

LK&A INVESTMENT COUNSEL (Lawrence Kelly & Associates, Inc.)
Summary of Firm and Client Relationship (June 30, 2020)

LK&A INVESTMENT COUNSEL (“LK&A” or “we”) is an investment adviser registered with the Securities & Exchange Commission under the Investment Advisers Act of 1940. We are providing this document to all clients as a brief description of our relationship, including the services we provide and how we are compensated for our services. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. There are additional, easy to follow, free resources available to research investment firms and financial professionals at <https://www.investor.gov/CRS>.

What investment services and advice can you provide me?

We provide investment advice through separately managed accounts that are tailored to each client’s investment objectives and risk tolerance. We invest in individual securities, primarily publicly traded stocks and bonds, rather than allocate client funds to outside money managers through the use of mutual funds, private equity managers, or other investment vehicles controlled by others. We offer investment advisory services to retail investors and do not act as broker-dealer nor are we affiliated with a broker-dealer. Additionally, we do not take custody of client assets and leave to you the decision on which custodian offers the best services for their situation.

Monitoring Investments: We continuously monitor your investments by using our own fundamental investment analysis which reviews, among other things, financial statement analysis, public communication by company management, industry specific periodicals and analyses by broker dealers and market research firms. We combine this bottom-up research with our own assessment of the macro-economic conditions that could affect industry or security valuations broadly.

Investment Authority: We offer our services through the use of discretionary trading authority of your account(s) in line with the investment guidelines on which we mutually agree. Consequently, we do not communicate our decision to purchase or sell an investment for you prior to our completing that transaction. However, when requested, we adhere to client imposed restrictions relating to various social issues or other restrictions. This discretionary authority remains intact during the entire course of our relationship, which may be cancelled at any time. Additional information regarding LK&A and our strategy can be found at <https://lkainvestments.com/>.

In selecting an investment advisor to manage your assets, it is helpful to ask the following questions:

Given my financial situation, should I choose an investment advisory service? Why or why not?

How will you choose investments for my account?

What is your relevant experience, including your licenses, education and other qualifications?

What fees will I pay?

Our fees for investment management services are based on a percentage of the assets under management in your account. All fees are payable quarterly in advance, and are based on a valuation of the account on the last business day of the prior quarter or the start of our management services. We reserve the right to negotiate fees. Some clients pay more or less than others depending on various factors, including but not limited to the mix of assets in the account, the account objectives and the total amount of assets managed for the client. The fees that we charge for investment advisory services are specified in the Investment Management Agreement between us and you. More information regarding our fees, how they are calculated and collected, along with our standard fee schedule can be found in our Form ADV Part 2A filing at <https://adviserinfo.sec.gov/firm/summary/106635>

Are there any other fees in conjunction for servicing my account?

You will pay other expenses in addition to the fees paid to us. For example, clients may pay costs such as brokerage commissions, custodial fees, wire transfer fees and other fees and taxes charged for brokerage accounts, custodial accounts and securities transactions which are in addition to the fees collected by us.

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. At any time during a relationship with an investment adviser or custodian it is helpful to ask, *“Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much 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 we act as your investment adviser, we have to act in your best interests and not put our interests ahead of yours. At the same time, the way we make money creates some conflicts with your interest. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means. The more assets there are in your account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account. However, as a fiduciary we have a duty to act in your best interests while exercising care and loyalty to your interests. During your relationship with an investment adviser it is helpful to ask: “How might your conflicts of interest affect me, and how will you address them.”

How do your financial professionals make money?

We compensate our employees through salary and year-end bonuses that reflect the profitability of LK&A. We do not collect performance fees on your account, nor do we collect commissions or other compensation with respect to trades in your account or from your holding particular securities. Given that we are compensated based on the amount of assets under management, we are compensated whether your account advances or declines in value. However, we collect more fees if we manage more money and we collect less fees if your account declines in value or you remove money from your account. Neither LK&A nor its employees receive compensation from custodians or broker-dealers for the services they may provide.

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

No.

Free and simple tools to research investment firms and financial professionals at <https://www.investor.gov/CRS>.

At the outset or any time during our relationship it is helpful to ask, *“As a financial professional, do you have any disciplinary history? For what type of conduct?”*

Additional Information

Information on our advisory services is in our Form ADV at <https://adviserinfo.sec.gov/firm/summary/106635>

Information on LK&A, our investment strategy and our staff is at <https://lkainvestments.com/>

We can be reached at (626)449-9500 for any up to date information or to request a copy of this summary.

It is helpful to ask throughout the relationship: *“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 this person is treating me?”*