# ITEM 1 COVER PAGE

**ADV Part 2 Firm Brochure**
February 28, 2025

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This brochure provides information about the qualifications and business practices of The Karras Company ("Karras" or "the Firm"). If you have any questions about the contents of this brochure, please contact us at 801.825.3000 or brett.karras@thekarrascompany.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. The term Registered Investment Advisor does not imply a certain level of skill or training.

Additional information about Karras is also available on the SEC's website at www.adviserinfo.sec.gov. Our CRD Number is 109578.

## ITEM 2 MATERIAL CHANGES

The following material changes have been made to the Firm's Brochure since the last annual update amendment on March 19, 2024.

- Throughout this brochure, Karras has further defined the firm's relationship with Raymond James Financial Services, Inc. (RJFS) and Raymond James & Associates, Inc. (RJA). RJFS is the registered broker dealer and Member FINRA/SIPC. RJA is the qualified custodian and Member NYSE/SIPC. Investment adviser representatives of Karras are also registered representatives of RJFS.
- Item 5 - Clients who select an investment strategy that includes Separately Managed Accounts (SMAs) through the Freedom UMA or Raymond James Consulting Services programs will see a total management fee in their advisory agreement that includes both The Karras Company's advisory fee and an additional SMA fee. Unlike mutual funds or ETFs, where management expenses are embedded in the product, SMA fees are charged separately and incorporated into the total advisory fee.

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This brochure has been prepared according to the U.S. Securities and Exchange Commission's ("SEC") disclosure requirements.

We suggest that all of our clients review this brochure, in its entirety, upon receipt. In lieu of providing clients with an updated Firm Brochure each year, we may provide Karras' existing advisory clients with a summary describing any material changes occurring since the last annual update of our Part 2 Firm Brochure. Clients wishing to receive a complete copy of the then-current Part 2 Firm Brochure may request a copy at no charge by contacting our office directly at 801.825.3000 or brett.karras@thekarrascompany.com. We also encourage clients to review this brochure, and pose any questions you may have to their Financial Advisor.

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# ITEM 4 ADVISORY BUSINESS

## Introduction

The Karras Company is a registered investment adviser with the Securities and Exchange Commission ("SEC") pursuant to the Investment Advisers Act of 1940. Registration as an investment adviser with the SEC does not imply a certain level of skill or training. The Karras Company (Karras or the Firm) has been an SEC registered investment adviser since March 1998.

### Amount of Assets Under Advisement

Assets Under Advisement include: assets under management; assets for which we provide investment advice that are held externally (we do not implement trades). As of November 30, 2024, Karras had $3,626,537,053 in Assets under Advisement.

### Amount of Regulatory Assets Under Management

As of November 30, 2024, Karras had $316,260,978 in assets under management managed on a discretionary basis and $33,559,531 in assets under management managed on a non-discretionary basis for a total of $349,820,509 in assets under management.

### Associations

Raymond James & Associates, Inc., Member NYSE.SIPC, (RJA) serves as the custodian for Karras' client accounts, acts as the clearing agent, and facilitates advisory programs. Asset Management Services ("AMS") is a division of RJA. AMS manages several investment advisory programs for RJA and RJFS, which maintain an approved list of investment managers, provide asset allocation model portfolios, establish custodial facilities, monitor performance of client accounts, provide clients with accounting and other administrative services, and assist investment managers with certain trading management activities.

Karras is in no way affiliated with RJFS or RJA, or any of their affiliates and subsidiaries.

As used in this Brochure, the words "we," "our" and "us" refer to Karras and your investment adviser representative ("IAR"), and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm.

## Our Principal Owners

The principal owners of the Firm are Brett Nolan Karras, President, and Nolan Eldon Karras, Chairman. Brett has been with Karras since 2000, and Nolan established the firm in 1997.

## Services Offered to Clients

Depending on your personal financial situation and the goals you are looking to accomplish, Karras may provide wealth planning services as well as investment consulting services

| **Wealth Planning Services** | |
|---|---|
| *Category* | *Description* |
| Financial Planning | May include budgeting, cash flow analysis, assessing current financial situation, defining financial goals, net worth statement, debt management, lifestyle planning, major buy/sell decisions, risk tolerance review, asset allocation design, portfolio holdings review and portfolio analysis |
| Tax Planning* | Tax strategies, tax distribution analysis, gift tax planning and capital gain/loss analysis |
| Insurance Planning | Life insurance review, disability insurance review, needs analysis, disability, long-term care, risk management and liability insurance |
| Education Planning | Tuition planning, education account reviews and education funding |

| | |
|---|---|
| Retirement Planning | Retirement accumulation planning, income analysis, longevity planning, retirement account review and distribution analysis |
| Estate Planning | Estate planning review and analysis, gift strategies, multigenerational planning, philanthropic planning and legacy planning |
| Business Planning | Business succession planning, education workshop, buy/sell agreements, business insurance review and disability protection options |

*Any information presented in a financial plan regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Our Firm and our financial advisors do not offer tax or legal advice. You should discuss any tax or legal matters with the appropriate professional.

| **Investment Consulting Services** | |
|---|---|
| *Category* | *Description* |
| Investment Consulting | May include a client investment profile, a portfolio holdings review, asset allocation review and proposal and investment strategy recommendations |
| Security and Investment Manager Research / Due Diligence | Services related to security and investment manager research, due diligence of asset classes and sub-class analysis, sector, style and historic performance review |

When providing you with services, your IAR will work with you to determine the appropriate investment objectives based on the information you provide initially, and periodically thereafter. With this information, you and your adviser may select to participate in an advisory program or utilize a commission account. Please refer to Item 5 for additional details on these accounts. If you wish to impose or modify an existing investment restriction, you may do so at any time by discussing this with your IAR.

The decision to implement any recommendation rests exclusively with you, and you have no obligation to implement any such recommendations through Karras.

You should also understand that  Karras may perform services for various other clients. Karras may give advice or take actions for those other clients that differ from the advice given to you. Also, the timing or nature of any action taken for your account may be different. You should note that similar services may be available from other registered investment advisers for similar or lower fees.

## Institutional Consulting Services

In addition to providing wealth planning and investment consulting services to individuals and entities, we also provide advice and consultation to institutions, corporations, business entities and/or employer-sponsored retirement plans.

Services rendered may include, but are not necessarily limited to, the development of a documented investment process, asset allocation, research and investment recommendations, plan participant education, investment or investment manager performance monitoring and guidance to the plan sponsor on their fiduciary obligations to plan participants.

# ITEM 5 FEES AND COMPENSATION

## Fees for Wealth Planning and/or Investment Consulting Services

Wealth planning and investment consulting fees are negotiable between the client and the IARs of Karras. Fees charged for these services will be dependent upon the anticipated time to provide the services and complexity of the plan and/or your financial situation. The fees are determined in advance and mutually agreed upon between the client and the IARs of Karras and will be disclosed within the appropriate agreement prior to being charged. The client-advisor engagement begins at the time you sign, and we accept the agreement.

Fees for wealth planning and investment consulting services can be structured as an hourly rate, fixed dollar fee, as a percentage of assets being advised upon or as a combination of fee structures. If charged as a percentage, the Fee is not to exceed 1.00% of the value of assets on which services are being provided. For hourly arrangements, our standard rate is $250 per hour.

Advisory fees generated in the implementation of a financial plan may be used to offset financial planning and/or investment consulting fees, at the discretion of Karras. It is possible that you may pay more or less for similar services which may be available through another firm. In addition, fees for planning and/or consulting services may be offered to our employees, family members and friends at a reduced rate.

It is important to note that we may provide investment product or securities recommendations as part of financial planning services or hourly consulting services. This presents a conflict to the extent that Karras receives compensation from implementation of such recommendations. Also, compensation to Karras may vary depending on the product or service Karras recommends.

We have a fiduciary duty to act in your best interest and as a result, we supervise the activities of our financial advisors to ensure that the provision of investment advice to you is appropriate. In addition, we monitor the appropriateness of existing advisory accounts on an ongoing basis by conducting various reviews, such as account concentration and household transaction activity.

## Asset Based Fees

For service agreements that are to be based on a percentage of assets managed, Fees are payable in accordance with the following schedule and will be deducted from your advisory account on a quarterly basis.

| Fee Based Relationship Value | Fee |
|---:|---|
| Up to $1 Million | 1.00% |
| $1 Million to $5 Million | 0.85% |
| $5 Million to $10 Million | 0.75% |
| Over $10 Million | Negotiable |

**Fees for Accounts Utilizing Separately Managed Accounts (SMAs)**

Clients who select an investment strategy that includes Separately Managed Accounts (SMAs) through the Freedom UMA or Raymond James Consulting Services programs will see a total management fee in their advisory agreement that includes both The Karras Company's advisory fee and an additional SMA fee. Unlike mutual funds or ETFs, where management expenses are embedded in the product, SMA fees are charged separately and incorporated into the total advisory fee.

The SMA fee is determined by Raymond James based on their fee schedules and is not retained by The Karras Company. These fees generally range from 0.25% to 0.35%, depending on the selected strategy. As a result, the total fee in the client's advisory agreement may be higher than the base advisory fee schedule outlined in this document.

For example, if a client's account would otherwise be subject to a 0.85% advisory fee under the standard schedule, but the selected SMA strategy includes a 0.35% additional fee from Raymond James, the total fee listed in the client agreement will be 1.2%. Clients should review their advisory agreement for the specific total fee applicable to their account and contact us with any questions.

### Other Service Fees

For service arrangements not based on a percentage of assets, Fees can be remitted via check, debited from an account custodied with RJA (non-retirement accounts only), or via any other manner agreed upon by the firm and client and outlined in the executed advisory or consulting agreement.

## Advisory Account Programs

Karras may be compensated for services through fees from advisory programs (IMPAC, Freedom, Ambassador, Passport, etc.). In certain circumstances, additional costs or fees, account minimums and payment terms may be applicable.

| Summary of Advisory Account Programs | | | | |
|---|---|---|---|---|
| *Program*[1] | *Investment Advisor* | *Authority* | *Minimums* | *Investment Products* |
| IMPAC[2] | Karras | Discretionary / Non-Discretionary | Negotiable | All |
| Ambassador | Karras | Discretionary / Non-Discretionary | Negotiable | All |
| Passport | Karras | Discretionary / Non-Discretionary | Negotiable | All |
| Freedom | RJA | Discretionary | $5K or $25K | Mutual Funds and Exchange Traded Funds |
| American Funds Model Portfolios | RJA | Discretionary | $5K | Mutual Funds |
| Freedom UMA | RJA | Discretionary | $300K-$1M dependent on selected strategy | Separately Managed Accounts, Mutual Funds and Exchange Traded Funds |
| Raymond James Consulting Services | RJA | Discretionary | $100K-$1M dependent on selected strategy | Fixed Income, Equities, Exchange Traded Funds and Alternative Investments |

[1]All of the above advisory programs are organized and administered through RJA and the information provided above is meant to be a high-level summary. Please refer to the RJA wrap fee brochure located at https://www.raymondjames.com/legal-disclosures for a more detailed and in-depth explanation of each advisory program.

[2]The Investment Management Program for Advisory Clients ("IMPAC") is a fee-based account, offered and administered through RJA, in which you are provided with ongoing investment advice and monitoring of securities holdings. Karras will manage your account on a discretionary or non-discretionary basis according to your objective. This account offers you the ability to pay an asset based advisory fee and, in some instances, a nominal transaction charge in lieu of a commission for each transaction; these charges are in addition to the advisory fee and are incurred upon purchase. Please refer to the "Additional Expenses" section for more information. RJA receives a portion of the advisory fee.

## Asset-Based Fee Billing Practices

Within the advisory programs listed above, you are assessed a fee for wealth planning and/or investment consulting services. Under an advisory arrangement, you pay a quarterly asset-based fee (the "Fee"), which is calculated as a percentage of assets under management in the account. The Fee includes compensation paid to your financial advisor, to Karras and to RJA for trade execution, custodial, trade clearance, investment advisory and administrative services. While the allocation of the Fee between any of these persons may change at any time without your consent, the total Fee percentage charged to your account will not increase without your consent. You can incur additional expenses outside of the advisory Fee charged to you; more information about these expenses is provided in the "Additional Expenses" section below.

### Asset-Based Fee Billing

Karras is compensated for the advisory services described in this Brochure. Fees may be negotiated with your financial advisor based on a variety of factors, including the nature and size of your overall relationship with us and your advisor, anticipated investment services to be provided, anticipated additional execution costs. While the Fees are negotiable, the standard Fee Schedule's asset-level breakpoints and applicable fee rate may not be modified in any way.

We calculate Fees on a retroactive basis instead of on an incremental basis. As the aggregated Relationship Value (described in further detail in the "Relationship Value and Aggregation" section below) reaches each higher asset tier, or "breakpoint," the applicable Fee is reduced and assessed retroactively to the first dollar of your account assets. That is, our advisory programs have built in breakpoints to reduce fees as the assets in your advisory account(s) rise. Combining related accounts effectively acts as a discount to the standard program fee schedule by allowing you to achieve a lower breakpoint rate as your Relationship Value increases. For certain clients with substantial assets being considered for or currently participating in an advisory program, Karras and your financial advisor may further discount its rates to accommodate those clients. This generally occurs at the $10 million level, however, discounts for accounts that do not meet these minimum thresholds remain negotiable, but Karras will not discount its rates and as a result, your financial advisor may or may not be willing to negotiate his or her Fee.

Aggregating related fee-based accounts to obtain additional fee discounts related to available breakpoints is further described below in the "Relationship Value and Aggregation" section.

### Account Value

For purposes of calculating and assessing asset-based fees, Karras uses the term "Account Value," which may be different than the asset value as reported on brokerage statements provided by RJA to you. Pursuant to the Investment Advisory Agreement, Account Value is defined as the total absolute value of the securities in the account, long or short, plus all credit balances, with no offset for any margin or debit balances. Please refer to the "Brokerage Statement and Performance/Billing Valuation Differences for Fee-Based Accounts" section for more information.

Karras handles the billing calculations for the asset-based fee related to IMPAC accounts; these fees are paid quarterly in arrears, as outlined in the Investment Advisory Agreement. The asset-based fee is calculated on the account asset value on the last business day of the quarter for the previous quarter. Certain eligible variable annuities may be considered for inclusion in the account value on which the advisory fee is assessed. For fee-based accounts opened during the quarterly billing period, the initial fee will be calculated based on the date the advisory agreement was signed or the date the funds are deposited in the account, whichever is later. Thereafter, the advisory fee will be calculated for the full quarter.

If cash or securities, or a combination thereof, amounting to at least $100,000 are withdrawn from your account on an individual business day, Karras may assess asset-based fees based on the value of the assets on the date of withdrawal for the pro rata number of days the assets were covered by the advisory agreement during the quarter. Notwithstanding the above $100,000 adjustment threshold, Karras reserves the right, in its sole discretion, to process or not process fee adjustments when the source and destination withdrawals involve a client's other fee-based advisory accounts. In addition, your agreement may be terminated by you or Karras at any time. There is no penalty for terminating the account. You may be charged a fee according to the number of days the account was managed for the current quarter, upon termination.

You authorize and direct RJA as Custodian to deduct asset-based fees from the account; you further authorize and direct the Custodian to send a statement of securities, in custody, at least quarterly which show all amounts disbursed from your account, including fees paid to Karras. You understand that the account statement will show the amount of the asset-based fee.

The asset-based fee for advisory accounts on advisory platforms, other than IMPAC, are handled by the Asset Management Services department of RJA and are paid quarterly in advance. For additional information related to how RJA bills these accounts, please refer to the current RJA Wrap Fee Program Brochure at:

https://www.raymondjames.com/legal-disclosures

We rely on third party pricing services to determine the value of your account assets. These values are shown on your brokerage statements and are used in preparing your performance reports. While sources used for pricing publicly traded securities and other investments are considered by us to be reliable, the prices may be based on actual trades, bid/ask information, vendor evaluations, or other methodologies. As a result, these prices may or may not reflect the actual trade prices you would receive in the current market. Pricing for non-publicly traded securities and other investments are obtained from a variety of sources, which may include issuer-provided information (such as for limited partnerships, real estate investment trusts, annuity firms and other alternative investments). We cannot guarantee the accuracy, reliability, completeness, or availability of this information.

## Brokerage Statement and Performance/Billing Valuation Differences for Fee-Based Accounts

The Account Value on which the asset-based fee is based may be different than the asset value reported on brokerage statements provided by us. There are several reasons why these values may differ:

1. Trade Date versus Settlement Date - The brokerage statement values all securities and cash balances based upon trades not being completed until the settlement date (when the money is due). The value used for billing is derived from the performance system, which values all securities and cash balances based upon the trade date (initiation of cost basis for performance and tax reporting purposes.) For example, if a recent buy in an account has been executed, but not yet settled at quarter end, the trade will still show as a cash position on the brokerage statement. In contrast, the purchased security, and value, will be used for performance and billing calculations as of the trade date. Since the financial advisor's fee-based compensation is associated with the performance of the account, performance-related values are used for billing instead of the brokerage statement value.

2. Margin Balances and Short Sells - Because the brokerage statement reads like a balance sheet, short sells and margin purchases are reflected as liabilities. For example, if a client buys a security on margin (or sells it short), he or she will have to pay for that security eventually, so the margin balance is shown as a liability (negative value) on the brokerage statement. The performance-related value does not view shorts and margins in this manner. Rather, clients that use margin are in fact using the advisory services of their financial advisor, who in turn is compensated for it. The fees for advice and execution is based on the total asset value of the account.

   For example, a client has an account with a short sale. The client receives an account statement showing his or her account value to be $65,000 and then a bill showing a market value of $85,000. However, the client fees are based on the total absolute market value of the positions in the account, which is actually $85,000. For billing purposes, advisory Fees on short sales are based on the total Account Value (defined as total absolute value of the positions in the account. While cash balances generated from the short sale will reflect as a credit, the cash balances associated with the short sale are excluded from fee billing (since the cash is restricted for that position). Please refer to the "Asset-Based Fee Billing Practices" section for more information.

   The use of margin or short sells generally results in the largest discrepancy in terms of value between the brokerage statement and performance/billing values. This can be seen when a client's brokerage statement "net" liquidation value is reduced by liabilities, while his or her performance/billing value is increased.

3. Options – Clients that write calls or puts, much like short sales, are creating a potential liability by doing so. While a client may understand that the net value of the account reflects what he or she would receive today if all securities were liquidated, the net account value does not take into account the advisory or commission aspects of the securities that were "created". Clients are charged commissions in retail accounts when writing calls or puts because a security is being created. The correlation in a fee-based accounts is to value the security based upon the liability of the client by taking the absolute value of the short option. For billing purposes, the advisory Fees on options are based on the total Account Value (defined as total absolute value of the positions in the account). Like the prior margin/short sell example, the client's brokerage statement "net" liquidation value is reduced by liabilities, while his or her performance/billing value is increased.

4. Cash Balances - Clients that hold cash balances greater than 20% of their overall Account Value as of the last business day of the quarter ("the valuation date") for 3 consecutive quarterly valuation dates will have the cash balance above 20% excluded from the Account Value used to calculate advisory fees. Please refer to the "Billing on Cash Balances" section for additional information. In the RJA Managed Program accounts, clients that hold cash balances as part of a dollar cost average or periodic investment plans are excluded from the Account Value used to calculate advisory fees. For example, a client that has instructed us to invest $25,000 in monthly increments over the course of the next six months will have this cash balance reflected on his or her brokerage statement, but this balance is excluded from the Account Value until invested, and therefore not assessed an advisory fee. In IMPAC accounts, monies set aside for dollar cost average or periodic investments plans are included in the Account Value.

5. Administrative-Only Investments – Clients that hold securities and other investments designated as "Administrative-Only" are not assessed advisory fees on these positions. As a result, the Account Value upon which the advisory fee rate is applied will not include the value of these positions, although these positions will be included on the brokerage statement. Please refer to the "Administrative-Only Investments" section for additional information.

6. For purposes of calculating Account Value, the market value of any fee-based annuity linked to your IMPAC account is based on the market value of the annuity as disclosed to us by the insurance company.

Generally, the methodology we use to derive the Account Value is intended to align the calculation of account performance and advisory fees. The performance value could differ from the Account Value based on whether there are positions subject to the 20% cash balances policy, whether there are any Administrative- Only Investments or other excluded positions in the account. Account performance is calculated in a standardized manner, which reflects the initiation and disposition of securities and other investments, flows into and out of your account as well as the timing of these flows. The advisory fee is based on the investment advice provided by your financial advisor and our firm, and the long-term performance of your account forms the basis of our mutual investment advisory relationship.

## Relationship Value and Aggregation

Karras will combine a client's related fee-based accounts so that each account will pay a fee that is calculated on the basis of the "Relationship Value" (total aggregate Account Values of all related accounts across all eligible fee-based advisory programs).

Related Accounts are accounts of an individual, his or her spouse, and their children under the age of 21 and includes individually owned accounts, accounts owned jointly, individual retirement accounts (IRAs), self-directed accounts (i.e., directed by individual participants) under an employee benefit plan (ERISA plan) and ERISA plan accounts in which an individual is the sole participant.

Furthermore, accounts of the same corporation or business entity are normally deemed as "related." For example, if ABC Manufacturing has both a profit-sharing plan and a pension plan (non-directed), these two accounts will be "related." However, corporate accounts such as corporate cash would not be related to such retirement plan accounts.

Participants in an advisory program may be entitled to discounted asset-based fees if they maintain one or more eligible Related Accounts within this program or multiple advisory programs. Related Accounts, for the purpose of discounted fees, follow the same definition outlined above. Thus, Related Accounts participating in the advisory program may be aggregated for advisory fee purposes, so that each account will pay a fee which is calculated on the basis of the total of all Related Accounts. It is your responsibility to identify all Related Accounts for purposes of qualifying for an aggregated account fee discount. While we may attempt to identify related accounts, we will not be responsible for failing to consider any related accounts not listed by you.

Please note that we may be limited in our ability to combine your retirement accounts where a prohibited transaction under the Employee Retirement Income Security Act of 1974 ("ERISA") of the Internal Revenue Code of 1986, as amended, may result.

The negotiated discount rate applies until the disclosed program fee schedule breakpoint results in a lower Fee.

Employees of Karras are eligible for lower management fee arrangements for their personal accounts.

## Fee-Based Annuities

As part of our services and for clients whom it may make sense, financial advisors may recommend clients investing in annuities as part of their advisory account. Financial advisors may make sub-accounts allocation recommendations for various indexed, variable, and structured fee-based annuities (collectively, "fee-based annuities") available through third-party firms on a discretionary basis (refer to the "Discretionary Authority" section for more information) for an advisory fee, subject to the Fee Schedule located in the "Asset-Based Fees" section.

Advisory fees charged for the sub-account/investment allocation recommendations provided for fee-based annuities are in addition to any underlying fees related to the fee-based annuity. You may refer to your fee-based annuity's prospectus for a description of any underlying fees. You should be aware that certain riders purchased with the fee-based annuity may limit the investment options and the ability to reallocate to certain subaccounts. Additionally, the decision to liquidate a fee-based annuity prior to the end of its surrender charge period may result in early withdrawal charges and a complete loss of certain benefits for which fees may have previously been paid to the annuity company. For variable annuities and certain structured annuities, you should rely solely on the disclosure contained in the annuity contract and the product prospectus with respect to the terms and conditions of the annuity. For details on the provisions of the index annuity, please refer to the annuity contract. Please also refer to the "Additional Expenses" and "Investment Costs" sections for more information.

Your IMPAC account must be linked to the issuer's fee-based annuity to effect billing. In order to bill you for investment advice on the fee-based annuity, you will need to maintain a cash balance in your IMPAC account from which your asset-based advisory fees can be deducted or provide another non-retirement brokerage account for the advisory fee to be debited. Refer to the "Asset-Based Fee Billing Practices" section for information about our fee billing practices.

## Billing on Cash Balances

Karras normally assesses advisory fees on non-sweep money market funds, as well as, cash sweep balances held in IMPAC, Ambassador and Passport accounts ("advisory accounts").

If the cash sweep balance ("cash") (not non-sweep money market funds) exceeds 20% of the Account Value as of the last business day of the quarter ("the valuation date") for three (3) consecutive quarterly valuation dates, the amount in excess of 20% is excluded from billing (the "Cash Rule"). For example, an advisory account that held 30% of the Account Value for three (3) consecutive billing valuation dates (March 31st, June 30th, and September 30th) would have the amount in excess of 20% excluded from the Account Value upon which Fees are applied. For simplicity of illustration, assuming an account was valued at $100,000 for all three (3) quarterly billing periods, with $30,000 held in cash, the September 30th valuation date would exclude $10,000 of the cash from the Account Value when assessing the Fee.

The exclusion of excess cash from the fee is intended to benefit clients holding substantial cash balances (as a percentage of the total individual Account Value) for an extended period of time. The portion of the account held in cash experiences negative performance when the applicable Fee charged is higher than the return received on the cash sweep balance.

Within the advisory account, the Cash Rule applies on an individual account basis. The Cash Rule may pose a financial disincentive to a financial advisor as the portion of cash sweep balances in excess of 20% is excluded from the fee charged to the account. This may cause a financial advisor to recommend a reallocation of your account from cash to advisory fee eligible investments, including money market funds, or to recommend against raising cash, to avoid the application of the Cash Rule and therefore receive a fee on the full account value. You may direct your financial advisor to raise cash by selling investments or hold a predetermined percentage of your account in cash at any time.

Cash balances in Raymond James Managed Program accounts are generally expected to be a small percentage of the overall account value, as determined by the Managers, in the American Funds, Freedom, Freedom UMA and RJCS Managed accounts and are therefore not subject to the Cash Rule.

The aforementioned Cash Rule is applicable only to cash sweep balances and, therefore, non-sweep money market investments would not result in excess "cash" balances being excluded from the asset-based advisory fee calculation and such amounts would be billed accordingly.

## Administrative-Only Assets

Certain securities may be held in your advisory account and designated "Administrate-Only Investments". There are two primary categories of Administrative-Only Investments: Client-Designated and Raymond James-Designated. Client-Designated Administrative-Only Investments may be designated by financial advisors that do not wish to collect an advisory fee on certain assets, while Raymond James-Designated Administrative-Only assets are designated as such by RJA in conformance with internal policy. For example, a financial advisor may make an arrangement with a client that holds a security that the financial advisor did not recommend, or the client wishes to hold for an extended period of time and does not want their financial advisor to sell for the foreseeable future. In such cases the financial advisor may elect to waive the advisory fee on this security but allow it to be held in the client's advisory account – such designations fall into the Client-Designated category. Alternatively, RJA may determine that certain securities may be held in an advisory account but are temporarily not eligible for the advisory fee (such as for mutual funds purchased with a front-end sales charge through RJA within the last two years, new issues and syndicate offerings). Assets designated by RJA as temporarily exempt from the advisory fee fall into the Raymond James-Designated category.

The following chart helps to illustrate which account types permit the use of Client-Designated and Raymond James-Designated Administrative-Only Assets:

| Account Type | Client-Designated | Raymond James-Designated |
|---|---|---|
| Non-discretionary (all) | Permitted | Permitted |
| Discretionary/Non-Retirement | Permitted | Permitted |
| Discretionary/Retirement | Not Permitted | Permitted |

PLEASE NOTE: The designation of Client-Designated Administrative-Only Assets and the maintenance of such positions in the client's account are not permissible in discretionary retirement accounts (such as IRAs and employer sponsored retirement plans). The underlying premise of this prohibition is that the maintenance of assets in a discretionary retirement account that is not being assessed an advisory fee introduces a potential conflict that the financial advisor's advice may be biased as a result of their not being compensated on this asset. As a result, the financial advisor may recommend a course of action in their own interest and not the client's best interest (such as selling the security to increase the financial advisor's compensation). Raymond James has elected to preserve the ability for clients and their financial advisors to designate assets as Client-Designated Administrative-Only in their taxable and non-discretionary retirement accounts in order to maintain client choice and avoid the need to maintain a separate account o hold these securities or cash.

Administrative-Only Investments will not be included in the Account Value when calculating applicable asset-based advisory fee rates. For clients with multiple fee-based accounts, the Relationship Value will be used to determine the applicable fee rate that will be assessed. However, clients should understand that any assets held as Administrative-Only Investments will not be included in the Relationship Value.

# Other Cost and Expense Considerations

## Additional Expenses

Outside of investment advisory fees deducted from accounts held at RJA for the investment advice rendered on those assets, other services provided by Karras and/or Raymond James can be provided under a variety of arrangements which can differ based on the needs of the client. Your advisory fee does not cover the expenses, charges and costs listed below (not an all-inclusive list).

- Certain dealer-mark-ups and odd lot differentials;
- Mark-ups, mark-downs, spreads, underwriting fees, selling concessions, or other transaction charges associated with a principal transaction effected by us or our affiliate with respect to a transaction;
- Taxes (including unrelated business taxable income in retirement accounts and financial transaction taxes);
- IRA custodial fees;
- Safekeeping fees;
- Debit interest charges: If you incur a cash debit or deficit in your account, you will pay interest on the negative balance in your account, even if your account is not a margin account. The rate varies depending on the size of the average debit balance and you will be responsible for the debit interest accrued in the account. Please refer to your account opening documents for additional information;
- Charges/interest for maintenance of margin and/or short positions (specific to certain Ambassador accounts, if selected and approved for margin). Refer to the "Buying Securities on Margin and Margin Interest" section for more information;
- Fees for legal or courtesy transfers of securities and other investments;
- Exchange fees and regulatory transaction fees charged to you to offset fees that Raymond James pays to exchanges and/or regulatory agencies on certain transactions (for example, the Regulatory Transaction (RT) Fee is collected to recoup transaction fees paid by us to an exchange or self-regulatory organization in connection with the sale of certain securities and other investments);
- Transaction charges for purchases of select Non-NTF mutual funds in both non-retirement and retirement accounts, except for accounts that are subject to ERISA. Please refer to the Raymond James Network and Service Partners list or consult with your IAR to verify which mutual funds are subject to these transaction charges;
- Offering concessions, and any other fees and expenses for purchases of public offerings of securities and certificates of deposit, as more fully disclosed in the prospectus and offering documents;
- Trade away commissions: When a third-party Manager elects to trade away and there are brokerage commissions or other charges associated with the transaction, your overall program costs increase;
- Fund and annuity operating costs and expenses and Fund distribution fees; for more information refer to the "Investment Costs" section below;
- Transfer fees;
- Return deposit items (check/ACH);
- Wire fees (outgoing);
- Annual pledged account fees, for accounts where assets held in the account are pledged as collateral;
- Fees and costs (such as conversion and foreign exchange fees, ongoing custody or service fees charged by American Depository Receipts ("ADR") depository banks for inventorying the underlying non-U.S. shares and performing related administrative services) are associated with the purchase of non-U.S. securities in ordinary form and conversion of these ordinary shares into ADRs. ADRs are the receipts for the shares of a non-U.S.-based company traded in U.S. markets. These transactions typically are reflected in the net price paid or received by the client;
- Any other charges imposed by law or otherwise agreed to by you with regard to transactions in your account.

For a list of account fees and service charges that may apply to your advisory account, please contact your financial advisor.

## Investment Costs

If you invest in mutual funds and/or ETFs or annuities as part of your portfolio in any of the IMPAC, MDA, Freedom UMA, Freedom, Portfolio Select UMA, Ambassador, Russell Funds, and American Funds Programs or OSM Platform described in this Brochure, you also pay your pro-rata share of the annual management fees and operating expenses charged by open-end and closed-end mutual funds, ETFs and annuity companies. The cost structures of Funds differ significantly, typically ranging from 0.50% to 1.00% for mutual funds versus 0.06% to 0.75% for ETFs. These are the underlying fees related to investment products you purchase within your advisory account. These annual management fees and operating expenses are assessed by the fund or annuity sponsor directly and not by us, and, for clients who use an investment manager or investment strategy that invests in these investment products, generally results in clients paying more than clients using a manager or strategy that invests in individual securities, and other investments without taking into effect negotiated asset-based fee discounts, if any.

For advisor programs that are managed by Raymond James, the assigned AMS Investment Committee, in the applicable AMS Managed Programs, considers the annual expense ratio when selecting funds; however, the AMS Investment Committee is not obligated to select a mutual fund or ETF with the lowest expense ratio and instead makes decisions based on other investment-related factors. For the IMPAC program, Karras takes into consideration the annual expense ratio when selecting funds but is not obligated to select a mutual fund or ETF with the lowest expense ratio and instead makes decisions based on other investment-related factors.

In addition, you pay sales charges, redemption fees and other fees assessed by the Fund, annuity sponsor or alternative investment, if any. Some investments may have direct or indirect costs related to liquidating your position, particularly if an investment is liquidated shortly after being purchased or if an investment is specifically designed to provide limited or no liquidity to investors. Redemption fees assessed by an alternative investment manager can be as high as 5% of your investment. Certain mutual funds offered in these programs may impose short-term trading charges for redemptions (typically 1%-2% of the amount redeemed) made within short periods of time. These short-term charges are imposed by the fund companies (and not us) to deter “market timers” who trade actively in mutual fund shares. If you intend to hold fund shares for an extended period of time, it may be more economical for you to purchase fund shares outside of our advisory programs. You may be able to purchase investment products directly from the product sponsor without incurring our advisory fee. In this case, you would not receive the services provided by our Firm, which are designed, among other things, to assist you in determining which investment products are most appropriate to your financial condition and objectives. You should consider these short-term trading charges when selecting the program and/or mutual funds in which you invest. When purchasing directly from a Fund, annuity or alternative investment sponsor, you may incur a front- or back-end sales charge.

Lastly, distribution fees charged by mutual fund companies (also known as trails or 12b-1 fees) pursuant to Rule 12b-1 under the Investment Company Act are included in the calculation of the mutual fund company’s annual operating expenses, which are disclosed in the fund prospectus. If received by us for positions held in advisory accounts, 12b-1 fees are credited bi-monthly to your account(s), as applicable. For additional information regarding 12b-1 fees, please see the “Certain Fund Arrangements and Fund-Related Compensation” and “Conversion of Mutual Fund Share Classes and 12b-1 Fees” sections.

Investment costs apply whether the investment product is sponsored or managed by an affiliated or unaffiliated company. When you invest in investment products managed by us, we or an affiliate will receive compensation for managing those investments and for other services provided based on the amount you invest.

These investment costs are in addition to the Fee that you pay directly from your advisory account. They are paid indirectly by you, for example, as a shareholder in a mutual fund, through the product, and are not separately deducted from your advisory account. Investment costs instead reduce the value of your investment in the product and reduce the investment performance of your advisory account.

For specific information on each mutual fund or ETF’s expenses, please refer to its prospectus. For additional information regarding Fund investing, see raymondjames.com/legal-disclosures/packaged-product-disclosures.

For annuities, depending on the product, and as more fully described in the annuity contract, you may pay an early withdrawal fee if you cancel during the surrender charge period. Costs and fees vary between insurance products. Please refer to the annuity contract for a detailed description of charges you will incur.

Market-Linked Investments, also commonly known as Structured Investments, are specialized bonds (Market-Linked Notes) or bank CDs (Market-Linked CDs). In advisory accounts, purchases of Market-Linked Investments are not charged any sales commissions; however, clients who purchase Market-Linked Investments will still pay offering costs associated with issuing, selling, structuring and hedging the products. Such costs are paid to the issuer, included in the initial offering price, and disclosed in the offering documents.

In advisory accounts, purchases in Unit Investment Trusts ("UITs"): are not charged any initial or deferred sales charge; however, clients who purchase UITs will still pay any creation and development fees and any operational expenses incurred by the trust.

## Additional Disclosures

### Cash Sweep Program

RJA has established a system in which cash reserves "sweep" daily to and from your investment account to cover purchases or to allow excess cash balances to immediately begin earning interest, subject to certain minimum balances. The account in which these cash reserves are held is considered your sweep account. The sweep options available will vary depending on account type and include the following:

- Client Interest Program® (CIP)
- Raymond James Bank Deposit Program ("RJDBP"), including:
    - RJBDP – Raymond James Bank Only
    - RJBDP with CIP

For more information, please refer to "Sweeps (Transfers) to and From Income-Producing Accounts" in the "Your Rights and Responsibilities as a Raymond James Client" Brochure, a current copy of which is available from Karras, or can be found by visiting the Raymond James public website for additional information:

https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps

This website also includes a link at which the interest rates and rate tiers for the various sweep options are posted online. For information on the rate being paid on your particular account(s), please contact Karras or consult your periodic statements.

With respect to cash reserves of advisory client accounts, the custodian of the account assets will determine where cash reserves are held. The Custodian, RJA, may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the Custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation ("FDIC") and Securities Investor Protection Corporation ("SIPC")). The custodian may change, modify, or amend an investment option at any time by providing you with thirty (30) days advance written notice of such change, modification or amendment.

If you select the RJBDP option, you are responsible for monitoring the total amount of deposits held at each Bank in order to determine the extent of FDIC insurance coverage available. Raymond James is not responsible for any insured or uninsured portion of your deposits at any of the Banks.

In the RJBDP sweep program, Raymond James receives revenue from the participating banks. Each participating bank, except Raymond James Bank, will pay Raymond James a fee equal to a percentage of the average daily deposit balance in the client account at the bank. The fee paid to Raymond James may be an annual rate of up to an average of 3% as applied across all client accounts taken in aggregate. Raymond James Bank will pay Raymond James an annual fee of up to $100 per account. Raymond James does not receive fees in connection with account deposits of advisory IRAs and ERISA accounts.

Deposits in client accounts at Raymond James Bank provide a stable and low-cost source of funds for Raymond James Bank which helps contribute to the overall profitability of the Bank. Raymond James Bank generally earns a higher rate of interest on deposit balances than the interest it pays on those balances. The banks participating in the sweep programs earn income by lending or investing the deposits they receive and charging a higher interest rate to borrowers, or earning a higher yield, than the participating banks pay on the deposits held through theses sweep programs. Like the other participating banks in the program, Raymond James Bank earns revenue minus interest paid by Raymond James as a participating member to clients who have assets on deposit at Raymond James Bank. Raymond James Bank may also buy securities using the deposits placed in the FJDBP sweep program. Raymond James Bank uses the funds in the client accounts to fund new lending and investment activity. The revenue received by Raymond James Bank on those balances is dependent upon lending activities and which securities are purchased. The profitability of Raymond James Bank is determined in large part by the difference between the interest paid and other costs associated with its deposits, and the interest or other income earned on its loans, investments and other assets.

Raymond James Bank and the interest rate it offers through the RJBDP sweeps may differ from the interest rate or yield on the Client Interest Program (“CIP”). Raymond James bank does not receive revenue for assets held within the CIP sweep program and in those cases where assets are not allocated to Raymond James as part of the RJDBP sweep program.

The revenue generated by Raymond James or an affiliate will vary compared to revenue generated by sweep programs available at other firms. The interest rate or yield on the Raymond James sweep programs may be higher or lower than the interest rate or yield available in other sweep programs at other institutions. Clients may be able to earn more favorable rates of return by investing in other asset classes, including alternatives to cash such as money market mutual funds and treasury bills, but performance of those asset classes is not guaranteed.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis to your cash sweep account. When securities are sold, funds are deposited on the day after settlement date. Funds placed in your account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the Client's account. Due to the foregoing practices, Raymond James may obtain federal funds prior to the date that deposits are credited to your accounts and thus may realize some benefit because of the delay in transferring of such funds to their interest-bearing cash sweep account.

## Discretionary Authority

Discretionary authority is used by Karras to better implement portfolio changes and keep clients in line with their model portfolio. Karras has discretionary power to act on behalf of clients’ accounts when agreed and accepted upon by both the client and Karras. Karras accepts any reasonable limitation or restriction on the account placed by the client. All limitations and restrictions placed on account must be presented to Karras in writing.

Only those IARs of Karras, who have been approved by the Chief Compliance Officer of Karras, will be granted discretionary authority. Discretionary accounts create increased liability for Karras. Therefore, all discretionary accounts must be approved by the CCO prior to the placement of any opening transactions. Discretionary approval is granted for fee-based advisory accounts only; retail commission-based discretion is prohibited. Once an IAR is approved by the CCO for discretionary authority, Raymond James acknowledges that use of discretion by an IAR is allowed and will properly code client accounts as discretionary once a signed agreement is on file.

All discretionary accounts must be coded as discretionary. Karras approves each discretionary order on a daily basis. In addition, Karras reviews each discretionary account regularly to detect and prevent transactions that are excessive in size or frequency for a particular account. All transactions must be on an agency basis. Please note that Karras may not purchase low-priced securities in discretionary accounts on a discretionary basis. Orders for low-priced securities may be accepted on an unsolicited basis.

## Conversion of Mutual Fund Share Classes and 12b-1 Fees

An investment company may authorize Raymond James to make available to clients participating in an advisory program a class of shares of a fund with a lower fee structure that we believe is more beneficial to you than the class of shares previously made available in the advisory program. Where an exchange is available, under the authority provided to us and Raymond James under your advisory agreement(s) which may include the Master Advisory Agreement, we may effect an exchange to another class of shares of the same investment company fund with the lower fee structure, as promptly as practicable and taking into account the administrative and operational requirements necessary to implement the exchanges.

We periodically exchange existing advisory fee-eligible mutual fund positions in existing IMPAC Program accounts for a specific mutual fund share class ("Firm selected share class") in an effort to provide advisory clients with the lowest cost share class available through us. This conversion does not apply to non-billable positions such as C shares or other back end load shares that may be held in your IMPAC account and which are not eligible for advisory fee billing. Raymond James will perform ongoing monthly maintenance conversions to ensure the Firm-selected share class has been implemented in your account. These share class conversions are non-taxable events, and your cost basis carries over to the new Firm-selected share class. We retain the 12b-1 fees received from non-wrap eligible, non-billable mutual funds that are not eligible for advisory fee billing. Fees associated with the Firm selected share class, may be greater than or less than the fees of your existing advisory fee-eligible mutual fund position. You should take into consideration fee expenses when transferring mutual funds to us or maintaining mutual fund positions within your advisory account(s).

. The one year holding period is the required minimum holding period typically established by fund companies before the shares become eligible for conversion to another share class without being subject to the CDSC. However, certain funds may require that investors hold the Class C shares longer than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts automatically convert, on a tax-free basis, to the share class recommended by Raymond James on a quarterly basis. For example, a client that holds $50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to his or her IMPAC account is not assessed an advisory fee for 6 months. The shares are subsequently converted by us to the Firm-selected share class the month after they are CDSC-free and once converted are subject to advisory fees. Also, upon conversion of the C share to the Firm-selected share class, the 12b-1 fees (if any) are credited to you on a bi-monthly basis.

Investments held in IMPAC accounts may be comprised of mutual fund shares only (both load-waived and no-load funds), individual equity and fixed income securities and other investments, or a combination of mutual fund shares and individual securities and other investments. With respect to load funds, only the Firm-selected share class of these funds, for which the mutual fund sales charge has been waived, may be purchased and charged an advisory Fee in these Programs. Clients may hold fund shares in an IMPAC account that were originally purchased in a commission-based account and assessed a front-end load at our Firm. Additionally, Raymond James will credit 12b-1 fees received by us (if any) to your account on a bi-monthly basis. This two-year exclusion period (or "Two Year Rule") has been implemented by us to avoid clients being assessed both a load or commission and an advisory Fee on the same asset, but only applies to those above-mentioned securities and other investments that were purchased through us. For questions about which assets are billable or non-billable, please consult with your financial advisor.

If you purchased a share class designated as Administrative-Only (or "ineligible") that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year (from the trade date where commissions were incurred) and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided you held the ineligible share class at least one year before converting to an eligible share class and the original load was 1.05% or less or the commission did not exceed $50. The Two-Year Rule may create a financial incentive for your financial advisor to recommend you exchange to an advisory fee-eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by requiring that the C shares must be held for at least one year before they are allowed to be exchanged for A shares, where the back-end load associated with C shares is typically 1%. The Two-Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%. Please refer to the "Administrative-Only Investments" section for more information.

## Financial Advisor Asset-Based Compensation

As discussed above under the "Asset-Based Fee Billing Practices" section, a portion of the Fee you pay under each advisory program is paid to the Raymond James and to your financial advisor as compensation for the services by each. Your financial advisor may share portions of his or her compensation with other financial advisors with whom he or she has made certain arrangements. As a result, your financial advisor may be incentivized to increase their annual revenue generation with Raymond James by recommending products/services to obtain higher payout percentages. In addition, one financial advisor's compensation may be higher or lower than another financial advisor's based on his or her individual gross revenue. In such cases, the overall advisory Fee paid by you would remain the same pursuant to your advisory agreement, which may include the Master Advisory Agreement.

The compensation your financial advisor receives will not change based on the advisory program when standard fees are applied. Although standard fees vary amongst the different account programs the programs or services recommended to you by your financial advisor can impact his or her ultimate compensation if, for example, you are paying less than the standard fee schedule in which case the net amount paid to your financial advisor may vary.

As a result of a recommendation to you, and your participation in one of the advisory programs, your financial advisor receives compensation from Raymond James or other parties as described below. You should be aware of the following about your financial advisor's compensation as a financial advisor, and in some cases, as a registered representative of RJFS, the conflicts of interest created by the financial advisor's compensation and how we mitigate those conflicts of interest.

Your financial advisor's compensation may be more or less than what your financial advisor would receive if you paid separately for investment advice, brokerage, and other transaction-based services. Your financial advisor may have a financial incentive to recommend an advisory program rather than recommending an alternative product, program, or service, if comparable or if available separately to clients. The reverse may also be true. The lack of compensation adjustments may provide a disincentive to a financial advisor to recommend an advisory program over an alternative product, program, or service available to you through us. You should be aware of these arrangements and should consult your financial advisor for additional details regarding their compensation levels in fee-based accounts.

We have a fiduciary duty to act in your best interest. To ensure your financial advisor is providing appropriate investment advice, we monitor the appropriateness of existing advisory accounts on an ongoing basis by conducting various reviews, such as account concentration and household account transaction activity. Your financial advisor will also meet with you at least annually to review your investment objectives, risk tolerance and financial situation. We also encourage you to discuss all available investment options with your financial advisor.

Your financial advisor may also receive the following financial incentives:

*Participation in recognition clubs*: At the conclusion of each year, qualifying financial advisors are awarded membership in our recognition clubs. Qualification for recognition clubs is based upon a combination of the financial advisor's annual production (including both brokerage and advisory), total client assets under administration, and the professional certifications acquired through educational programs. Participation in these recognition clubs represents a conflict of interest since the qualification criteria is based, in part, on the annual gross production of the financial advisor, and as a result, the financial advisor is incentivized to increase his or her gross production (that is, increase commissions and advisory fees) to obtain the required recognition club level. Recognition club members will receive invitations to trips, conferences, and incentive compensation in the form of cash payments, stock options, and restricted stock units. You should be aware of such arrangements and consult your financial advisor for additional details.

*Financial incentives for initial/ongoing affiliation with us*: In addition to compensation, we provide financial advisors with access to financial incentives for affiliating with our Firm. These arrangements include, but are not limited to, transition assistance, bonuses, deferred compensation arrangements, enhanced pay-outs, repayable business transition or working capital loans, and administrative fee reimbursements. Your financial advisor may also receive compensation related to attendance at our conferences, events, as well as rewards trips, marketing services and materials, payment and reimbursement of certain business expenses and other valuable financial incentives. Based on these arrangements, your financial advisor is incentivized to recommend that you open and maintain accounts for advisory and/or brokerage services. These incentives may influence your financial advisor's advice that you transition your account(s) to the Firm.

*Other Forms of Non-Cash Compensation*: Our financial advisors may receive promotional items, meals and entertainment, or other non-cash compensation from product sponsors. Consistent with applicable laws and regulations, these product investment companies may pay for or provide training and educational programs for our financial advisors and their existing and prospective clients. Product investment companies may also pay us, directly or indirectly, to offset expenses incurred for due diligence meetings, conferences, client relationship building events, occasional recreational activities, and other events or activities that are intended to result in the promotion of their investment products. Non-cash compensation can vary by vendor and event. The receipt of cash and non-cash compensation from product sponsors may create an incentive for financial advisors to recommend certain investment products over others. Other compensation may include:

- Occasional gifts up to $100 per vendor per year
- Occasional meals, tickets, or other entertainment of reasonable and customary value
- Sponsorship support of educational or training events (which include educational events financial advisors may arrange for clients and prospects)
- Seminars and/or payment of expenses related to training and education of employees
- Various forms of marketing support and, in certain limited circumstances, the development of tools used by us for training or record-keeping purposes.

Because each advisory program is distinctive and offers a different bundle of services, your financial advisor may have a disincentive to recommend certain advisory programs to clients with smaller accounts that otherwise would meet the standard account minimum for each respective advisory Program. Your financial advisor may not offer you all of the programs available for which you may be eligible to participate. As a result, your investment options and the level of investment diversification you may achieve may be limited.

## Other Services

### Buying Securities on Margin and Margin Interest

Margin involves borrowing money from our Firm to buy securities and other investments. If you use margin (subject to Firm approval based on your stated investment objectives) to buy securities and other investments in your margin account, you will pay interest on the debit balances in your account. The rate varies depending on the size of the average debit balance. In addition, if your account is approved for margin, we can create margin debt in your account as needed to pay monies owed by you, including the Fee and you will be responsible for the interest on any such margin debt.

Margin interest generates additional revenue to us and our affiliates. Your financial advisor, our Firm, and/or our affiliates have a financial incentive to recommend its use. When margin is used to buy securities and other investments, the costs you incur and the compensation received by your financial advisor, our Firm, and/or our affiliates, generally increases as the size of the outstanding margin balance increases. Further, you pay more in advisory fees as the gross value of the account increases. There is no incentive for your financial advisor, our Firm, and/or our affiliates to recommend the liquidation of any asset to pay down a margin debit.

Margin borrowing involves additional risks. Margin borrowing results in increased gains if the value of the securities and other investments in the account go up, but increased losses if the value of the securities in the account goes down. We have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to you. Upon approval, where applicable, you receive a Truth In Lending Statement from us disclosing the risks, including an explanation of the details and conditions under which interest is charged, the method of computing interest, and the conditions under which additional collateral may be required.

## Comparable Services

Karras believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, lower fees for comparable services may be available from other sources. You could invest in mutual funds directly, without the services of Karras. In that case, you would not receive the services provided by Karras which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate for your financial condition and objectives.

### Proper Management of Conflicts of Interest

Some of our client's pay Karras fees based upon a percentage of the assets we advise upon. This is a very common form of compensation for registered investment advisory firms and avoids the multiple inherent conflicts of interest associated with commission-based compensation. Any advice that increases assets under our management will increase the management fee, and any advice that decreases assets under our management decreases the management fee. We strive to maintain a high degree of objectivity and ensure that our advice is not based on these considerations. However, the potential for conflict of interests exists and clients must be aware of that fact as they consider our recommendations. We have adopted internal policies to properly manage these and other potential conflicts of interest. Our goal is that our advice to you remains at all times in your best interest, disregarding any impact of the decision upon our firm.

## ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANGEMENT

Performance-based fee arrangements involve the payment of fees based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Karras does not use a performance-based fee structure or participate in any side-by-side management.

## ITEM 7 TYPES OF CLIENTS

Karras generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, institutions, corporations and business entities.

Karras generally requires new clients to have a minimum of $250,000 in assets under management; however, Karras may also accept smaller accounts related to a current client relationship already established and IARs of Karras reserve the right to waive minimums based upon the specific circumstances of an account or a relationship.

Clients must also be at age of majority to open an account with Karras.

## ITEM 8 METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### General

Karras provides an investment strategy and its implementation for clients, and clients of Karras receive the benefit of Karras' developed investment philosophies and strategies, research and due diligence, account monitoring and personal financial planning recommendations.

The investment programs and strategies recommended for you are based upon your investment objectives, financial situation and tolerance for risk as identified during consultations with your IAR. It is important for you to review investment objectives, risk tolerance, time horizon, tax objectives and liquidity needs with your IAR prior to selecting an investment product, program or strategy. All investments carry a certain degree of risk and no one particular security, investment product, investment style or portfolio manager is suitable for all types of investors.

### Methods of Analysis

Karras may employ one of more of the following methods of investment analysis:

*Fundamental Analysis:* Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for an investment's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

*Charting Analysis:* Involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

*Technical Analysis:* Involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

*Cyclical Analysis:* A type of technical analysis that involves evaluating recurring price patterns and trends. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

### Sources of Information

Our security analysis is based upon a number of factors including those derived from financial newspapers and journals, research materials, securities rating services, annual reports, prospectuses, filings with the SEC, company press releases, commercially available software and technology, general economic, market and financial information, due diligence reviews and specific investment analysis that clients may request.

The main source of our information and research is provided via our affiliation with Raymond James through their reports provided by their numerous analysts, economists, experts and leaders. IARs of Karras also attend various investment and financial planning conferences, as well as maintain their continuing education requirements.

## Investment Strategies

In designing investment plans for clients, Karras relies upon the information supplied by the client and the client's other professional advisors. Such information may pertain to the client's financial situation, estate planning, tax planning, risk management planning, short-term and long-term lifetime financial goals and objectives, investment time horizon and perceived current tolerance for risk.

This information becomes the basis for the strategic asset allocation plan which we believe will best meet the client's stated long term personal financial goals. A tremendous amount of research reveals that strategic asset allocation is determinative of the majority of the expected long-term gross returns of investors' portfolios. Karras' investment approach is firmly rooted in the belief that markets are fairly efficient (although not always rational) and that investors' gross returns are determined principally by asset allocation decisions.

To achieve this strategic allocation, Karras focuses on providing clients a diversified investment portfolio, incorporating large and small cap equities, international equities, fixed income, a broad spectrum of mutual funds and exchange traded funds and other alternative asset classes such as real estate and commodities. The exact composition of recommended programs and investment strategies will be determined by the client's legal and tax considerations and greatly influenced by the client's liquidity needs and tolerance for risk (portfolio fluctuations).

The portfolios of clients may then follow models designed by Karras to fit the overall weightings of equities, fixed income and alternatives. Karras analyzes the objectives of the client, the absolute need for liquidity, income, growth of income, growth of principal, and preservation of capital. Karras balances all of these needs and helps clients develop an investment strategy that will maximize the probability of achieving those needs. The client's investment objectives also consider the rate of inflation.

At times, other investment products and/or securities may be utilized in order to achieve a specific tactic and/or complement the existing investment strategy. These may include, but are not limited to, annuities and insurance products, commodities, options, cash alternatives.

Client’s portfolios are monitored regularly and a disciplined approach to rebalancing is employed in order to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax reductions, tax planning or other reasons.

## Principal Risks

Investing in securities involves risk of loss that you should be prepared to bear. All investment programs have certain risks that are borne by the investor. Among others, investors face the following investment risks:

*Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

*Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

*Inflation Risk:* This type of risk is the chance that future cash from an investment will not be worth as much due to inflation. Inflation is the increase in the price of goods and services, which causes purchasing power to erode.

*Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country. This is also referred to as exchange rate risk.

*Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

*Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of loss than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

*Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, U.S. Treasury Securities are highly liquid, while real estate properties are not.

*Financial Risk:* Excessive borrowing to finance a business’ operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

*Correlation Risk:* This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.

*Counterparty/Default Risk:* This is the risk that a party to a contract will not live up to (or will default on) its contractual obligations to the other party to the contract.

*Valuation Risk:* This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.

*Tax Risk:* This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.

*Cybersecurity Risk:* Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss.

*Technology Risk:* Karras must rely in part on digital and network technologies to conduct its business and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by Raymond James as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by us and Raymond James to provide services and maintain its business operations. These technology systems may fail to operate properly or become disabled because of events or circumstances wholly or partly beyond Karras or its service providers' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties, or the inability to conduct business.

Karras' investment philosophy is best suited for investors who desire a buy and hold strategy for substantial portion of their funds. Karras does not engage in market timing activities. While Karras seeks to reduce non-compensated risks to which a client may be exposed, other risks (including but not limited to the risk of a general stock market decline) may be assumed in order to seek to attain the client's longer-term goals and objectives; however, Karras cannot provide any guarantee that the client's goals and objectives will be achieved.

## ITEM 9 DISCIPLINARY INFORMATION

Karras has no criminal or civil actions to report.

Karras has no administrative proceedings to report.

Karras has no self-regulatory organization proceedings to report.

## ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Employees of Karras are registered representatives of RJFS (member FINRA/SIPC). RJFS is a wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates (RJA), (member NYSE/SIPC), which is also a wholly owned subsidiary of Raymond James Financial, Inc. As such, these individuals, in their separate capacities as registered representatives, will affect securities transactions, and may receive separate, yet customary compensation for effecting such transactions, including 12b-1 fees for the sale of investment company products. Other fees may be charged for services provided by RJFS. Notwithstanding the fact that employees of Karras may be registered representatives of RJFS, Karras is solely responsible for investment advice rendered. Advisory services are provided separately and independently of the broker/dealer. This relationship could create a material conflict of interest with clients.

Employees may also be appointed with several insurance companies. Employees may be able to receive separate compensation for securities and/or insurance transactions implemented through RJFS and various insurance companies. Clients are not obligated to utilize any of these services for insurance or security product purchases. All clients are free to maintain relationships with other professionals such as insurance agents or securities brokers outside, or in addition to their relationship with Karras.

# ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Karras has in place a Code of Ethics and will provide client's a copy upon request. The Code of Ethics discloses that Karras is dedicated to providing effective and proper professional investment management services to its clients and depends upon a high level of public and client confidence for its success. That confidence can be maintained only if Karras' supervised persons observe the highest standards of ethical behavior in the performance of their duties. Karras has the obligation to exercise its authority for the benefit of its clients, to place the interest of its clients first and to refrain from having outside interests that conflict with the interests of its clients. Karras and its supervised persons must avoid any circumstances that might adversely affect or appear to affect the firm's duty of complete loyalty to clients.

Karras' general policy is to avoid conflicts of interest wherever possible and, where they unavoidably occur, to resolve them in favor of clients. When a potential conflict of interest arises, Karras and supervised persons must recognize that the client has a prior right to the benefits of the Firm's judgment over the Supervised Person or any members of the Supervised Person's family whom he or she may advise. Inevitably, this policy places some restriction on freedom of investment for supervised persons and their families.

While it is not possible to specifically define and prescribe rules regarding all possible cases in which conflicts might rise, the Code is designed to set forth Karras' policy regarding supervised persons' conduct in those situations in which conflicts are most likely to develop.

The interests of the clients must come first. Karras' personnel must scrupulously avoid serving their own interests ahead of those of the client when making any decision relating to personal investments. Karras must not take inappropriate advantage of their positions. Information concerning clients' investments must be kept confidential. Karras must always provide professional investment management advice based upon unbiased independent judgment. Karras never participates in "trading ahead" of their clients to receive a better price for the same security on the same day.

These principles govern all conduct by Supervised or Access Persons whether or not such conduct is covered by specific procedures. Failure to comply with these general principles may result in disciplinary action, including termination.

A director, officer, or employee of Karras shall not buy or sell securities for their personal portfolio where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public upon reasonable inquiry. No associated person of Karras shall prefer his or her own interest to that of the client. Karras requires that all individuals must act in accordance with all applicable Federal and state regulations governing registered investment advisers.

Karras requires that all Access Persons strictly comply with the firm's policies and procedures regarding Personal Securities Transactions. Those employees found to be out of compliance are subject to disciplinary action including termination of employment.

All Supervised Persons are required to report personal securities transactions on a quarterly basis, as well as an annual report of holdings, to the Chief Compliance Officer.

In order to adhere to our fiduciary obligation to act in the client's best interest, it is the policy of Karras to disclose, at the time of recommendation or sale, all material facts relating to conflicts of interest which may arise in connection with such transaction, so that the client is able to understand the conflicts of interest the adviser has and the business practices in which it engages, and so that the client can give his or her informed consent to the transaction or practice that gives rise to the conflict or to reject the transaction or practice.

# ITEM 12 BROKERAGE PRACTICES

The principal executive officers, and other associated persons of Karras are Registered Representatives of Raymond James Financial Services (RJFS), a registered broker dealer with FINRA/SIPC. Karras will recommend RJFS to advisory clients for brokerage services. These individuals are subject to FINRA rules that restrict them from conducting securities transactions away from RJFS. Therefore, clients are advised that Karras is limited to conducting securities transactions through RJFS, whereas other advisers may require clients to use a direct broker dealer. It may be the case that RJFS charges a higher or lower fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account.

While it is possible that clients may pay higher commission or transaction fees through RJFS, Karras has determined that RJFS currently offers the best overall value to Karras and its clients for the customer service, brokerage, research services and technology it provides. Karras believes these qualities make RJFS superior to most non-service oriented, deep–discount and internet/web-based brokers that may otherwise be available to the public.

Karras relies on RJA's Best Execution Practices, as follows:

- Examines the quality of execution of trades upon request and provides price improvement where appropriate;
- Reviews daily reports regarding potentially inferior trade executions and provides price improvement for those executions where appropriate;
- Reviews monthly reports regarding quality of executions offered by various trading venues;
- Monitors systems issues with execution venues;
- Meets periodically with Compliance in Raymond James & Associates Best Execution Committee to discuss best execution; and
- Provides reports to the Raymond James Financial Quality of Execution Committee for review.

As a registered FINRA/SIPC broker dealer, RJFS routes order flow through its affiliated custodian, RJA .

As a result of being a Branch Office of RJFS, Karras cannot trade away from the broker/dealer.

RJFS may also provide general access to research and perhaps discounts on research products. Any research received is used for the benefit of all clients. Karras has no written or verbal arrangements whereby it receives soft dollars. From time to time, RJFS may offer production-based incentives such as the ability to attend industry-related conferences or other benefits; however, Karras does not believe that such incentives impair Karras' independence

When accounts are established, clients are directed to clear through RJA by means of their contract. Any client wishing to change their brokerage direction will effectively terminate their account, as we cannot accommodate client directed brokerage (execute transactions outside of RJA).

Karras may have the ability from RJA to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; access to mutual funds which generally require significantly high minimum initial investments or those that are otherwise only generally available to institutional investors; reporting features; receipt of industry communications; and perhaps discounts on business-related products.

# ITEM 13 REVIEW OF ACCOUNTS

Investment Advisory Agreement accounts or financial plans are reviewed formally, at least annually; accounts are frequently monitored and reviewed informally. Reviews are performed by Brett Karras CFP®, President, and/or by William Merrell CFP®, Financial Advisor. Clients are obligated to promptly notify Karras of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs. Primary client contacts are performed by Brett Karras CFP® and/or William Merrell CFP®. Administrative personnel assist with general client communication and services.

Reviews could occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at Karras' discretion, or as often as the client may direct. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives.

Clients receive holding and activity reports at least quarterly from custodial and brokerage firms. Karras may prepare reports or written communications related to investment advisory services provided or as may be requested by clients.

## ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

As part of its fiduciary duties to Clients, Karras endeavors at all times to put the interests of its advisory Clients first. Clients should be aware, however, that the receipt of economic benefits by Karras in and of itself creates a potential conflict of interest.

In addition to the fee-based compensation Karras receives for providing advisory services, IARs of Karras may act as a registered representative and earn commissions for transactional business in accordance with RJFS' published commission schedule. At the conclusion of each year, qualifying advisers are awarded membership in the RJFS' recognition clubs. Qualification for recognition clubs is based upon a combination of the adviser's annual production (both advisory and transactional), total client assets under administration, and the professional certifications acquired through educational programs.

From time-to-time Karras receives compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of Karras.

If you act upon Karras' advice and choose to use one of RJFS' affiliates as a money manager, custodian or purchasing insurance, RJFS may receive compensation in the form of commissions from the affiliate. If you choose to use Karras in their individual capacity as an insurance agent, Karras will receive a commission.

Karras, in utilizing any of the previously mentioned account programs offered by RJFS, generally receives compensation in the form of asset-based fees, and this compensation is typically credited to Karras on a quarterly basis.

IMPAC - Karras will receive a discount on the RJFS Administrative Fee based on the total number of IMPAC Accounts they maintain. This discount is based on economies of scale achieved by RJFS as the number of accounts increase. However, such compensation arrangements may represent a conflict of interest where a financial advisor may have incentive to recommend an asset-based fee account program rather than recommending an alternative product or service.

Financial advisors are typically compensated based on their annual gross revenue production whereby higher production will generally result in higher payouts. The above additional compensation programs constitute a targeted payout increase to certain qualified financial advisors based on economies of scale achieved by Raymond James, its affiliates and financial advisors at increasing asset levels, and are intended to maintain compensation parity for financial advisors of Raymond James and its affiliates.

### Client Referral Arrangements:

### Professional Partner's Program

From time to time, our Firm and our financial advisors receive referrals or leads of potential clients from unaffiliated third parties in exchange for cash compensation (each a "third-party solicitation arrangement"). Any third-party solicitation arrangement entered into by Karras and a solicitor is operated pursuant to a written agreement in accordance with Rule 206(4)-1 of the Advisers Act. Our Firm and our financial advisors pay cash compensation to the solicitor in the form of a percentage of asset-based advisory fees received from a referred client. The details of the particular solicitation arrangement and compensation paid to the solicitor by us or our financial advisors will be disclosed to each referred client through a separate written disclosure. The advisory fees paid by any referred client are neither increased nor reduced as a result of the compensation paid to a solicitor by our Firm or our financial advisors.

In accordance with the requirements for third-party solicitor arrangements detailed above, Karras utilizes the Professional Partners Program, developed and administered by RJA, to encourage third-party professionals and firms ("professional partners") to refer clients to us. Under the Professional Partners Program agreement, Karras will pay the professional partner a percentage of the asset-based advisory fee received by each referred client through the program, provided that the professional partner adheres to all requirements of the agreement. More information regarding this program may be found within RJA's most recent regulatory filings found at https://www.raymondjames.com/legal-disclosures

This arrangement creates a conflict of interest because while the client may have the ability to choose a certain firm for investment advice, they are being referred by a professional that receives an economic benefit from Karras for the referral.

# ITEM 15 CUSTODY

Karras does not have custody of client's assets or funds. RJA acts as custodian for Client assets and will provide account statements at least quarterly.

# ITEM 16 INVESTMENT DISCRETION

Karras may have a limited discretionary trading authority to determine the type and number of securities bought and sold in your account. This authority is granted in writing by you for each account via a discretionary asset management agreement. We cannot take possession of funds or securities.

# ITEM 17 VOTING CLIENT SECURITIES

Karras does not vote proxies for clients and does not provide advice to clients about how to vote proxies. Proxies and other correspondence relating to Client securities will be sent directly from RJA and Clients have the responsibility to vote proxies and will be required to ensure that proxy materials are sent directly to them.

# ITEM 18 FINANCIAL INFORMATION AND OTHER INFORMATION

Karras does not have custody of client's assets or funds. Karras does not solicit payments greater than $1200 per client, six (6) months or more in advance for services. Karras has not been subject to bankruptcy and knows of no reason that its financial condition would be impaired in meeting its contractual obligations to clients.

## Other Information

### Business Continuity

Karras has adopted a Business Continuity Plan that provides for the continuation of business-critical functions in the event its place of business becomes partially or totally inaccessible, or a technical problem occurs affecting its network. The recovery strategies Karras employs are designed to limit the impact on clients from such business interruptions or disasters. Although Karras has taken reasonable steps to develop and implement detailed business continuity plans, unforeseen circumstances may create situations where Karras is unable to fully recover from a significant business interruption. However, Karras believes its planning and implementation process reduces the risk in this area.

### Privacy Policy

Karras is committed to maintaining the confidentiality, integrity and security of personal information about our current and prospective Clients. Karras considers customer privacy to be fundamental to our relationship with Clients. It is our policy to respect the privacy of current and former Clients and to protect personal information entrusted to us. The policy describes the steps we have taken to safeguard the client's information and what Client information we may share with others. For more information or a copy of our Privacy Policy, contact us at 801.825.3000.

We have not and will not sell client personal information to anyone, even if our formal Client relationship ends.