

Kenmar Securities, LLC Form CRS: Customer Relationship Summary
April 15, 2024

Introduction

Kenmar Securities, LLC (“Kenmar”) is registered with the Securities and Exchange Commission as a broker-dealer. Kenmar is further supervised by FINRA and a member of the Securities Investor Protection Corporation

Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about broker-dealers, investment advisers, and investing.

Relationships and Services

What investment services and advice can you provide me?

We offer brokerage services:

Brokerage Services. Our principal (primary) brokerage services are making recommendations about buying, selling and holding securities, and buying and selling securities. Our focus is private placements.

Our services do not include monitoring investments in brokerage accounts.

If you use our brokerage services, you make all of the ultimate decisions regarding purchases, holds and sales of investments for your account. The investments we offer include equities (stocks), different types of bonds/loans, alternative investment funds (such as hedge funds and private equity funds), limited partnerships, and tax shelters.

The investments we make available and recommend are not limited to a narrow menu of products or types, and are not limited to proprietary products. However, the specific types of investments we would recommend to you (or any other investor) will include your financial circumstances and needs, and your experience and familiarity with different investments.

We do not impose minimum account size or minimum investment requirements for brokerage services.

Conversation Starter - Ask a Kenmar financial professional the following additional questions to start a conversation about relationships and services:

Given my financial situation, should I choose a brokerage 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?

Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay?

Brokerage Services – Principal Fees and Costs. The principal (primary) fees and costs on securities you purchase are paid for by the issuer of those securities. You will not incur any direct transaction-based fees, such as commissions and similar payments. Depending on your investments, Kenmar will charge brokerage commissions to the seller of securities.

We charge a brokerage commission to the issuer when an investment or loan is made to an issuer. In cases where it is an alternative investment (hedge fund or private equity fund), the sponsor, or fund, will pay us a percent of the management and incentive fee based on the amount of your investment. In private placements of real estate, the issuer pays us on the date of your investment or over a period of years. If you redeem, from any fund, the trailing commission, if any, will terminate

The payments summarized above create incentives for us to recommend that you invest in issuers, or alternative funds that we introduce to you. They also create incentives for us to recommend investments that pay us fees, and that pay us higher fees than other investment alternatives.

Other Fees and Costs. In addition to brokerage services fees, you may pay some additional charges. Examples include management fees charged by investment funds, wire transfer fees, fees for transferring your account to another firm, and charges for non-publicly-traded securities or special services you request.

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.

Conversation Starter - Ask a Kenmar financial professional the following question to start a conversation about the impact of fees and costs on investments:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 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 providing recommendations as my broker-dealer? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation as your broker, we have to act in your best interest and not put our interest ahead of

yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment opportunities we provide you. Here are some examples to help you understand what this means:

Proprietary Products. As a firm, we receive more compensation and other benefits if you invest in products that are issued, sponsored or managed by us or our affiliates – for example, investment strategies managed by our affiliate, Kenmar Preferred Investments, LLC. This creates an incentive for us to recommend or select proprietary products over others.

Third Party Payments. We receive compensation such as sales commissions and other payments from certain investments we sell (or their sponsors), including alternative funds. This creates an incentive for us to recommend or select products that pay us these fees over those that do not, or that pay us lower fees.

Revenue Sharing. The sponsors of some investments (for example, fund companies) and other parties share with us a portion of the revenue they earn on the investments. This creates an incentive for us to recommend or select investments that share revenue with us, and share more revenue with us than others.

Conversation Starter - Ask a Kenmar financial professional the following question to start a conversation about conflicts of interest:
How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money? Like many firms, the primary cash compensation we pay to each of our financial professionals is a percentage share of his or her production. “Production” means the commissions, consulting fees and certain other revenues that the financial professional generates for our firm by providing services to issuers and investors.

Because the compensation we pay to our financial professionals is based largely on their production, how much each individual is paid depends on a number of factors, including the following:

Level of client assets serviced. More client assets will mean more compensation. This creates a conflict of interest when our financial professionals make recommendations to bring more assets to our firm – for example, when they recommend additional investments for our affiliated investment advisor or identify assets for a hedge fund or private equity fund.

Products sold (differential compensation); sales commissions. For brokerage services, we receive different levels of sales commissions and other payments from different investments. We have policies and procedures designed to help ensure that our financial professionals do not recommend investments to you that would be inconsistent with your best interests. Sometimes we receive different amounts of compensation even between competing products of the same type. Thus, our financial professionals have conflicts of interest when they recommend investment types or specific investment products.

Revenues our firm earns from brokerage services and investment recommendations. Both commissions and other charges for brokerage services, and other fees, count toward our financial professionals’ production. Both our firm and our financial professionals will receive more compensation if you to buy securities often, and buy larger amounts of securities, creating a conflict of interest. We also receive higher fees for some transactions and brokerage programs than others. This creates conflicts of interest when our financial professionals make recommendations about account types.

Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. Visit www.brokercheck.com for a free and simple search tool to research us and our financial professionals.

Conversation Starter - Ask a Kenmar financial professional the following questions to start a conversation about his or her disciplinary history:

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

Additional Information

You can also request up-to-date information or a copy of this Customer Relationship Summary by calling us at +1-212-596-3480.

Conversation Starter - Ask a Kenmar financial professional the following questions to start a conversation about the contacts and complaints:

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

Who is my primary contact person? You should contact Robert C. Cox at +1-212-596-3339. Mr. Cox is the Executive Officer and Chief Compliance officer of Kenmar Securities, LLC, the broker-dealer.