

**KARPAS STRATEGIES**  
INVESTMENT MANAGEMENT

SEC File Number: 801 – 57019

**ADV Part 2A Brochure**  
**Dated 03/12/2021**

33 West Street, Rear  
Litchfield, Connecticut 06759

[www.karpasonline.com](http://www.karpasonline.com)

Matthew Karpas, Chief Compliance Officer

This brochure provides information about the qualifications and business practices of Karpas Strategies, LLC. If you have any questions about the contents of this brochure, please contact us at (212) 223-7280 or [MPK@karpasonline.com](mailto:MPK@karpasonline.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Karpas Strategies, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

References herein to Karpas Strategies, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Although no material changes, Karpas Strategies has made various disclosure enhancements below, including disclosure regarding retirement plan rollovers.

**ANY QUESTIONS:** If you have any questions regarding the changes below or any other issue pertaining to this Brochure, please contact Karpas Strategies' Chief Compliance Officer, Matthew Karpas, at (212) 223-7280.

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**Item 2 Material Changes**

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There have been no material changes to Karpas Strategies' Brochure since our last ADV Annual Amendment filing on 07/31/20. This amendment solely captures our office change of address noted on the cover.

Commencing on March 12, 2021, Karpas Strategies has revised its fee schedule for new clients that engage Karpas Strategies' services at Item 5 below. However, such revised fee schedule does not impact current clients. All current clients are grandfathered under their current fee schedules.

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## Item 4 Advisory Business

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- A. Karpas Strategies, LLC (“Karpas Strategies”) is a limited liability company (“LLC”) formed on August 11, 1999 in the State of New York. Karpas Strategies became registered as an Investment Adviser Firm in November 1999. Prior to becoming an LLC, Karpas Strategies was a sole proprietorship, of which Matthew Karpas was the sole proprietor. The sole proprietorship was registered as an Investment Adviser Firm from 1995 until 1999, when it was established as an LLC. Karpas Strategies is owned by Matthew Karpas, Karpas Strategies’ Managing Member.
- B. As discussed below, Karpas Strategies offers to its clients (individuals, business entities, trusts, estates, charitable organizations, etc.) investment advisory services. Karpas Strategies **does not** hold itself out as providing financial planning, estate planning or insurance planning services.

### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage Karpas Strategies to provide discretionary investment advisory services on a *fee only* basis. Karpas Strategies’ annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Karpas Strategies’ management (from negotiable to 1.00%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$5 million	1.00%
Next \$10 million	0.75%
Over \$15 million	0.50% for additional funds

### **MISCELLANEOUS DISCLOSURES**

#### **Limited Consulting/Implementation Services**

Although Karpas Strategies does not hold itself out as providing financial planning, estate planning or insurance planning services, to the extent specifically requested by the client, Karpas Strategies *may* provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Karpas Strategies shall not receive any separate or additional fee for any such consultation services. Neither Karpas Strategies, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of Karpas Strategies’ services should be construed as same. To the extent requested by a client, Karpas Strategies may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agent, etc.). The client is under no obligation to engage the services of any such recommended professional. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify Karpas Strategies if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Karpas Strategies’ previous recommendations and/or services.

### **Portfolio Activity**

Karpas Strategies has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Karpas Strategies will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, a change in the client's investment objective or investment performance. Based upon these factors, there may be extended periods of time when Karpas Strategies determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Karpas Strategies will be profitable or equal any specific performance level(s).

### **Investment Risk**

Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Karpas Strategies) will be profitable or equal any specific performance level(s).

### **Client Obligations**

In performing its services, Karpas Strategies shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Karpas Strategies if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Karpas Strategies' previous recommendations and/or services.

### **Cash Positions**

At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Karpas Strategies **may** maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating Karpas Strategies' advisory fee. **Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.**

### **Please Note: Retirement Rollovers-Potential for Conflict of Interest:**

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Karpas Strategies recommends that a client roll over their retirement plan assets into an account to be managed by Karpas Strategies, such a recommendation creates a conflict of interest if Karpas Strategies will earn an advisory fee on the rolled over assets. **No client is under any obligation to rollover retirement plan assets to an account managed by Karpas Strategies. Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Please Note - Use of Dimensional Fund Advisors Mutual Funds:**

Karpas Strategies utilizes mutual funds issued by Dimensional Fund Advisors (“DFA”). DFA funds are generally only available through registered investment advisers. Thus, if the client was to terminate Karpas Strategies’ services, and not transition to another adviser who utilizes DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply.

**Disclosure Statement**

A copy of Karpas Strategies’ written Brochure, as set forth on Part 2A of Form ADV, shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*. Any client who has not received a copy of Karpas Strategies’ written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement* shall have five business days subsequent to executing the agreement to terminate Karpas Strategies’ services without penalty.

**Assignment**

Neither Karpas Strategies nor the client may assign the *Investment Advisory Agreement* without the prior consent of the other party. Transactions that do not result in a change of actual control or management of Karpas Strategies shall not be considered an assignment.

- C. Karpas Strategies shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, Karpas Strategies will ascertain each client’s investment objective(s). Thereafter, Karpas Strategies shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Karpas Strategies’ services.
- D. Karpas Strategies does not participate in a wrap fee program.
- E. As of December 31, 2020, Karpas Strategies had \$323,047,673 in regularity assets under management on a discretionary basis.

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## Item 5 Fees and Compensation

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- A. The client can determine to engage Karpas Strategies to provide discretionary investment advisory services on a *fee only* basis.

### **INVESTMENT ADVISORY SERVICES**

If a client determines to engage Karpas Strategies to provide discretionary investment advisory services on a *fee only* basis, Karpas Strategies' annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Karpas Strategies' management (from negotiable to 1.00%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$5 million	1.00%
Next \$10 million	0.75%
Over \$15 million	0.50% for additional funds

- B. Clients may elect to have Karpas Strategies' advisory fees deducted from their custodial account, or be billed for same. Both Karpas Strategies' *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Karpas Strategies' investment advisory fee and to directly remit that management fee to Karpas Strategies in compliance with regulatory procedures. In the limited event that Karpas Strategies bills the client directly, payment is due upon receipt of Karpas Strategies' invoice. Karpas Strategies may deduct fees and/or bill clients quarterly in advance or arrears, as appropriate, based upon the market value of the assets at the beginning or on the last business day of the previous quarter as appropriate.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Karpas Strategies shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Karpas Strategies' investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (i.e., management fees and other fund expenses).
- D. Karpas Strategies' annual investment advisory fee shall be prorated and paid quarterly, in advance or in arrears as agreed by Karpas Strategies and the client, based upon the market value of the assets either at the beginning or on the last business day of the previous quarter as appropriate. Karpas Strategies generally requires a minimum account value of \$1,000,000 for investment advisory services. Karpas Strategies, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

If an account is established on any day other than the first day of a calendar quarter, the initial quarterly fee will be based upon the value of the account at the date of opening, adjusted pro rata based upon a 90-day quarter. If assets are added to an account during a calendar quarter, no advisory fee is payable with respect to the added assets until the start of the next quarter. If assets are withdrawn from an account during a calendar quarter, no refund is made with respect to any advisory fees paid in advance for that quarter.

The *Investment Advisory Agreement* between Karpas Strategies and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. In the event that the agreement is terminated for any reason prior to the end of any quarter, the client will be charged/reimbursed for fees earned/paid through the date of termination, on a pro rata basis. No termination of the agreement shall affect or preclude the consummation of any securities transaction initiated by Karpas Strategies prior to the termination of the agreement.

- E. Neither Karpas Strategies, nor its representatives accept compensation from the sale of securities or other investment products.
- F. **Fee Dispersion:** Karpas Strategies, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, or waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding advisory fees.



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**Item 6 Performance-Based Fees and Side-by-Side Management**

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Neither Karpas Strategies, nor any supervised person of Karpas Strategies accepts performance-based fees.

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## Item 7 Types of Clients

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Karpas Strategies' clients shall generally include individuals, business entities, trusts, estates and charitable organizations. Karpas Strategies generally requires a minimum account value of \$1,000,000 for investment advisory services. Karpas Strategies, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

**Fee Dispersion:** Karpas Strategies, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, or waive its fee entirely, or charge a fee on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

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A. Karpas Strategies may utilize the following methods of security analysis:

- Fundamental (A method of evaluating a company or security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors)

Karpas Strategies may utilize the following investment strategies when implementing investment advice given to clients:

- Long-Term Purchases (securities held at least a year)
- Short-Term Purchases (securities sold within a year)

**Please Note: Investment Risk** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Karpas Strategies) will be profitable or equal any specific performance level(s).

B. Karpas Strategies' methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Karpas Strategies must have access to current/new market information. Karpas Strategies has no control over the dissemination rate of market information; therefore, unbeknownst to Karpas Strategies, certain analyses may be compiled with outdated market information, severely limiting the value of Karpas Strategies' analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Karpas Strategies' primary investment strategies - Long-Term Purchases and Short-Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy.

C. Currently, Karpas Strategies primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds, on a discretionary basis in accordance with the client's designated investment objective(s).

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**Item 9 Disciplinary Information**

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Karpas Strategies has not been the subject of any disciplinary actions.

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**Item 10 Other Financial Industry Activities and Affiliations**

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- A. Neither Karpas Strategies, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Karpas Strategies, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Karpas Strategies has no other relationship or arrangement with a related person that is material to its advisory business.
- D. Karpas Strategies does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

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- A. Karpas Strategies maintains an investment policy relative to personal securities transactions. This investment policy is part of Karpas Strategies' overall Code of Ethics, which serves to establish a standard of business conduct for all of Karpas Strategies' representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Karpas Strategies also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Karpas Strategies or any person associated with Karpas Strategies.

- B. Neither Karpas Strategies, nor any related person of Karpas Strategies recommends, buys, or sells for client accounts, securities in which Karpas Strategies or any related person of Karpas Strategies has a material financial interest.
- C. Karpas Strategies and/or representatives of Karpas Strategies *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Karpas Strategies and/or representatives of Karpas Strategies are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Karpas Strategies did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Karpas Strategies' clients) and other potentially abusive practices.

Karpas Strategies has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Karpas Strategies' "Access Persons." Karpas Strategies' securities transaction policy requires that an Access Person of Karpas Strategies must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Karpas Strategies selects; provided, however that at any time Karpas Strategies has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Karpas Strategies and/or representatives of Karpas Strategies *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Karpas Strategies and/or representatives of Karpas Strategies are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Karpas Strategies has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Karpas Strategies' Access Persons.

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## Item 12 Brokerage Practices

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- A. In the event that the client requests that Karpas Strategies recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Karpas Strategies to use a specific broker-dealer/custodian), Karpas Strategies generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Karpas Strategies to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Karpas Strategies setting forth the terms and conditions under which Karpas Strategies shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Karpas Strategies considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Karpas Strategies, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Karpas Strategies' clients shall comply with Karpas Strategies' duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Karpas Strategies determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Karpas Strategies will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Karpas Strategies' investment management fee. Currently, Schwab and many other broker-dealers have eliminated commission charges on most equity transactions. Karpas Strategies' best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Karpas Strategies may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Karpas Strategies to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Karpas Strategies may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Karpas Strategies in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Karpas Strategies in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Karpas Strategies to manage and further develop its business enterprise.

Karpas Strategies' clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Karpas Strategies to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. Karpas Strategies does not receive referrals from broker-dealers.
3. Karpas Strategies does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Karpas Strategies will not seek better execution services or prices from other broker-dealers or be able to "bunch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Karpas Strategies. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Karpas Strategies to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Karpas Strategies. Additionally, in most cases, when executing securities transactions for directed brokerage arrangements, Karpas Strategies will execute directed brokerage securities transactions after those portfolios where it can bunch transactions to execute one trade for many portfolios/clients at the same time.

**Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Karpas Strategies provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Karpas Strategies decides to purchase or sell the same securities for several clients at approximately the same time. Karpas Strategies may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Karpas Strategies' clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Karpas Strategies shall not receive any additional compensation or remuneration as a result of such aggregation.



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**Item 13 Review of Accounts**

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- A. For those clients to whom Karpas Strategies provides investment supervisory services, account reviews are conducted at least quarterly by Karpas Strategies' Managing Member, Matthew Karpas. All investment supervisory clients are advised that it remains their responsibility to advise Karpas Strategies of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Karpas Strategies on an annual basis.
- B. Karpas Strategies *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian for the client accounts. Karpas Strategies may also provide a written periodic report summarizing account activity and performance.

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**Item 14 Client Referrals and Other Compensation**

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- A. As referenced in Item 12.A.1 above, Karpas Strategies may receive an indirect economic benefit from *Schwab*. Karpas Strategies, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Karpas Strategies' clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Karpas Strategies to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Currently, Karpas Strategies does not maintain any active solicitation arrangements. If a client is introduced to Karpas Strategies by either an unaffiliated or an affiliated solicitor, Karpas Strategies *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Karpas Strategies' investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Karpas Strategies by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Karpas Strategies' written Brochure, along with a copy of the written disclosure statement from the solicitor to the client, disclosing the terms of the solicitation arrangement between Karpas Strategies and the solicitor, including the compensation to be received by the solicitor from Karpas Strategies.

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## Item 15 Custody

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Karpas Strategies does not accept custody of client cash or securities. Client assets must be maintained at a qualified, third-party custodian (meaning independent financial institutions that are either federally regulated banks or broker-dealers registered with and regulated by the SEC). Karpas Strategies will work with any such qualified custodian and can recommend such qualified custodians upon a client's request. Karpas Strategies may have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients should receive, at least quarterly, written transaction confirmation notices and account statements directly from the broker-dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Karpas Strategies may also provide a written periodic report summarizing account activity and performance. Karpas Strategies urges its clients to carefully review such statements and compare such official custodial records to the account statements provided by Karpas Strategies. Karpas Strategies' statements may vary from custodial statements based on accounting procedures, reporting dates and/or valuation methodologies of certain securities.

According to the Investment Advisers Act of 1940, as amended in December 2009, investment advisers are deemed under certain circumstances to have custody of client assets even though their clients' assets are held at a qualified custodian separate from the investment adviser. If an investment adviser is deemed to have custody of client assets as a result of the certain circumstances, the investment adviser may be required to subject itself to an annual surprise audit by a third-party accounting firm. On this basis, Karpas Strategies is deemed to have custody of client assets (i) where Karpas Strategies is authorized to deduct portfolio management fees directly from client accounts, (ii) where members or employees of Karpas Strategies serve as trustees on clients' accounts, and (iii) in the event a Standing Letter of Authorization ("SLOA") is in place at a given custodian giving Karpas Strategies the right to transfer client funds to third parties. Karpas Strategies is required to conduct a surprise audit only on those accounts where members or employees serve as trustees on clients' accounts and where a SLOA is in place giving Karpas Strategies the right to transfer client funds to third parties.

**Again, Please Note:** To the extent that Karpas Strategies provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Karpas Strategies with the account statements received from the account custodian.  
**Please Also Note:** The account custodian does not verify the accuracy of Karpas Strategies' advisory fee calculation.

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## Item 16 Investment Discretion

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The client can determine to engage Karpas Strategies to provide investment advisory services on a discretionary basis. Prior to Karpas Strategies assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Karpas Strategies as the client's attorney and agent in fact, granting Karpas Strategies full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Karpas Strategies on a discretionary basis may, at any time, impose restrictions, **in writing**, on Karpas Strategies' discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Karpas Strategies' use of margin, etc).

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**Item 17 Voting Client Securities**

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- A. If specifically requested by the client, Karpas Strategies will vote client proxies. (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits). Karpas Strategies shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Karpas Strategies shall monitor corporate actions of individual issuers and investment companies consistent with Karpas Strategies' fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Karpas Strategies will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, Karpas Strategies may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Karpas Strategies may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Karpas Strategies shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Karpas Strategies voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Karpas Strategies' Chief Compliance Officer, Matthew Karpas.
- B. Unless Karpas Strategies votes the client's proxies, clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Karpas Strategies to discuss any questions they may have with a particular solicitation.

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**Item 18 Financial Information**

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- A. Karpas Strategies does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Karpas Strategies is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Karpas Strategies has not been the subject of a bankruptcy petition.

**PLEASE ASK ANY QUESTIONS: Karpas Strategies' Chief Compliance Officer, Matthew Karpas, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**

**ADV Part 2B Disclosure**

A.

**Matthew Paul Karpas**

**KARPAS STRATEGIES**  
INVESTMENT MANAGEMENT

**Brochure Supplement**  
**Dated 03/12/2021**

33 West Street, Rear  
Litchfield, Connecticut 06759

[www.karpasonline.com](http://www.karpasonline.com)

Matthew Karpas, Chief Compliance Officer

- B. This brochure supplement provides information about Matthew Paul Karpas that supplements Karpas Strategies, LLC's brochure. You should have received a copy of that brochure. Please contact Matthew Karpas, Chief Compliance Officer, if you did *not* receive Karpas Strategies LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Matthew Paul Karpas is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Education Background and Business Experience**

Matthew Paul Karpas was born in 1961. Mr. Karpas graduated from the University of Colorado, Boulder, in 1984 with a Bachelor of Science degree in International Business and Finance. Mr. Karpas has been Owner of Karpas Strategies (as sole proprietor) and Karpas Strategies, LLC since January of 1994. Prior to founding Karpas Strategies, Mr. Karpas worked at J.P. Morgan & Co. in New York and Tokyo.

## **Item 3 Disciplinary Information**

None

## **Item 4 Other Business Activities**

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

## **Item 5 Additional Compensation**

None

## **Item 6 Supervision**

Karpas Strategies provides investment advisory and supervisory services in accordance with Karpas Strategies' policies and procedures manual. The primary purpose of Karpas Strategies' Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). Karpas Strategies' Chief Compliance Officer, Matthew Karpas, is primarily responsible for the implementation of Karpas Strategies' policies and procedures and overseeing the activities of Karpas Strategies' supervised persons. Should an employee or investment adviser representative of Karpas Strategies have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding Karpas Strategies' supervision or compliance practices, please contact Matthew Karpas at (212) 223-7280.