear. Your Portfolio may invest in mutual funds and/or ETFs. The following highlights some of the risks associated with investing generally and with investing in mutual funds and ETFs.

- Market Risk: External factors independent of a security's particular underlying circumstances may impact its value. The value of the security, bond, mutual fund, or ETF may drop in reaction to tangible and intangible events and conditions, such as a political or social event or an economic condition.
- Interest Rate Risk: Fluctuations in interest rates generally cause investment values to fluctuate. For example, market values of bonds or mutual funds or ETFs purchasing bonds typically decline when interest rates rise, because the rising rate makes the existing bond yields less attractive.
- Inflation Risk: Inflation means a dollar today buys less in the future. When inflation is present, your purchasing power typically decreases at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Also known as exchange rate risk, these risks may be present in international mutual funds for example.
- Reinvestment Risk: The risk that future proceeds from investments may be reinvested at a potentially lower rate of return is reinvestment risk. This risk primarily relates to fixed income securities.
- Business Risk: Risks associated with a particular industry, or a specific company may impact the value of investments. For example, oil-drilling companies typically have more business risk than electric companies since they depend on finding oil and then refining it efficiently before they generate a profit. An electric company generates income from customers who buy electricity regardless of economic conditions.
- Liquidity Risk: Liquidity means the ability to readily convert an investment into cash. Assets with many purchasers are generally more liquid. For example, Treasury Bills are highly liquid, while real estate properties are less so.

- Financial Risk: A company with excessive borrowing or that takes significant business risks to generate profit is typically at a greater risk of financial difficulty or failure.
- Asset Allocation and Rebalancing Risk: The risk that assets are out of balance with the target allocation. Any rebalancing of such assets may be infrequent and limited by several factors and, even if achieved, may have an adverse effect on the performance of the assets.
- Bankruptcy Risk: The risk that a company in which an account invests becomes involved in a bankruptcy or other reorganization or liquidation proceeding.
- Commodity Risk: The risk that an asset will experience losses because an issuer has direct exposure to a commodity that has experienced a sudden change in value.
- Concentration Risk: The increased risk of loss associated with not having a diversified portfolio (i.e., the account is concentrated in a geographic region, industry sector or issuer is more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).
- Cybersecurity Risk: The risk of actual or attempted cyber-attacks, including denial-of-service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to our interconnectivity with third-party vendors, custodians, and other financial institutions, we, and thus indirectly your Portfolio, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although we, and our affiliates, take protective measures and endeavor to modify them as circumstances warrant, our computer systems, software and networks are vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render us unable to transact business on your behalf.
- Environmental Risk: The risk of loss because of statutes, rules and regulations relating to environmental protection negatively impacting the business of issuers.
- Regulatory Risk: The risk that we, your Advisor, your IAR, third party investment advisers, Envestnet, custodians, the issuers of mutual funds or ETFs in your Portfolio and other financial institutions or parties are subject to government or self-regulatory agency action that adversely impacts the delivery of services related to your Portfolio.
- ETF Risk: The risk that ETFs fail to accurately track the market segment or index that underlies its investment objective. In addition, ETFs are subject to the following risks that do not apply to conventional funds; (i) the market price of the ETF/s shares trade at a premium or a discount to their net asset value, (ii) an active trading market for an ETF's shares are not developed or maintained, and (iii) there is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged.
- Frequent Trading Risk: High turnover and frequent trading could result in, among other things, adverse tax consequences.
- Investment Style Risk: The risk that a Portfolio outperforms or underperforms other Portfolios that invest in similar asset classes but employ different investment styles.
- Portfolio Construction Risk: The risk that it should be expected that there may be deficiencies in the construction or implementation of the Portfolio, including because of shortcomings or failures of processes, people, or systems. Investments selected for Portfolios may perform differently than expected due to factors considered in constructing Portfolios, the weight placed on each factor, changes from the factors' historical trends, the speed that market conditions change and technical issues in the construction and implementation of the Portfolios. The use of quantitative models could

be adversely impacted by unforeseeable software or hardware malfunction and other technological failures, power loss, software bugs, malicious code, viruses or system crashes or various other events or circumstances within or beyond our control. Certain of these events or circumstances are difficult to detect. In addition, the effectiveness of a Portfolio may diminish over time, including because of changes in the market and/or changes in the behavior of other market participants. Portfolio construction also relies heavily on data that is obtained from a variety of sources, and the functionality depends in part on the accuracy of the data.

- **International and Emerging Market Risk**: Investing in international markets presents additional risks including currency fluctuations, the potential for diplomatic and political instability, regulatory and liquidity risk, and foreign taxation among others. The risks of foreign investing are generally greater in emerging markets.
- **High Yield Bond Risk**: High yield bonds carry greater risks than bonds rated as investment grade. For example, they are issued by organizations that do not qualify for an investment grade rating by one of the rating agencies because of the potential for higher default by the issuer. Another risk is that further financial difficulties by the issuer may result in a decrease in the market value, and this may make it impossible to liquidate the bond prior to maturity.

## **Item 9            Disciplinary Information**

We are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. We have not been involved in any legal or disciplinary events, and therefore have no information to disclose at this time. You should refer to your Advisor's Disclosure Brochure for disciplinary information applicable to your Advisor.

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

Kestra IM is in the business of providing investment advice as described in this Brochure. This is currently our only business activity. Kestra IM is a subsidiary of Kestra Holdings and Kestra Holdings owns, directly or indirectly, numerous other businesses, including investment advisers, insurance agencies, broker/dealers, and other service providers (collectively referred to as Kestra Affiliates). Certain of the Kestra Affiliates that are registered investment advisers are Advisors as discussed throughout this Brochure.

The existence of multiple affiliations and ongoing new acquisitions presents a conflict of interest. Within the overall organization, production incentives are typically put into place to create an incentive to maximize earnings. When a Kestra Affiliate's associated person is registered with one of our affiliates, the associated person has an incentive to both maximize their production and recommend the products and services of other Kestra Affiliates. From time to time, the associated persons will recommend that you purchase or sell products and services of or through Kestra Affiliates, and these Kestra Affiliates and their associated persons receive compensation as a result. Such a recommendation creates a conflict of interest since it would result in increased compensation to a Kestra Affiliate, and potentially our firm and your Advisor.

Associated persons of Kestra IM may be separately licensed as registered representatives of Kestra Investment Services, LLC (Kestra IS), a Kestra Affiliate and broker-dealer registered with FINRA. When providing services described in this Brochure, our associated persons are not acting as registered representatives of Kestra IS; they are acting on behalf of Kestra IM.

Associated persons of Kestra IM may be separately licensed as investment adviser representatives of an investment adviser that is a Kestra Affiliate. When providing services described in this Brochure, our associated persons are not acting as investment adviser representatives of the Kestra Affiliate; they are acting on behalf of Kestra IM.

Kestra Holdings and all Kestra Affiliates (including Kestra IM) are ultimately owned by Kingfisher Holding, LP (Kingfisher). Some of the associated persons of Kestra IM and IARs associated with Advisors own equity in Kingfisher and stand to benefit if Kestra IM and Kestra Affiliates perform well financially. This ownership creates a conflict of interest since Advisor IARs owning equity in Kingfisher have an incentive to recommend the services of Kestra Affiliates including Kestra IM.

We are also affiliated with Arden Trust Company, which provides trust services to individuals. To the extent your Advisor is a Kestra Affiliate and recommends that you use the services of Arden Trust Company, this creates a conflict of interest since our affiliate would receive increased compensation. You are under no obligation to use Arden Trust Company for trust services to open an account and engage us as a Portfolio Manager for your Portfolio.

We are affiliated with Trinity Financial Services. Trinity Financial Service is an affiliated third-party administrator to retirement plan sponsors. To the extent your Advisor is a Kestra Affiliate and recommends that you use the services of Trinity Financial Services, this creates a conflict of interest since our affiliate would receive increased compensation. You are under no obligation to use Trinity Financial Services for retirement plan administration to open an account and engage us as a Portfolio Manager for your Portfolio.

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

We have adopted a code of ethics that establishes standards of conduct for our supervised persons. Our code of ethics requires our supervised persons to treat sensitive information confidentially, not misuse material non-public information about client transactions, report violations of the code, and comply with their fiduciary obligations to clients and federal securities laws. The code of ethics also requires supervised persons to report their personal securities transactions and holdings.

It is our policy not to affect any principal trades in your Portfolio. Principal trades are generally defined as transactions where an investment adviser, for its own account, buys from or sells a security to an advisory client. It is also our policy not to cross trades between your account and the account of another client.

Our supervised persons may buy or sell securities for their personal accounts identical to those we buy or sell for clients. This creates a potential conflict of interest. Our code of ethics requires our supervised persons to place your interests ahead of their own when making personal investments. Our code of ethics also requires members of our investment management team to obtain pre-clearance prior to purchasing certain securities for their personal account. All supervised persons are also required to obtain pre-approval for investments in private placements and initial public offerings. In addition, we monitor trading for our supervised persons.

Please contact us if you would like to receive a copy of our code of ethics. You may also request a copy of your Advisor's code of ethics by contacting your Advisor.

## **Item 12      Brokerage Practices**

We are not responsible for determining the broker-dealer/custodian that will execute trades for your Portfolio or hold your funds and securities. Your Advisor will ask you to enter into an agreement with one of our affiliated broker-dealers that will be responsible for executing transactions at our direction. Your Advisor will require you to use their affiliated broker-dealer to establish your account. National Financial Services, LLC (NFS) or Pershing, LLC (Pershing) will act as custodian holding your funds and securities, depending on the custodial relationship of the broker/dealer used. You should review your Advisor's Disclosure Brochure for information regarding their selection of custodian and a description of the conflicts of interests associated with their arrangement with the custodian. Because your Advisor is our affiliate, we want you to be sure you understand these conflicts of interest as any benefit to your Advisor indirectly benefits us.

Transactions in your Portfolio will be placed through the Envestnet platform at our direction and then Envestnet will execute most transactions through the broker-dealer/custodian you select upon account opening through your Advisor. In some cases, certain thinly traded ETFs will be "stepped-out" to an executing broker-dealer that specializes in trading these types of securities, to obtain prompt execution at the most favorable prices reasonably available and to minimize market impact. When trades are stepped-out, the executing broker-dealer may impose certain fees and charges. While you do not pay for these fees and charges, you should be aware that your Advisor does pay them, and this presents a conflict of interest. You should review Envestnet and your Advisor's Disclosure Brochures for more information regarding stepped-out trades and the related conflicts of interest. We encourage you to consult with your Advisor if you have any questions.

All decisions on whether to aggregate trades for your Portfolio with trades for other clients and trade rotation will be made by Envestnet and not us. Envestnet uses a trade rotation process where you may have a transaction effected before or after another group of clients. You should be aware that Envestnet's trade rotation practices will at times result in a transaction being effected for you that occurs near or at the end of the rotation and, in such event, your transaction will bear the market price impact, if any, of those trades executed earlier in the trade rotation, and, as a result, you may receive a less favorable net price for the trade. You should review Envestnet's Disclosure Brochure for information regarding their policies related to trade rotation, as well as trade aggregation and allocating trades for partially filled orders.

Should we conduct trading outside the Envestnet platform in the future, we intend to follow a similar trade rotation process.

We receive support services and products available from several parties, including Envestnet, Advisors, custodians, mutual fund and ETF product sponsors, and unaffiliated third-party investment advisors. Many of these support services and products assist us in managing your Portfolio; however, some of the services and products benefit us instead. These support services and products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- Investment-related research
- Pricing information and market data

- Software and other technology that provide access to client account data
- Compliance and/or practice management-related publications
- Consulting services
- Attendance at conferences, meetings and other educational and/or social events
- Marketing support
- Other products used by us in furtherance of our investment advisory business operations

These support services are provided to us based on our overall relationship with the party. It is not the result of an express arrangement and does not involve a commitment from us to invest Portfolio assets in any specific security. However, because we receive these benefits, there is a potential conflict of interest. The receipt of these products and services presents a financial incentive for us to invest Portfolios in mutual funds and ETFs from product sponsors from whom we receive products and services so that we do not have to separately pay for such resources from other firms.

Within your Portfolio, we will invest in mutual funds that your Advisor and its custodian make available within the platform. However, different mutual fund share classes have different expense structures (i.e., some higher and some lower) and in some cases the mutual fund share classes pay a 12b-1 fee, administrative fee, recordkeeping fee, and/or revenue sharing fee to your Advisor or custodian. We do not receive any portion of these fees and we will not purchase mutual funds within your Portfolio that pay a 12b-1 fee.

Your Advisor will generally make available to us a subset of the mutual fund families available through the custodian. The availability of individual mutual funds and share classes is dependent upon the agreement that the custodians have with individual fund families. Your Advisor will only make one share class available for each fund, and we will be required to use that share class if we decide to purchase that fund for your Portfolio. You should understand that your Advisor will choose the fund share class based on a set of criteria they believe is designed to be appropriate for the largest segment of the Advisor's clients while having consistency with the Advisor's other advisory platforms. This means that the funds and share classes we have available for your Portfolio will in many cases not be the lowest cost share class available in the marketplace but will meet your Advisor's criteria based on an assessment of cost, custodial availability, minimum investment size, and average client trade volume. You should understand that another financial services firm may offer the same mutual fund at a lower overall cost to you than is available through your Portfolio. You should not assume that you are invested in the share class with the lowest possible expense ratio or cost. For more information about your Advisor's mutual fund share class selection criteria, you should refer to your Advisor's Disclosure Brochure and consult with your Advisor for share-class specific information.

Although you do not pay a transaction charge for transactions in your Portfolio, you should be aware that your Advisor pays your broker-dealer/custodian either a per-trade transaction charge or an asset-based fee to cover brokerage, custody and clearing services provided by the custodian. The amount of the transaction charges or asset-based fee is determined between your Advisor and the broker-dealer. To the extent your Advisor pays a per-trade transaction charge, we have a conflict of interest to trade less frequently in your Portfolio so that your Advisor, our affiliate, does not incur transaction charges. We intend to trade with a frequency that is appropriate for the investment strategy for the Portfolio, without regard to transaction charges. However, we may select a fund that is available on a no-transaction-fee basis as described below. You should review your Advisor's Disclosure Brochure for information

regarding a description of the conflicts of interests associated with their arrangement with the custodian. Because your Advisor is our affiliate, we want you to be sure you understand these conflicts of interest as any benefit to your Advisor indirectly benefits us.

Our affiliate broker-dealers, Kestra IS and Grove Point Investments, LLC, use the services of NFS and Pershing (the custodians), respectively, to perform certain brokerage functions for your Portfolio and act as custodian for the assets in your Portfolio. The custodians handle the delivery and receipt of all securities bought or sold in your Portfolio, value securities, receive and distribute all dividends and other distributions, and process exchange offers, rights offerings, warrants, tender offers, or redemptions. The custodians also send trade confirmations (unless suppressed by you), periodic account statements of all activities, and shareholder communications. The custodians maintain custody of your assets and perform other customary custodian services. The custodians charge and collect fees and process deposits to and withdrawals from your Portfolio.

The use of the custodians involves a conflict of interest because the custodians pay our affiliate broker-dealers' various amounts in connection with assets on their platform. Our affiliate broker-dealers' business relationship with the custodians also provides our affiliate broker-dealers with considerable other benefits, including favorable pricing with the custodians (including execution price discounts that increase with trade volume – these discounts are not shared with our Advisors or with clients), receipt of revenue sharing payments from the custodians on certain mutual funds and ETFs and the sweep account bank account option, receipt of credits from the custodians for business development and for net positive asset flows onto the custodian's platforms, and receipt of a portion of interest payments on margin loans and non-purpose loans. In addition, the custodians provide our affiliate broker-dealers payments for certain conferences and programs. The receipt by our affiliate broker-dealers of such compensation from the custodians, including credits and discounts that reduce amounts our affiliate broker-dealers otherwise owe to the custodians, creates a conflict of interest. We have an economic incentive to use our affiliate broker-dealers because of the affiliation between the companies. Our affiliate broker-dealers have an economic incentive to use the custodians as their clearing firm for trade execution and custody over other firms that do not or would not provide such economic benefits to our affiliate broker-dealers, even if such other firms might be more beneficial to clients of the firm. Accordingly, we have a financial incentive to recommend that you use our affiliate broker/dealers and the custodians from brokerage and custodial services.

Our affiliate broker-dealers have a contract with the custodians which provides our affiliate broker-dealers financial incentives to place assets with the custodians, as well as disincentives in the form of charges to our affiliate broker-dealers if they were to terminate their contracts with the custodians before the end of the contract term. These contract terms create a conflict of interest for our affiliate broker-dealers since our affiliate broker-dealers have an incentive to use the custodians as a clearing firm and custodian.

Your Advisor's custodian offers various no-transaction-fee (NTF) mutual fund and ETF programs where the transaction charges normally charged to your Advisor are waived for the purchase and sale of mutual funds and ETFs participating in an NTF program. The programs are referred to under various names, such as NTF program, iNTF program, and NTF ETF program (collectively referred to as NTF program in this Brochure). Participating mutual funds and ETFs compensate the custodian, who in turn will compensate our affiliate broker-dealers based on the amount of assets invested in those funds.



In the case of ETFs, the product sponsor compensates our affiliate broker-dealers directly at a rate based on the amount of assets invested in those funds and the average weighted net expense ratio of the fund. As a result, we have a conflict of interest when we select these funds for your Portfolio because our affiliate will receive compensation. Since your Advisor absorbs the transaction charges for trades in your Portfolio, the NTF program creates a conflict of interest as it results in increased compensation to your Advisor who is also our affiliate, and therefore indirectly benefits us.

The custodian generally charges mutual fund companies a higher fee for NTF mutual fund share classes than for other mutual fund share classes. As a result, the mutual funds participating in the NTF program generally have higher expense ratios than similar funds not in the NTF program. Thus, over time, you typically pay higher costs for funds in this program that you would for non-NTF funds subject to transaction charges. The higher internal expenses charged to you if you hold NTF funds will adversely affect the long-term performance of your Portfolio when compared to share classes of the same fund that assess lower internal expenses.

In addition, our affiliate broker-dealers generally receive a higher revenue share payment from the custodian for each investment in an NTF mutual fund share class than for mutual fund share classes that are not included in the NTF program. Certain fund companies with share classes in the NTF program pay a lower fee to the custodian than other fund companies with share classes in the NTF program. This means that our affiliate broker-dealers receive a lower revenue share payment for each investment in such companies' mutual fund share classes in the NTF program than other mutual fund share classes in the NTF program.

Through the relationship between our affiliate broker-dealers and the custodians, the custodians also remit a portion of the compensation they receive to our affiliate broker-dealers from the mutual funds participating in the transaction fee (TF) mutual fund program that the custodian operates. This compensation increases as the amount of assets held in funds participating in the TF mutual fund program increases. As a result, we have a conflict of interest when we purchase these funds in your Portfolio because our affiliate will receive compensation, which will indirectly benefit us.

Some mutual fund families offer share classes of funds, including funds with share classes that are available in the custodian programs discussed above, that do not make payments to the custodian. As a result, our affiliates will not receive revenue-sharing payments when we select these funds for your Portfolio. This creates a conflict of interest because we have an incentive to purchase funds that pay revenue-sharing to our affiliates, which will indirectly benefit us. When funds do not make revenue-sharing payments, they generally have lower fund expenses and will cost you less money over longer holding periods than funds with share classes that make these payments.

You should be aware that in some cases we will select an NTF fund that pays our affiliate compensation or more compensation than another fund even if the expense ratio is higher than a transaction fee fund to provide consistency in our fund selections across multiple Advisors and custodian platforms.

The conflicts of interest described above are mitigated in several ways. Kestra IM does not receive any portion of the revenue-sharing noted above or any more or less compensation based on the funds we select for purchase in your Portfolio. Additionally, as noted above, only one share class of a mutual fund is available for us to purchase in your Portfolio. While our

affiliate determines which share class to make available, cost is one of the factors considered. We also remain committed to only selecting securities that we believe will most appropriately satisfy the investment strategy for your Portfolio.

We encourage you to refer to your Advisor's Disclosure Brochure for further details regarding the various NTF programs and speak with your Advisor if you have further questions.

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

Our investment management team will monitor Portfolio asset allocations and security selections on an ongoing basis and your Portfolio will be reviewed on a regular basis and rebalanced if it meets our rebalancing criteria. We may also review your Portfolio because of major market or economic events.

Your Advisor should also be reviewing your account on a frequency determined by you and your Advisor (no less than annually) to ensure that your Portfolio selection remains appropriate given your financial situation, goals, and objectives. Be sure to notify your Advisor if you have changes in your financial situation, goals, or objectives. You should also notify your Advisor right away if you experience a major life event to determine if your Portfolio remains appropriate. You should refer to your Advisor's Disclosure Brochure to learn more about reviews conducted by your Advisor and its IAR.

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

We do not compensate any third party for client referrals.

We receive compensation from mutual fund or ETF product sponsors and unaffiliated third-party investment advisers. Such compensation is not tied to the sales of any products or services. Compensation may include such items as nominal gifts, an occasional dinner or ticket to a sporting or entertainment event, or reimbursement in connection with education meetings or client events. Product sponsors and unaffiliated third-party investment advisers may also pay for or reimburse us for costs for our employees to attend education or training conferences sponsored by the product sponsor or third-party investment advisers as well as for events that we sponsor.

Kestra Affiliates, including your Advisor, receive compensation from various service providers (for example, mutual fund and ETF sponsors) including, but not limited to, revenue sharing, sponsorship fees, recordkeeping fees, and select provider fees. The payments are based on a percentage of assets under management invested in the service providers products or in some cases a fixed dollar amount and include assets where we serve as Portfolio Manager. Although we do not receive any portion of this compensation, these payments to our affiliates create a conflict of interest as they result in increased compensation to our affiliates and therefore indirectly benefit us. You should be aware that among other factors, we consider whether a Kestra Affiliate will receive any form of compensation noted above when selecting securities because we believe the close relationship between the service provider and Kestra Affiliates will benefit our clients. Even so, we remain committed to only selecting securities that we believe will most appropriately satisfy the investment strategy for your Portfolio. The amount of the compensation paid to Kestra Affiliates is subject to change and is posted on Kestra Affiliate websites at <https://kestrafinancial.com/disclosures/company-information> and <https://www.grovetpointfinancial.com/for-investors/strategic-partner-relationships>. You should also refer to your Advisor's Disclosure Brochure for more information.

You should also refer to Item 12 of this Brochure for additional information related to conflicts of interest as a result of relationships that our affiliates have with the custodians as well as mutual fund and ETF product sponsors.

#### **Item 15      Custody**

We do not maintain physical custody of your funds or securities. Third-party qualified custodians as selected by you and your Advisor hold and maintain your assets, and those custodians provide account statements directly to you at your address of record at least quarterly. We urge you to compare the account statements you receive from your account custodian with any performance or other reporting you may receive from your Advisor and contact your Advisor with any questions.

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

You will provide us with discretionary authority over your Portfolio by signing the investment advisory agreement. Our discretionary authority is limited to only placing trades in your Portfolio; we will determine the type and amount of securities to buy or sell in your Portfolio without obtaining your consent for each trade. We will not have access to your funds or securities, although our Portfolio Manager Fee will be deducted from your Portfolio account and paid to us at the Advisor's request per the terms of the investment advisory agreement.

You may also provide your Advisor and IAR with discretionary authority to select or replace your Portfolio if desired.

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

We do not vote proxies on securities held in your Portfolio. Envestnet is responsible for voting proxies on your behalf unless you decide you want to retain the right to vote proxies.

If you decide you want to retain the right to vote proxies on securities held in your Portfolio, you will receive copies of shareholder communications related to such proxy voting distributed by the issuer of such securities and you will be responsible for voting all proxies and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other types of events pertaining to your Portfolio holdings. We will not provide you with any advice regarding any proxy solicitation.

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

We are required to provide you with certain information and disclosures about our financial condition. We have no financial commitment that impairs our ability to meet our contractual or fiduciary commitments to you, and we have not been the subject of a bankruptcy petition.

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**Kestra Investment Management, LLC**

5707 Southwest Parkway  
Building 2, Suite 400  
Austin, TX 78735

844-553-7872

March 11, 2022

This Brochure Supplements provide information about certain Kestra Investment Management (“Kestra IM”) employees that supplements the Kestra IM Brochure that is attached to these Brochure Supplements. Please contact Kestra IM at 844-553-7872 if you did not receive the Kestra IM Brochure or if you have any questions about the contents of these Brochure Supplements. You may also contact your Advisor and investment advisor representative (IAR).

Additional information about these Kestra IM employees is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov):

Kara Murphy, Derek Schug, Mouna Pyneni

Note that although these Kestra IM employees are responsible for investment advice provided by Kestra IM, they are not the Advisor and the IARs are responsible for the ongoing individualized investment advice provided to you. For more information about the Advisor and IAR managing your account, you should refer to your Advisor’s Disclosure Brochure and Brochure Supplement for your IAR, which should have been provided by your Advisor and IAR along with the Kestra IM Brochure and these Brochure Supplements at the time you opened your account. If you did not receive your Advisor’s Disclosure or your IAR’s Brochure Supplement, you should contact your Advisor, IAR or Kestra IM.

## **Item 1            Educational Background and Business Experience**

### **Kara Murphy**

#### **Educational Background**

Kara holds a bachelor's degree from Georgetown University's School of Foreign Service and a master's degree from the University of Chicago.

#### **Professional Designations**

Ms. Murphy holds the Chartered Financial Analyst (CFA®) designation.

#### **Business Experience**

She is Executive Vice President and Chief Investment Officer of Kestra Investment Management and has been with the firm since 2021. Prior to joining Kestra IM, she was Chief Investment Officer at Goldman Sachs Personal Financial Management and Chief Investment Officer at AIG Funds. Earlier in her career, she was an analyst at Chilton Investment Company, a hedge fund, and at Morgan Stanley Investment Management. Before joining the investment industry, she was an analyst covering international political and economic risk at Marvin Zonis + Associates. As Chief Investment Officer of Kestra Investment Management, Kara provides investment expertise and support for the financial professionals within Kestra Holdings, empowering them to serve their clients' wealth management needs. That support includes market research and commentary, empirically driven guidance on portfolio construction, and an array of sophisticated investment strategies.

### **Derek Schug**

#### **Educational Background**

Derek holds a Bachelor of Science in Economics from Vanderbilt University.

#### **Professional Designations**

Mr. Schug holds the Chartered Financial Analyst (CFA®) designation.

#### **Business Experience**

Derek serves as the SVP, Head of Portfolio Management for Kestra Investment Management. Prior to joining Kestra IM, Derek was a Portfolio Manager at AlphaSimplex. There he was responsible for the strategic development, delivery, research, and ongoing portfolio management of AlphaSimplex's asset allocation products with an emphasis on the model portfolio delivery business where AlphaSimplex acts as a Portfolio Strategist. He also served as a co-portfolio manager for the AlphaSimplex Dynamic Allocation Strategy. He has over 25 years of industry experience. Prior to this, Derek was the Founder and CEO of SandBox Investment Partners, LLC, a quantitative investment management firm focused on managing tactical ETF portfolios for Financial Advisors and Institutions. Prior to founding SandBox, Mr. Schug served as Vice President, Investment Strategist at LPL Financial, where he led a team tasked with generating investment ideas across an expansive suite of asset allocation portfolios and also led the creation and ongoing management of new asset allocation model types. Prior to joining

LPL Financial in 2005, he spent over four years at Columbia Management, where he created and managed the firm's Investment Services Team. Derek Schug began his career at Fidelity Investments in 1992.

## **Mouna Pyneni**

### **Educational Background**

Ms. Pyneni holds a Master's degree in Finance from the Rochester Institute of Technology.

### **Business Experience**

Mouna joined Kestra Investment Management in 2021 as a Portfolio Manager. She supports the development of and manages a curated menu of investment strategies, manages the day-to-day oversight, performance measurement, attribution, and rebalancing of the strategies. Prior to joining Kestra, Mouna was a member of the Investment Management team at Goldman Sachs PFM. As an IM associate, she managed model portfolio delivery process from idea origination to implementation. She holds the Series 7 and 66 securities registrations.

### **Item 2            Disciplinary Information**

There are no legal or disciplinary events to disclose about the members of Kestra IM's investment team listed above.

### **Item 3            Outside Business Activities**

In addition to their responsibilities as members of the investment team at Kestra IM, one of these individuals is registered with FINRA as a registered representative of our related broker-dealers. One of these members of the investment team is also an executive officer of Kestra IM or its affiliates. Best efforts are made to limit any potential conflicts of interests caused by these additional roles.

### **Item 4            Additional Compensation**

None of the members of the investment team receive any additional economic benefit for providing advisory services.

### **Item 5            Supervision**

The three members of the investment team with the most significant responsibility for the day-to-day discretionary investment management are supervised by their respective managers who meet regularly with them. These managers can be reached by dialing the phone number listed on the cover.

<b>Name</b>	<b>Supervisor</b>
Kara Murphy	James Poer, Chief Executive Officer, Kestra Holdings
Derek Schug	Kara Murphy, Executive Vice President and Chief Investment Officer of Kestra Investment Management
Mouna Pyneni	Derek Schug, Senior Vice President, Head of Portfolio Management

## **Appendix**

Series 7 – The General Securities Representative exam (Series 7) qualifies a holder for the solicitation, purchase, and/or sale of all securities products, including corporate securities, municipal securities, municipal fund securities, options, direct participation programs, investment company products, and variable contracts.

Series 66 – The Uniform Combined State Law exam (Series 66) qualifies holders as both securities agents and investment adviser representatives. The Series 7 is a co-requisite exam that needs to be successfully completed in addition to the Series 66 exam before a holder can register with a state.

CFA® – The CFA designation is issued by CFA Institute (formerly the Association for Investment Management and Research [AIMR]) after successfully completing 250 hours of self-study and passing three course exams. As a prerequisite, candidates must either have an undergraduate degree and four years of professional experience involving investment decision-making, or a combination of university experience and professional experience, not necessarily investment related, that totals four years. In order to pass these examinations, candidates must demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.