

**KRD Wealth Management, LLC  
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Schaumburg, IL 60173**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of KRD Wealth Management, LLC (“KRD Wealth Management”). If you have any questions about the contents of this brochure, please contact Srbo Radisavljevic at (847) 849-5550 or at [srbo@krd-wealthmgmt.com](mailto:srbo@krd-wealthmgmt.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 KRD Wealth Management is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD number for KRD Wealth Management is 317947.**

**KRD Wealth Management, LLC is applying to be a Registered Investment Adviser with the Securities & Exchange Commission. Registration with the Securities & Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

**March 6, 2023**

### **Material Changes**

Form ADV Part 2A, Item 2

This brochure dated March 6, 2023, is an update from the firm's initial brochure filed on January 3, 2022, and subsequent brochure filed on May 6, 2022. KRD Wealth Management, LLC has one material change relating to assets under management. Please see Item 4.

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## Advisory Services

Form ADV Part 2A, Item 4

KRD Wealth Management, LLC (“KRD Wealth Management”) was formed in 2021 and registered with the Securities and Exchange Commission in February 2022. The firm is wholly owned by KRD Service Group LLC. This document is being offered to you on behalf of KRD Wealth Management to provide you with information about the services the firm provides, the way those services are made available to clients, and how the firm is paid.

### Portfolio Management

KRD Wealth Management is a fee-based financial planning and investment management firm. Through client interviewing and data gathering, KRD Wealth Management assists clients in determining their risk profile, time horizons, investment goals and investment objectives, and then selecting and implementing a suitable portfolio allocation that may consist of one or more of the following security types:

- equity and/or fixed income mutual funds or exchange-traded funds;
- individual fixed income securities (corporate, government, municipal);
- exchange traded securities such as ETFs or stock; and
- separately managed accounts

KRD Wealth Management manages client assets on a non-discretionary or discretionary basis. No assurance can be given that the investment strategies and investment products recommended by KRD Wealth Management, and accepted by clients, will ultimately meet the client’s stated investment objectives, and any investment may result in material investment losses due to unforeseen or uncertain factors. Clients may impose reasonable restrictions upon investing in certain securities or types of securities.

### Selection of Third-Party Money Managers

KRD Wealth Management also may select third-party money managers for client assets. In this capacity KRD Wealth Management acts as a liaison between the client and the third-party money manager, in facilitating the

completion of paperwork, updates as to client status and reviewing the quarterly statements provided by the third-party manager.

### ERISA Services

KRD Wealth Management provides services to qualified and nonqualified retirement plans 401(k) plans, 403(b) plan, pension and profit-sharing plans, and deferred compensation plans.

As such, KRD Wealth Management may act in the following capacities:

1) Limited Scope 3(21) Fiduciary. In that capacity KRD Wealth Management can advise and assist plan sponsors with their investment decisions and make recommendations. However, the plan is still ultimately responsible for the investment decisions made for the Plan.

2) 3(38) Investment Manager. KRD Wealth Management can act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of the retirement plan's assets. In that case KRD Wealth Management is solely responsible for the Plan's investment options.

3) Plan Participants' Adviser. KRD Wealth Management offers discrete services to Plan Participants including investment advice on asset classes and allocation, development of an investment policy statement, meetings with Plan Participants, and advice on the selection of a Qualified Default Investment Alternative ("QDIA").

### Financial Planning Services

KRD Wealth Management offers financial planning services. This service includes an analysis of a client's net worth, cash flow, projected income taxes, estate objectives, investment temperament, retirement goals, business succession planning, and current insurance provisions and needs. KRD Wealth Management will prepare and deliver written financial plans for each independent financial planning engagement. In addition, KRD Wealth Management will advise on client assets held away from KRD Wealth Management if not held with the firm's custodian.

KRD Wealth Management does not sponsor or participate in any wrap fee programs.

As of December 31, 2022, KRD Wealth Management, has \$93,715,345 under discretionary management and no assets under non-discretionary management.

## Fees and Compensation

Form ADV Part 2, Item 5

### Investment Management Fees

KRD Wealth Management generally charges fees, based on a percentage of assets under management adjusted for inflows and outflows, either in arrears or in advance, as described below. In addition, KRD Wealth Management may also charge a flat fee billed quarterly, in arrears.

After January 1, 2023, KRD Wealth Management clients who were KRD Financial succession clients may pay the following fee rates:

First \$2,500,000	1.00% per annum
Next \$2,500,000	.85% per annum
Next \$2,500,000	.70% per annum
Next \$2,500,000	.55% per annum
\$10,000,000 and up	Negotiable

New clients to KRD Wealth Management will pay the rates above for investment management. Some clients of KRD Wealth Management may be grandfathered in with lower fees.

There is no account minimum. KRD Wealth Management reserves the right to negotiate fees and maintain non-billable accommodation accounts. Investment advisory fees begin when assets are deposited or transferred to client account(s) and are automatically deducted each calendar quarter in arrears based on the custodian's reported account value on the last business day of the quarter. In addition, KRD Wealth Management may charge fees in advance, based upon the value of the client's account as of the last day of the previous quarter.

All fee deductions are reported on the custodian's regular monthly or quarterly statements. Clients can elect to terminate their advisory relationship with KRD Wealth Management at any time. KRD Wealth Management can elect to terminate client services with 30 days advance written notice to the client's current address of record.

### ERISA Services/Direct Management

The fees for direct management of ERISA Plan assets are the same as the table above. If assets are referred to a third-party adviser for the management of ERISA Plan assets, the fees will be charged as described below in Separate Account Manager Selection. For other services to ERISA Plans, KRD Wealth Management charges an hourly or fixed fees determined by the ERISA Plan Agreement.

### Separate Account Managers' Selection

If KRD Wealth Management refers clients to third party managers, the firm will be compensated from the referred adviser by the payment of solicitor fees. The solicitors' fees are a percentage of the fees received by the referred client to the third-party manager. Clients do not pay an extra charge due to the solicitor arrangement but only the referred adviser's fee. The nature of the the referral fees paid to KRD Wealth Management will be disclosed in a separate Solicitor Written Disclosure Statement provided to the client. KRD Wealth Management does not bill the client for these fees. Any such solicitor's arrangements will be in compliance with the new Rule 206 (4)-1 and any applicable state law.

Specifically, for ERISA Plan assets, if KRD Wealth Management refers clients to the Aris Division of AssetMark, Inc., the annual fees are as follows:

<u>Plan Assets</u>	<u>Annual Fee</u>	<u>KRD Wealth Fee</u>	<u>Aris Fee</u>
\$0 - \$2,500,000	.80%	.50%	.30%
\$2,500,001 - \$5,000,000	.75%	.50%	.25%
\$5,000,001 - \$10,000,000	.70%	.50%	.20%
Over \$10,000,001	.65%	.50%	.15%

Fees are paid quarterly in advance based on the account value at the end of the current quarter.

### Financial Planning Fees

In addition, KRD Wealth Management offers financial planning services. Generally, these services are offered on an hourly basis of \$200-\$500 an hour or for a fixed fee. The standard hourly rate ranges from \$.



### Transaction Costs

Clients may incur certain charges imposed by third parties such as custodial fees, mutual fund charges, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees. In addition, for certain fixed income transactions, traded away from the custodian, clients may pay a trade away fee charged by the Custodian. Such charges, fees and commissions are exclusive of and in addition to KRD Wealth Management's advisory fee. KRD Wealth Management shall not receive any portion of these commissions, fees, and costs.

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

Form ADV Part 2A, Item 6

KRD Wealth Management does not charge performance-based fees.

### **Types of Clients**

Form ADV Part 2A, Item 7

KRD Wealth Management offers direct portfolio management services to individuals, retirement plans, trusts, estates, charitable organizations, and business entities.

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

Form ADV Part 2A, Item 8

### Methods of Analysis

KRD Wealth Management's security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Fundamental analysis involves evaluating a security using real data such as revenues, earnings, or return on equity to determine the underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

### Investment Strategies

KRD Wealth Management recommends an investment strategy for a client based upon the client objectives and other information. The firm uses the following strategies: long-term purchases, short-term purchases, trading and option writing including covered options, uncovered options or reading strategies.

### Specific Material Risks:

All investment programs have certain risks that are borne by the investor. Investors face the following risks:

1. Interest Rate Risk: Fluctuations in interest rates may cause investment process to fluctuate. For example, when interest rates rise, yield on existing bonds become less attractive, causing their market values to decline.
2. Market Risk: The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors such as political, economic, and social conditions that may trigger market events.
3. Inflation Risk: When any type of inflation is present, purchasing power is eroded at the rate of inflation.

4. Currency Risk: International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.

5. Reinvestment Risk: This is the risk that future proceeds from the investments may have to be reinvested in a potentially lower rate of return.

6. Business Risk: These are risks associated with a particular industry or particular company.

7. Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in the product.

8. Financial Risk: Excessive borrowing to finance the operations of a business increase the risk of profitability because the company must meet the terms of its debt obligations. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.

**Disciplinary Information**

Neither KRD Wealth Management nor any of its investment advisory representatives has any reportable disciplinary events to disclose.

## Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

The holding company, KRD Service Group LLC, also owns KRD Accountants Consultants Advisors, LLC, a certified public accounting firm. Members of that firm, some of whom may be owners of KRD Service Group LLC Are compensated for their work as accountants at that firm. In addition, they refer clients to KRD Wealth Management and receive compensation by virtue of ownership in the holding company.

Investment advisory representatives of KRD Wealth Management are licensed insurance agents with the State of Illinois and may be affiliated with KRD Retirement Planning Services, LLC. The representatives receive compensation related to the sale of insurance products, which may include sales to KRD Wealth Management clients.

KRD Consulting Services, LLC, is another affiliate of KRD Wealth Management owned by KRD Service Group LLC It is a firm licensed for mortgage and business brokerage. To date, it has had no business.

KRD Wealth Management may also act a solicitor for certain advisors or Turnkey Portfolio Managers (TPMs) and be paid referral fees thereunder.

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

Form ADV Part 2A, Item 11

KRD Wealth Management has adopted a Code of Ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable laws (“Code of Ethics”). In accordance with Section 204A of the Advisers Act, the Code of Ethics contains written policies and procedures reasonably designed to prevent the unlawful use of material nonpublic information by the firm or its associated persons. The Code of Ethics also requires that the firm’s associated persons report their personal securities transactions and obtain pre-approval of certain investments. Finally, the Code governs the associated persons personal securities trading, receipt for gifts, and the confidentiality of client information.

KRD Wealth Management and its associated persons trade simultaneously with clients consistent with its Code of Ethics. Neither KRD Wealth Management nor any of its associated persons shall receive preferential treatment in trading.

Clients may contact KRD Wealth Management to request a copy of the Code of Ethics.



## Brokerage Practices

Form ADV Part 2A, Item 12

### Brokerage Practices

KRD Wealth Management uses both TD Ameritrade and Fidelity Investment Services, LLC (collectively, the “Custodians”) to act as custodians for client assets.

In selecting the Custodians, KRD Wealth Management considers the following factors: respective financial strength, reputation, execution, pricing, research, and service. In addition, Fidelity and TD Ameritrade enable the firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges.

In seeking best execution, the determinative factor is not always 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 execution efficiency, commission rates, convenience, and other preferences. As such, clients should be aware that Fidelity and TD Ameritrade may not execute client transactions at the lowest possible cost in comparison to other brokerage firms. While KRD Wealth Management typically recommends Fidelity or TD Ameritrade for custody and brokerage services, clients may prefer or be required to custody their accounts elsewhere, to which the firm may or may not be able or willing to accommodate.

### Soft Dollar Benefits

The firm’s use of soft dollars is intended to comply with the requirements of Section 28 (e) of the Securities Exchange Act of 1934. As required by Section 28(e), KRD Wealth Management will make a good faith determination that the amount of commissions or other fees paid is reasonable in relation to the value of the brokerage and research services provided.

KRD Wealth Management receives from the Custodians without cost, computer software and related systems support which allow the firm to better monitor client accounts maintained at the Custodians. In addition, the firm may also receive from the Custodians a dedicated trading desk and service group, an account service manager, the ability to block trades, the electronic download of

trades, balances and positions, batched client statements and the ability to have fees directly debited from client accounts.

KRD Wealth Management received the software and related support without cost because the firm renders investment management services to clients that maintain assets at the Custodians. The software and related systems support may benefit KRD Wealth Management but not its clients directly. In fulfilling its duties to its clients, KRD Wealth Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the firm's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the firm's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Therefore, KRD Wealth Management has an incentive to select or recommend a broker-dealer, and in particular, the Custodians, based on its interest in receiving the software and related services, rather than on clients' interest in receiving most favorable execution.

Clients should be aware that the firm's receipt of these economic benefits creates a conflict of interest since these benefits influence the KRD Wealth Management's choice of client investments and portfolio allocations.

In addition, KRD Wealth Management may recommend the use of an unaffiliated broker-dealer or bond manager to effect fixed income securities in client accounts. In that case, clients will pay the transaction costs or fees imposed by those broker-dealers or advisors, along with a "trade away fee" charged by Schwab.

### **Brokerage for Client Referrals**

KRD Wealth Management does not direct brokerage in exchange for client referrals.

### **Directed Brokerage**

Generally, KRD Wealth Management does not accept client directed brokerage arrangements. If a client directs KRD Wealth Management to use a certain broker-dealer, the firm may be unable to negotiate commissions, effect block trading to receive an average price, and obtain volume discounts.

## **Trade Aggregation**

KRD Wealth Management may aggregate the purchases and sales of client transactions. If the firm decides to purchase or sell the same securities for several clients at approximately the same time. The firm may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the firm’s clients’ differences in prices and commission or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among KRD Wealth Management’s clients pro rata to the purchase and sale orders placed for each client on any given day. Clients’ transaction costs, however, are a function of their commission schedules based upon trading volume, asset size, or confirmation receipt method. Therefore, not all clients will pay the same commission price per trade on a blocked trade.

To the extent that KRD Wealth Management determines to aggregate client orders for the purchase or sale of securities, the firm will generally do so in accordance with applicable rules promulgated under the Investment Advisers Act of 1940 and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. KRD Wealth Management shall not receive any additional compensation or remuneration as a result of aggregation. In the event that KRD Wealth Management determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors.

## **Trade Errors**

KRD Wealth Management corrects all trade errors through its Trade Error Accounts. KRD Wealth Management shall be responsible for any trade error losses due to its error. Any gains resulting from the correction of any trade errors, shall remain with the relevant custodian and be donated to charity. The firm will not be responsible for errors resulting from the Client or Custodian.

## **Review of Accounts**

Form ADV Part 2A, Item 13

Srbo Radisavljevic reviews client portfolios at least quarterly to determine if any investment changes are warranted in light of changes in economic or market conditions, and/or changes in the client's financial status, risk tolerance and/or investment objectives. All clients are advised to periodically review their accounts, and to contact the firm with any questions or account concerns that arise, or whenever there has been a change to their financial status or stated risk tolerance and/or investment objectives.

## Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

### **Receipt of Compensation**

KRD Wealth Management may act as solicitor, or refer clients to a separate manager, and receive a portion of the management fees collected from the adviser to whom KRD Wealth Management refers its clients. This compensation creates a conflict of interest because KRD Wealth Management has an incentive to refer clients to advisors who pay it referral fees. Such fees are a portion of the collected and the amount ranges from 30-50% of the collected fees.

KRD Service Group LLC, the holding company of KRD Wealth Management, also owns Accountants Consultants Advisors, LLC, a certified public accounting firm and derives revenue from that relationship. In addition, officers of KRD Wealth Management may be accountants with that firm and receive salaried compensation. Last, the officers of KRD Wealth Management some of whom are also accountants, refer accounting clients to KRD Wealth and receive compensation by virtue of their ownership in the holding company. Therefore, there is a conflict of interest in that it is to their benefit to recommend accounting clients to the affiliated advisor.

KRD Service Group LLC also owns KRD Retirement Planning Services, LLC, a licensed insurance agency. Some of the representatives associated with KRD Wealth Management who are also owners of the parent holding company, also hold insurance licenses. As such they may receive compensation from the sale of insurance products, including sales to KRD Wealth Management clients. Moreover, KRD Service Group, LLC as the ultimate owner may receive revenues from the sale of insurance products. There is a conflict of interest in KRD representatives selling insurance policies to KRD Wealth Management clients because it is to the benefit of these representatives by virtue of their ownership in the holding company. KRD Service Group LLC. also owns KRD Consulting Services, LLC, a business and mortgage broker. To date, it has received no compensation but anticipates receipt of usual and ordinary compensation for such arrangements which will inure to the parent holding company and its owners.

**Payment to Solicitors**

KRD Wealth Management has no solicitation arrangements whereby it pays a solicitor to refer clients to it.

## **Custody**

Form ADV Part 2A, Item 15

KRD Wealth Management does not have custody of client funds or securities. Clients will receive periodic account statements, at least quarterly, from the underlying appointed custodian. Clients should review such statements for accuracy. In addition, if the firm sends its own reports directly to clients, then KRD Wealth Management urges clients to compare the custodial statements with the reports received from the firm for accuracy.

## **Investment Discretion**

Form ADV Part 2A, Item 16

To permit trading discretion to KRD Wealth Management and/or any appointed separate account manager, clients will need to provide written authority to do so in the form of a signed Investment Management Agreement, Limited Power of Attorney, and/or other similar document(s), with any client limitations on discretionary authority indicated in writing. In addition, the firm offers advisory services under a non-discretionary basis as well.



### **Voting Client Securities**

Form ADV Part 2A, Item 17

As KRD Wealth Management does not vote proxies on behalf of clients, each client is responsible for their own proxy voting. When applicable, for any appointed unaffiliated separate account manager, each manager establishes their own firm policy regarding proxy voting and shareholder communication preferences, and as such, clients are advised to carefully review each appointed manager's written disclosures for further information.

<b>Financial Information</b>
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Form ADV Part 2A, Item 18

KRD Wealth Management has not been the subject of a bankruptcy petition at any time during the past ten years.

KRD Wealth Management has no financial circumstance to report.

KRD Wealth Management does not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.

KRD Wealth Management accepts discretionary authority of funds but does not maintain custody except for the purpose of direct debit of fees.

KRD Wealth Management is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual obligations to clients.