

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

KDM Investment Management, Inc.

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This brochure provides information about the qualifications and business practices of KDM Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at 630-232-7442 or Jeff.Martin@KDMInvest.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 KDM Investment Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure was last updated on March 25, 2011.

Item 2 Material Changes

This amended form ADV Part II contains no material changes from our last form ADV Part II dated October 20, 2009.

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Item 4 Advisory Business

KDM Investment Management, Inc., referred to sometimes below as "KDM", provides continuing investment management services on a discretionary basis to individuals, trusts, estates and charitable organizations.

We help our clients design, build and manage portfolios for retirement, education and other long term financial objectives. Investment portfolios are customized based on our client's investment objective, risk tolerance, tax situation, current financial situation and other factors. The portfolio's asset allocation is implemented using index funds, exchange traded funds, CDs, municipal securities and government securities.

Portfolios are implemented and managed based on the agreed portfolio design which is documented in an Investment Policy Statement. Portfolios are rebalanced on a regular basis to maintain the risk characteristics of the portfolio. KDM periodically engages in tax-loss harvesting for clients.

Jeffrey F Martin founded KDM and has maintained ownership since that time.

Item 5 Fees and Compensation

KDM's fees are withdrawn directly from each client's account and are charged quarterly in arrears based on the ending value of the assets under management for each client during the calendar quarter. KDM's fees for clients with \$1 million or more assets under management are as follows:

Assets Under Management	Annual Fee Rate
First \$1 million	0.5%
Over \$1 million	0.25%

For clients with under \$1 million in assets under management, KDM's fees are as follows:

Assets Under Management	Annual Fee Rate
\$250,000 or less	1.0%*
\$250,001 to \$1 million	0.75%**

* Minimum quarterly fee is \$250.

** Maximum quarterly fee for up to \$1 million in assets under management is \$1,250.

Fees other than those listed above may be charged if circumstances warrant.

In addition to KDM's advisory fee, clients will incur management fees and other expenses associated with the mutual funds and exchange traded funds owned in the portfolio. Clients also incur transaction fees from the custodian of their assets.

KDM or the client may terminate their agreement at any time. The current quarterly fee will be prorated based on the termination date.

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

KDM does not charge performance-based fees.

Item 7 Types of Clients

KDM provides investment management services to individuals, trusts, estates and charitable organizations.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

KDM believes that investment performance is determined largely by a portfolio's asset allocation. For most asset classes, we use passively managed mutual funds and exchange traded funds to represent the selected asset class. We currently use actively managed funds to represent the real estate asset class. We build a customized portfolio for each investment objective.

We do not believe in timing the market or active management, with the exception of real estate. Instead, we maintain our client's diversified asset allocations through good and bad markets. The mix of assets in each client's portfolio is determined by evaluating the client's financial situation, risk tolerance, time horizon, investment objectives and tax situation. Over the long time horizons of the portfolios we manage, we believe this approach provides the best chance of meeting our client's investment objectives.

All assets have a risk of loss. The stock markets and real estate markets are more volatile than the fixed income market. However, fixed income is more at risk due to inflation. Therefore, we believe a diversified mix of asset classes is the best approach for most investors.

Item 9 Disciplinary Information

KDM has no legal or disciplinary events.

Item 10 Other Financial Industry Activities and Affiliations

KDM and its employees are not involved in other financial industry activities and have no other financial industry affiliations.

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

KDM may buy or sell for clients the same securities owned by employees of KDM. The investment decisions KDM makes for its clients are always in the clients' best interest. KDM's Code of Ethics requires all employees to report every transaction in their personal accounts to the COO with 5 business days of the transaction date. We believe the provisions of the Code of Ethics protect the client's interests in these circumstances. A copy of KDM's Code of Ethics is available to clients and prospective clients upon written request.

Item 12 Brokerage Practices

KDM recommends clients use Charles Schwab, a member of the New York Stock Exchange and other national and regional stock exchanges, as the custodian of their assets. Use of Charles Schwab is not required. However, using a different custodian may result in an increase in KDM's fees.

KDM receives certain products and services from Charles Schwab because of the custodial services Charles Schwab provides to KDM's clients. Most of these services are brokerage and research services. Some components of these services assist KDM in administering client accounts.

Item 13 Review of Accounts

KDM reviews the percentage allocation for each asset class within each portfolio at least quarterly. Asset classes that differ from their target by more than 10% will be evaluated for rebalancing by KDM. The rebalance decision will be based on the overall portfolio balance, potential tax liability created by the trade, availability of cash required for the trade (for buys), ability to reposition proceeds of trade (for sells), and other appropriate factors.

Additionally, we recommend an annual review meeting to review our client's financial objectives and situation. During the annual review meeting, the overall portfolio balance will be evaluated. At that time, a more detailed rebalance of the portfolio may be undertaken that may include rebalancing asset classes that vary less than 10% from their target allocation.

Clients receive trade confirmations, statements and tax forms from their account custodians. KDM provides investment performance and allocation reports at their annual review. KDM provides additional reports based on the client's specific needs.

Item 14 Client Referrals and Other Compensation

KDM has no client referral or other compensations arrangements.

Item 15 Custody

KDM does not have custody of client assets.

Item 16 Investment Discretion

KDM has discretionary authority to manage securities accounts on behalf of our clients. Clients grant discretionary authority by signing a power of attorney with the custodian. KDM assists clients in establishing discretionary authority. The power of attorney is limited to placing trades, deducting our fee and transferring funds to like registered accounts.

Item 17 Voting Client Securities

KDM accepts authority to vote our client's securities. Because we utilize mutual funds and exchange traded funds, we normally vote in favor of management's proposals. If we become concerned about a mutual fund we move client assets to a new mutual fund instead of trying to change the management of the current mutual fund. Clients can vote securities by notifying KDM in writing of their desire to vote.

Item 18 Financial Information

KDM is in a strong financial condition and has no reason to believe that it will not be able to meet its contractual commitments to clients.

Item 19 Requirements for State-Registered Advisers

Jeffrey Martin is the founder and principal of KDM Investment Management, Inc. Jeffrey's work history follows.

Jeffrey Fuller Martin DOB: 08/31/1966

Education

University of Georgia 1988 - B.S. Commercial Data Processing
Series 65 Certified

Employment

KDM Investment Management
President and CCO 10/2009 – present

Hieser Webb Capital Management

Investment Advisor Representative 01/2008 - 09/2009

Webb Financial Advisors

Investment Advisor Representative 08/2005 - 12/2007

Acxiom Corporation

Account Executive 09/1998 - 07/2005