

February 7, 2024
KARANI ASSET MANAGEMENT LLC
RELATIONSHIP SUMMARY

Introduction

Karani Asset Management LLC ("Karani") is an investment adviser registered with the Securities and Exchange Commission ("SEC"). Karani is not a broker-dealer. Broker-dealer services and fees are different from those of an investment adviser and it is important that you understand the differences. Free and simple tools are available to research investment adviser firms, broker-dealers, and their financial professionals at www.Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

We offer investment advisory services to retail investors, specifically discretionary investment management of portfolios of equity securities, exchange-traded funds, income-oriented mutual funds, and low-risk debt securities, such as U.S. Treasury securities. Our equity investment management strategy seeks capital appreciation, although your portfolio will be consistent with your risk tolerance, expected portfolio returns, and income requirements. We manage your assets in a separate account in your name at your custodian and monitor the account on an ongoing basis. There are no material limitations on our monitoring. We exercise discretionary authority to implement the recommended transactions in your account without your prior approval or consent. There are no material limitations on our authority. Full terms and conditions of our service are detailed in the Managed Account Agreement that you will enter with us should you decide to hire us. We do not offer advice only with respect to proprietary products. Our advice is limited to equity securities, exchange-traded funds, income-oriented mutual funds, and low-risk debt securities, such as U.S. Treasury securities. We have two account minimums: 1) \$100,000 for accounts at Interactive Brokers, or 2) \$5,000,000 for accounts at any other custodian. Interactive Brokers acts as both custodian and exclusive broker which means that your assets are held at and invested through Interactive Brokers only, on the terms of your agreement with Interactive Brokers. If you open an account at a different custodian, we will typically select third-party brokers. In this instance, it is then our responsibility to negotiate commission rates and seek best execution of trades on your behalf. **More information on our investment strategy and risks are described in detail in our Form ADV Part 2A, Item 8 [here](#). Also see the Brokerage Practices section of our Form ADV Part 2A, Item 12 [here](#).**

Conversation starters: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

We charge a fee based on the value of assets under management. A management fee is the expense incurred in hiring a Registered Investment Advisor such as Karani to manage your assets. The fee is charged as an annual percentage, prorated and charged daily for accounts opened at Interactive Brokers or quarterly for accounts opened at all other custodians. The more money we manage for you, the higher your fees so we have an incentive to increase the assets in your account. In addition to our management fee, you will also have to engage and pay a custodian to safekeep your assets. Custodian fees vary. Furthermore, you pay brokerage commissions when we purchase or sell your stocks. We do not share in third-party fees in any way. You will pay fees and costs whether you make or lose money on your

investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. **For more information, please see the Fees and Compensation section of our Form ADV Part 2A, Item 5 [here](#).**

Conversation starters: Will I have full transparency on fees, costs, and purchases and sales of securities of my account? Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- *Broker Selection.* When selecting a broker-dealer to execute transactions for accounts at custodians other than Interactive Brokers, we consider the research, products and services that we receive from that broker-dealer. This affects our duty to obtain best execution on your transactions. **See our Form ADV Part 2A, Item 12 [here](#).**
- *Personal Trading.* Our financial professionals may invest personally in the same or related securities that we choose for you but not at the same time. This gives us a possible incentive to favor our accounts over yours. **See our Form ADV Part 2A, Item 11 [here](#).**
- *Proxy Voting.* When we have the authority to vote proxies on your behalf, potential conflicts of interest may arise. **See Form ADV Part 2A, Item 17 [here](#).**

Conversation starter: How might your conflicts of interest affect me and how will you address them?

How do your financial professionals make money?

Our financial professionals are paid cash compensation based on their experience and their investment performance, and each professional's role at the firm. They are not paid sales commissions or added fees in connection with the investments they choose for you. They have an incentive to take steps to maximize our revenue.

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

No. Visit www.investor.gov for a free and simple tool to research our firm and financial professionals.

Conversation starter: As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

For additional information about Karani's services, see our most recent ADV Part 2A [here](#) and our Website at www.karaniasset.com. You can reach us by phone at 646-593-7450 or by email at team@karaniasset.com.

Conversation starters: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?