



## Client Relationship Summary January 2021

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### Item 1. Introduction

Kennedy Capital Management, Inc. ("KCM") has been continuously registered with the U.S. Securities and Exchange Commission ("SEC") as an Investment Adviser since 1980. Clients and prospective clients should be aware that services and fees differ between investment advisers and broker dealers, and it is important for retail investors to understand the differences. Free and simple tools are available to research advisory firms like us at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers and investing.

### Item 2. Relationships and Services

#### What investment services and advice can you provide me?

KCM generally offers investment management services with assets managed through separately managed accounts ("SMAs") or as a sub-advisor to wrap programs of other advisers. Advisory services are provided to clients considered retail investors including high net worth individuals and/or trusts. KCM primarily invests in domestic equity securities including common stocks of micro, small, mid and large cap companies.

KCM generally provides services exclusively on a discretionary basis. Discretion means that we have permission to make investment decisions for your account without prior consultation with you. KCM will monitor its clients' separately managed accounts and will purchase and sell securities consistent with the investment strategy in which you have invested and in accordance with your investment management agreement. Although we retain investment discretion over your account, you have the opportunity to place reasonable restrictions or constraints regarding specific conditions or limitations on the types of investments to be made for your account. All such restrictions or constraints, and any modifications to existing restrictions or constraints, are to be agreed upon in writing.

KCM generally does not have absolute minimum requirements regarding the amount of assets needed to open or maintain an account. We do have preferred minimum account sizes as listed in our Form ADV Part 2A which may be waived or lowered at our discretion based on the character of the account.

For additional information regarding relationships and services, please see KCM's Form ADV Part 2A, sections titled Advisory Business and Types of Clients, available at [www.kennedycapital.com](http://www.kennedycapital.com).

**Conversation starter: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

### Item 3. Fees, Costs, Conflicts & Standard of Conduct

#### What fees will I pay?

KCM's advisory fees are generally based on a percentage of a client's assets under management and range between 0.60% and 1.25% of assets under management and may be tiered. Advisory fees do not include costs that may be imposed by your custodian, broker-dealer, and other third party managers. These additional costs may include custodial fees, brokerage commissions, transaction fees, odd lot differentials, transfer taxes, wire transfer and electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses. The specific manner in which advisory fees are calculated is established in each client's investment advisory agreement with KCM. Annual advisory fees are generally calculated and paid quarterly, in advance or in arrears in accordance with your investment advisory agreement. Quarterly fees are calculated as the annual advisory fee rate multiplied by the calculated billable market value and divided by four unless otherwise specified in the client's investment advisory agreement.

For additional information regarding fees and expenses, please see KCM's Form ADV Part 2A, section titled Fees and Compensation, available at [www.kennedycapital.com](http://www.kennedycapital.com).

**Conversation starter: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

## **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When KCM acts as your Investment Adviser, we are required to act in your interest and to put your interests ahead of our own. However, the way we earn money creates some conflicts with your interests. You should understand these conflicts as they can affect the investment advice we provide to you. For example;

- KCM manages accounts for multiple clients with differing goals, objectives and fee arrangements which may create an incentive to manage accounts in a way that may preference one type of client over another. We mitigate this risk with policies intended to create a fair and equitable allocation of opportunities for all of our clients.
- Some of the broker-dealers who execute trades on behalf of KCM's clients may allocate a portion of our clients' commissions to pay for research, also known as "soft dollars." These arrangements help our firm make investment decisions; however, they can increase clients' transaction costs. We mitigate this conflict by ensuring that our selection of trading partners is based on each broker-dealer's trade execution, rather than their willingness to provide soft dollars, and by assessing the services of the brokers we use on a periodic basis.

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

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

For additional information regarding conflicts, please see KCM's Form ADV Part 2A, sections titled Other Financial Industry Activities and Affiliations and Code of Ethics, available at [www.kennedycapital.com](http://www.kennedycapital.com).

## **How do your financial professionals make money?**

KCM's financial professionals receive a salary and a bonus which is based in part on the performance of the strategies in which KCM's clients are invested. Compensation is structured to attract highly qualified financial professionals, and it is closely tied to the performance of clients' portfolios.

KCM's financial professionals may from time to time receive gifts or entertainment provided from broker-dealers or other unaffiliated third parties. KCM's policies and procedures contain limits on and reporting requirements for the receipt of gifts and entertainment by KCM employees.

## **Item 4. Do you or your financial professionals have legal or disciplinary history?**

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

No for our firm. No for our financial professionals. You can visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

## **Item 5. Additional Information**

If you have questions about our services or if you wish to request a copy of the relationship summary, please contact us at 1-800-859-5462 or at [clientservice@kennedycapital.com](mailto:clientservice@kennedycapital.com). You can also visit us at [www.kennedycapital.com](http://www.kennedycapital.com). Additional information about Kennedy Capital Management is also available on the SEC's Investment Adviser Public Disclosure Website at <https://adviserinfo.sec.gov>.

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