

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

Introduction

Kenmar Preferred Investments, LLC (“Kenmar”) is registered with the Securities and Exchange Commission an investment adviser. 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 investment advisory services:

Investment Advisory Services. Our principal (primary) investment advisory services are related to alternative investments, e.g., hedge funds and private equity vehicles. Our services include both discretionary and non-discretionary investment advice. If you choose one or more of our services, this means we act as your investment adviser.

For investment advisory services, we monitor the investments in your account as part of our standard services. This will occur at least annually.

Some of our advisory services are non-discretionary. This means we provide advice, but you make all of the ultimate decisions about buying, selling and holding investments. An example of a non-discretionary service would be identifying and recommending a hedge fund, but you would ultimately make the investment decision.

Other of our investment advisory services are discretionary investment strategies. “Discretionary” means you authorize us (or another asset manager within our programs) in writing to make the investment decisions – that is, to buy and sell investments on your behalf. This authorization will remain in place until you revoke it, or leave the program.

For advisory services, we do not limit investments to a narrow menu of products or types, or to just proprietary products. However, the specific investments we would recommend for you will usually factor in your financial circumstances and needs, as well as your experience and familiarity with different investments. Within our discretionary products, the strategy and design of the program, and the asset manager’s philosophy, will likewise limit the types of investments used.

For our investment recommendations, there are minimum account size requirements. They range from \$10,000 up to \$5,000,000 depending on the specifics, with most hedge funds and private equity minimums of \$1,000,000 and strategies \$10,000 to \$25,000.

For more detailed information about our investment advisory services, please review our Form ADV, Part 2A Brochure at:

<https://adviserinfo.sec.gov/firm/summary/226658>

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 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?

Fees, Costs, Conflicts and Standard of Conduct

What fees will I pay? Investment Advisory Services – Principal Fees and Costs. For our investment advisory services, we charge either a flat fee or fee equal to a percentage of your advisory assets with us. The specific fee rate will be set forth in writing. Unless we agree otherwise, our fees are generally charged quarterly, as long as we continue providing you with advisory services. In cases where our fees are based on a percentage of your advisory assets, we have an incentive to recommend that you increase your advisory assets with us.

In connection with our advisory services, as a firm Kenmar receives certain additional payments and expense reimbursements that we do not share with our financial professionals. For example, we receive fees from strategies offered to 3rd parties.

Within certain of our strategies, we have a conflict of interest as the more you commit to the strategy, the more income Kenmar shall earn (rather than third-party managers), we and our affiliates can keep a larger share of the advisory fees.

Other Fees and Costs. For investment advisory services, you will pay some additional charges. Examples include management fees charged by platforms, exchange fees, wire transfer fees, and charges for non-publicly-traded securities or special services you request. Additional brokerage and custody fees will also apply as Kenmar does not custody any client monies.

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 more detailed information about fees and costs, please review Item 5 on our Form ADV, Part 2A Brochure, at

<https://adviserinfo.sec.gov/firm/summary/226658>

Conversation Starter - Ask a Kenmar financial professional the following question 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 when acting as my investment adviser? How else does

your firm make money and what conflicts of interest do you have? When we provide you with a recommendation as your investment adviser, 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 advice 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, strategies, or funds, managed by Kenmar provide more compensation to Kenmar than those offered by 3rd parties. 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?

For more detailed information about our services, please review our Form ADV, Part 2A Brochure at:
<https://adviserinfo.sec.gov/firm/summary/226658>

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” mean the commissions, advisory fees and certain other revenues that the financial professional generates for our firm by providing services to investors. Certain of our research professionals are on salary.

Some payments we receive as a firm do not count toward our financial professionals’ production. Other firm revenues, such as certain business referrals to our firm and affiliates, count toward our financial professional’s production on an adjusted basis.

Our financial professionals are also able to earn bonuses payable in cash. These bonuses are based largely on the financial professional’s production. 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, IRA and other account transfers from other firms, and plan-to-IRA rollovers.

Products sold (differential compensation); sales commissions. 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. However, we still receive different rates of compensation for different types of investments. Thus, our financial professionals have conflicts of interest when they recommend investment types or specific investment products. Some will generate more sales commissions for our firm, meaning higher production and pay for a financial professional, than others.

Revenues our firm earns from advisory services and investment recommendations. Both commissions and other charges for advisory fees, count toward our financial professionals’ production. For investment advisory services, we also receive higher fees for some advisory programs than others. This creates conflicts of interest as our financial professional’s production, and thus his or her compensation, will be higher for some services and programs than others.

Disciplinary History

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

NO. Visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

Conversation Starter – Ask a Kenmar financial professional the following questions 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 find additional information about our investment advisory services, or request a copy of this Customer Relationship Summary, by calling us at +1-212-596-3480.

Conversation Starter - Ask a Kenmar professional the following questions to start a conversation about the contacts and complaints:
Who is my contact person? Is he or she a representative of an investment adviser? Who can I talk to if I have concerns about how I am being treated?

Who is my primary contact person? You may contact Jim Parrish, Chief Compliance Officer, of Kenmar. His direct number is +1-212-596-3466, or email at jparrish@kenmarolympia.com