

Relationship Summary (Form CRS)
Kahn Brothers Advisors LLC | Kahn Brothers LLC
June 30, 2020

Kahn Brothers Group Inc. is the parent company of Kahn Brothers Advisors LLC, a Registered Investment Adviser with the Securities and Exchange Commission, and Kahn Brothers LLC, a broker-dealer member of FINRA and SIPC. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Broker-Dealer

Kahn Brothers LLC provides brokerage services to clients, including retail investors, such as buying and selling securities at commission rates negotiated between the broker-dealer and the individual client. Kahn Brothers LLC offers brokerage accounts where retail investors can buy and sell stocks, bonds, options, money market funds, mutual funds, and other investment products in brokerage accounts.

Your representative may provide recommendations in these securities, but you make the ultimate decision of what to buy or sell. Your representative will not monitor the activity in your account on an ongoing basis. Our clients contact us periodically to discuss their accounts and ask for our recommendations. Although we do not have strict account minimums, we prefer new accounts to have mid-seven-figures in investable assets. However, we accept incoming clients at our sole discretion and may admit smaller accounts, including those that exist as a part of a related group. Our broker-dealer does not offer proprietary products. But for clients who wish to buy money market funds or mutual funds, the broker-dealer will be limited in purchasing only those funds that are carried by the firm's clearing broker-dealer.

Investment Advisor

Kahn Brothers Advisors LLC provides investment advisory services to clients, including retail investors, on a discretionary basis. Under this arrangement, clients provide the firm with the contractual authority to buy and sell securities on their behalf.

The firm reviews client portfolios on a frequent and periodic basis. This is often monthly but can be more or less frequent at the manager's discretion. Although we have no formal restrictions on the size of new portfolios, we prefer incoming clients to have a minimum of mid-seven-figures in investable assets. However, we accept incoming clients at our sole discretion and may admit smaller accounts, including those that exist as a part of a related group. We do not limit our investment advice to a particular asset class or proprietary product and do not restrict our investment advice to a limited menu of products.

Additional information: More information on Kahn Brothers Advisors LLC in general and on how it reviews accounts may be found in Items 4 and 13, respectively, of its Investment Adviser Brochure (Form ADV Part 2A) at <https://adviserinfo.sec.gov/firm/summary/144368>. Additional disclosures may be found in the "Disclosures" link on our homepage: <https://www.kahnbrothers.com>.

- ***A retail investor may wish to ask us the following questions:***
- *Given my financial situation should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?*
 - *How will you choose investments to recommend to me?*
 - *What is your relevant experience, including your licenses, education, or other qualifications? What do these qualifications mean?*

What fees will I pay?

Broker-Dealer

Clients of the broker-dealer, Kahn Brothers LLC, pay transaction-based commissions that are negotiated and agreed upon between the client and the firm. Clients should be aware that they will be charged more commissions if there are more trades in their accounts, and therefore, the firm has an incentive to encourage a retail investor to trade more often.

Investment Adviser

Clients of Kahn Brothers Advisors LLC pay asset-based fees that are a percent of assets under management and may exclude cash and equivalents and unsupervised securities, which are securities purchased at your request that our adviser may not manage or follow on an ongoing basis. Advisory fees are billed quarterly and generally in advance. The more assets that one holds in an advisory account, the more one will pay in fees. The firm therefore has an incentive to increase the assets in your account.

The firm also assesses performance-based fees in certain accounts, based on terms negotiated between Kahn Brothers Advisors LLC and the client. Performance-based fees are a negotiated percentage of net profits of the account, adjusted for contributions and withdrawals, and may be subject to certain limitations. Performance-based fees can incentivize managers to perform well for clients. However, they can also encourage managers to speculate or take greater risks than they would in the absence of such fees.

The firm does not sponsor wrap fee programs but does manage assets as a sub-adviser to wrap fee programs sponsored by other institutions.

Investment Adviser and Broker-Dealer

Clients of our investment adviser and/or broker-dealer may incur additional fees or expenses charged by outside institutions in connection with the services of these firms. These additional fees or expenses may include but are not limited to custody fees, mutual fund expenses, brokerage commissions (whether from Kahn Brothers LLC or from outside broker-dealers), 12b-1 fees payable to Kahn Brothers LLC (for investors in money market fund or mutual fund share classes subject to such fees), among other outside fees or expenses.

You will pay fees and costs whether you make money 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.

Additional information: More information on fees and commissions may be found in Items 5, 6 and 12 of Kahn Brothers Advisors LLC's Investment Adviser Brochure (Form ADV Part 2A) at <https://adviserinfo.sec.gov/firm/summary/144368>. Additional disclosures may be found in the "Disclosures" link on our homepage: <https://www.kahnbrothers.com>.

- ***A retail investor may wish to ask us the following questions:***
 - *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 or 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 broker-dealer or act 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. Below are some examples to help you understand what this means.

Neither the broker-dealer nor the investment adviser offers proprietary investment products or engages in revenue sharing.

Broker-Dealer

Kahn Brothers LLC may invest your assets in mutual or money market funds that are carried on the platform of its clearing broker-dealer. In doing so, it may receive fees associated with the purchase of certain share classes of certain funds, governed by Rule 12b-1 of the Investment Company Act of 1940, as amended. Some mutual fund shares have up-front charges, usually 5% or less depending on the size of your purchase, and some others have expiring contingent sales charges for selling the fund before a certain time period. You should discuss how long you plan to hold these fund shares with your broker to make sure that you buy the type of shares that is right for you. In the event that we invest your assets in funds that have multiple share classes, we have a financial incentive to recommend or select those share classes that result in higher compensation to us through the payment of these fees. This creates a conflict of interest between us, who may receive fees connected with this recommendation or selection, and you, the client for whom the recommendation or selection is being made. To mitigate this conflict of interest, we will engage with you to determine the appropriateness of the fund share class selection, based upon your particular investment objectives and any other relevant considerations. Absent extenuating factors that make a higher fee share class more appropriate for you, we will seek to place your funds in the share class with lower fees.

Investment Adviser

Clients of Kahn Brothers Advisors LLC may pay fees to other registered investment advisers who co-manage their portfolio along with Kahn Brothers Advisors LLC. Such other advisory relationships and the fees associated with them are governed by contract between the client and those other investment advisers. If a qualifying advisory client is interested in investing in a pooled investment vehicle, the firm may recommend partnerships managed by its affiliates. The firm is inherently motivated to recommend these partnerships over outside pooled investment vehicles. Our partnerships have different fee structures from advisory accounts and may produce higher or lower fees depending on the partnership agreement and market circumstances. These fees are separate from any fees paid for advisory accounts.

Investment Adviser and Broker-Dealer

Before entering into a relationship with our broker-dealer, our investment adviser or both, you are advised that our firms and our employees will often own directly or indirectly the same securities that we will recommend and/or transact for you. For clients of only our broker-dealer, in these circumstances, our ownership will be disclosed to you before providing the recommendation. For advisory clients, our policy on ownership will be disclosed at the start of our relationship and in calls with you in which we discuss transacting these securities. Conflicts of interest related to this ownership include motivating us to recommend or transact in these securities regardless of their merits or appropriateness. However, we aim to mitigate this by employing the same investment methodology for ourselves as we do for you.

Our firms may, in unusual circumstances, engage in principal trading, in which you buy or sell securities from us rather than from other participants in the market, or in agency cross transactions, in which you buy or sell securities from another client of ours with us acting as broker for both parties. If we or one of our affiliates would like to engage in such transactions, we will obtain your consent and will disclose conflicts of interest and how we aim to address them. Conflicts of interest related to principal trading include an incentive to seek more favorable pricing for ourselves or to use the transaction as a means of disposing of an unwanted security. For agency cross

transactions, conflicts of interest include an incentive to act in the best interest of one party in the transaction over the other.

Additional information: More information on 12b-1 fees and conflicts of interest associated with our businesses may be found in Kahn Brothers Advisors LLC's Investment Adviser Brochure (Form ADV Part 2A) at <https://adviserinfo.sec.gov/firm/summary/144368>, including in Items 5, 6, 10, 11 and 17. Additional disclosures may be found in the "Disclosures" link on our homepage: <https://www.kahnbrothers.com>.

- **A retail investor may wish to ask us the following questions:**
 - *How might your conflicts of interest affect me, and how will you address them?*

How do your financial professionals make money?

The financial professionals of Kahn Brothers Advisors LLC and Kahn Brothers LLC receive salary and bonus compensation. While this compensation may be determined as a function of the revenue the investment adviser receives for its advisory services, neither of these types of compensation is associated with selling a particular product or service. However, your financial professionals may receive higher compensation if the adviser's clients, in aggregate, grow their assets as a result of our work, which generally results in higher revenue to both our investment adviser and broker-dealer. As a result, our financial professionals are incentivized to grow your assets, which may include exposing your assets to risks associated with that expected growth.

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

No.

- **A retail investor may wish to ask us the following questions:**
 - *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Retail investors may visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Additional information: Retail investors may find additional information about Kahn Brothers Advisors LLC and Kahn Brothers LLC in the following ways:

- By visiting our website: <https://www.kahnbrothers.com>.
- By requesting through e-mail or telephone (see below) a copy of Kahn Brothers Advisors LLC's Investment Adviser Brochure (Form ADV Part 2A), which is also available at <https://adviserinfo.sec.gov/firm/summary/144368>.
- By requesting to speak with us directly through e-mail or telephone (see below).

E-mail: inquiry@kahnbrothers.com

Telephone: 212-980-5050

- **A retail investor may wish to ask us the following questions:**
 - *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?*