Kanani Advisory Group Inc.
Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Kanani Advisory Group Inc. If you have any questions about the contents of this brochure, please contact us at (949) 502-7001 or by email at: info@KananiAdvisoryGroup.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Kanani Advisory Group Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Kanani Advisory Group Inc.'s CRD number is: 288314.

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Kanani Advisory Group Inc. is a registered investment adviser. Registration does not imply a certain level of skill or training.

Version Date: 03/14/2025

Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment on 03/14/2024 of Kanani Advisory Group Inc. are described below. Material changes relate to Kanani Advisory Group Inc.'s policies, practices or conflicts of interests.

- Kanani Advisory Group Inc. has updated their existing office location. (Cover Page)
- Kanani Advisory Group Inc. has updated their Outside Business Activity. (Item 10.C)

Pursuant to regulatory requirements, we will deliver to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting us at (949) 502-7001.

Additional information about the firm is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with the firm who are registered as investment adviser representatives of the firm.

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Item 4: Advisory Business

A. Description of the Advisory Firm

Kanani Advisory Group Inc. (hereinafter "KAG") the successor to and formerly known as Kanani Advisory Group, (Sole Proprietorship), is a California state corporation. The firm became registered as an investment adviser in 2017.

B. Types of Advisory Services

Portfolio Management

KAG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. KAG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

KAG generally shares its investment management responsibilities with a co-advisor or delegates investment management responsibilities to a third-party investment adviser. Before recommending or selecting other advisers for clients, KAG will ensure those other advisers are properly licensed or registered as an investment adviser.

KAG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. KAG will require discretionary authority from clients in order to select third party advisers. Risk tolerance levels are documented in the Investment Policy Statement, which is approved by each client.

Educational Seminars/Workshops

KAG provides periodic educational seminars and workshops to clients.

Written Acknowledgement of Fiduciary Status

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).

- Never put our financial interests ahead of yours when making recommendations (give loyal advice).

- Avoid misleading statements about conflicts of interest, fees, and investments.

- Follow policies and procedures designed to ensure that we give advice that is in your best interest.

- Charge no more than is reasonable for our services.

- Give you basic information about conflicts of interest.

Services Limited to Specific Types of Investments

KAG generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs and treasury inflation protected/inflation linked bonds. KAG may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

KAG will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by KAG on behalf of the client. KAG may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. KAG participates in Wrap Fee Programs and will receive a portion of the wrap fee for advisory services.

E. Assets Under Management

KAG has the following assets under management:

Total AUM:	Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
$ 201,509,044	$ 180,798,991	$ 20,710,053	December 2024

Item 5: Fees and Compensation

A. Fee Schedule

Portfolio Management Fees

Lower fees for comparable services may be available from other sources.

KAG will be compensated via a fee share arrangement with the advisers with whom KAG has shared or delegated responsibilities. The sharing of responsibilities for each outside manager relationship will be documented in the contract between KAG and the applicable co-advisor or third-party adviser. The total fee to be paid will be quoted in advance as a percentage of assets under management, and the annual rate will generally range from 0.8% to 2.0% (but the total fee paid will not exceed any limit imposed by any regulatory agency).

In instances where KAG shares responsibilities with a co-adviser, KAG and the co- adviser will share the total fee.

In instances where KAG delegates responsibilities to a third-party investment advisers, KAG and the third party adviser will receive separate fees. The fees in both cases are negotiable and will not exceed any limit imposed by any regulatory agency.

Clients are encouraged to review the applicable adviser's Form ADV including firm brochure and brochure supplement as well as the respective client agreement information about Third-Party Advisers and their arrangement with KAG.

Clients may terminate the agreement without penalty for a full refund of KAG's fees within five business days of signing the advisory agreement. Thereafter, clients may terminate the advisory agreement generally with 7 days' written notice.

Educational Seminars/Workshops

KAG provides periodic educational seminars and workshops to clients and the general public.

B. Payment of Fees

Payment of Portfolio Management Fees

Advisory fees are charged monthly or quarterly and may be due in advance or in arrears depending on the management platform. Fees are withdrawn directly from the client's accounts with written authorization from the client.

The timing, frequency and method of paying fees for election of third party managers will depend on the specific third party advisor selected and will be disclosed the client prior to entering into a relationship with the third party adviser.

For advisory fees that are charged in advance, KAG uses the value of the account as of the

last business day of the prior billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

For advisory fees that are charged in arrears, KAG uses the average daily value of the account for the billing period or the value of the account on the last business day of the billing period after taking into account deposits and withdrawals, for the purpose of determining the market value of the assets upon which the advisory fee is based.

Payment of Educational Seminar/Workshop Fees

Educational seminars and workshops are offered free of charge.

C. Client Responsibility For Other Costs

Fees paid to KAG are for portfolio management services only. Clients are responsible for the payment of all other costs (e.g. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by KAG. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

For all asset based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate* times the number of days elapsed in the billing period up to and including the day of termination. (*The daily rate is calculated by dividing the annual asset-based fee by 365.)

E. Outside Compensation For the Sale of Securities to Clients

David Kanani, Neda Kanani, Leila Parvaneh and Max Lepley are insurance agents and in this role, they accept compensation for the sale of investment products to KAG clients.

1. This is a Conflict of Interest

Supervised persons may accept compensation for the sale of investment products, including asset based sales charges or service fees from the sale of mutual funds to KAG's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment for which the supervised persons receives compensation, KAG will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase KAG recommended products through other brokers or agents that are not affiliated with KAG.

3. Commissions are not KAG's primary source of compensation for advisory services

Commissions are not KAG's primary source of compensation for advisory services.

4. Advisory Fees in Addition to Commissions or Markups

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

Item 6: Performance-Based Fees and Side-By-Side Management

KAG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

KAG generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension & Profit Sharing Plans
- Corporations or Other Businesses

There is no account minimum for any of KAG's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

KAG's methods of analysis include Fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

KAG recommends long-term trading.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

Long-term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Selection of Other Advisers: KAG's selection process cannot ensure that money managers will perform as desired and KAG will have no control over the day-to-day operations of any of its selected money managers. KAG would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities. Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if

you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither KAG nor its representatives are registered as, or have pending applications to become a broker/dealer or a representative of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither KAG nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

David Kanani, Neda Kanani, Leila Parvaneh and Max Lepley are licensed insurance agents at Kanani Financial & Insurance Services, Inc. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. KAG always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of KAG in connection with such individual's activities outside of KAG.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

KAG will direct clients to third-party investment advisers to manage all of the client's assets. KAG will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be memorialized in each contract between KAG and each third-party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that KAG has an incentive to direct clients to the third-party investment advisers that provide KAG with a larger fee split. KAG will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. KAG will ensure that all recommended advisers are licensed or notice filed in the states in which KAG is recommending them to clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

KAG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. KAG's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

KAG does not recommend that clients buy or sell any security in which a related person to KAG or KAG has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of KAG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of KAG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. KAG will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client’s disadvantage when similar securities are being bought sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of KAG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of KAG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting from the recommendations they provide to clients. Such transactions may create a conflict of interest; however, KAG will never engage in trading that operates to the client's disadvantage if representatives of KAG buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on KAG's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and KAG may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in KAG's research efforts. KAG will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

KAG recommends Fidelity Brokerage Services LLC and Charles Schwab & Co., Inc.

1. Research and Other Soft-Dollar Benefits

While KAG has no formal soft dollars program in which soft dollars are used to pay for third party services, KAG may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). KAG may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and KAG does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. KAG benefits by not having to produce or pay for the research, products, or services, and KAG will have an incentive to recommend a custodian or broker-dealer based on receiving research or services. Clients should be aware that KAG's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. *Brokerage for Client Referrals*

KAG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

KAG will require clients to use a specific custodian to execute transactions. Not all advisers require clients to use a particular custodian.

B. Aggregating (Block) Trading for Multiple Client Accounts

KAG does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

KAG's investment professionals responsible for the particular ongoing, client relationship have the primary responsibility for determining and knowing each client's circumstances and managing the client's portfolio consistent with the client's objectives. Each investment professional is responsible for at least annually reviewing their clients' respective investment policies and risk tolerance levels. David Kanani, President, is responsible for, at least, annually reviewing the implementation and monitoring of KAG's investment processes policy and practices.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Portfolio management reviews may be triggered by material market, economic, or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, KAG's services will generally conclude upon delivery of the financial plan.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of KAG's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

KAG may receive compensation from the selected third-party advisers via a fee split, but otherwise does not receive any economic benefit from any other third party for advice rendered to KAG's clients.

B. Compensation to Non – Advisory Personnel for Client Referrals

KAG does not directly or indirectly compensate advisory fees to any person that is not advisory personnel for client referrals. Certain individuals of KAG are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Clients should be aware that non-advisory personnel may receive commissions or other compensation for the referral of these services. KAG always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of KAG in connection with the individual's activities outside of KAG.

Item 15: Custody

When advisory fees are deducted from client accounts at the client's custodian, KAG will be deemed to have limited custody of client's assets and will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account and verify that the qualified custodian sends statements to the client.

Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review these statements for accuracy. Clients are urged to compare the account statements they received from custodian with the fee agreement received from KAG.

Item 16: Investment Discretion

KAG provides discretionary selection of other advisers' services. The advisory contract established with each client sets forth the discretionary authority.

Item 17: Voting Client Securities (Proxy Voting)

KAG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

KAG neither requires nor solicits prepayment of more than $1200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither KAG nor its management has any financial condition that is likely to reasonably impair KAG's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

KAG has not been the subject of a bankruptcy petition in the last ten years.