

# Form CRS

July 20, 2021



Karpus Investment Management

## Introduction

KARPUS INVESTMENT MANAGEMENT is registered with the Securities and Exchange Commission as an investment adviser. Fees for brokerage and investment advisory services differ among broker-dealers and investment advisers and it is important that you understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://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 wealth management services to retail investors, which include financial planning and portfolio management services. We provide periodic advice and reviews regarding your investment goals and objectives, personal balance sheet, tax planning, risk management, retirement, education, cash flow and investment planning. Karpus primarily offers discretionary investment advisory services, which means we will make the ultimate decision regarding the investments purchased and sold in your account. In limited circumstances and at our sole discretion, we also provide non-discretionary investment advisory services. In our portfolio management services, we will continuously monitor your investment accounts over which you provide us with such authority and provide advice. In your investment advisory agreement with us, you give us discretion to determine the investments to buy and sell on your behalf. Any restrictions must be provided to us in writing and accepted by us. We require a minimum initial and ongoing account size for portfolio management services, unless otherwise negotiated.

- Our portfolio management services include acting as a portfolio manager to one wrap fee program. As the portfolio manager to the wrap fee program, we provide the portfolio management services described. Our agreement with you may be a three-party agreement including the sponsor of the program. The agreement will set forth the specific responsibilities of the program sponsor and of us.
- Karpus primarily offers investment advice pertaining to open-end and closed-end mutual funds (CEFs), special purpose acquisition companies, term preferreds and senior notes issued by registered investment companies. We do not have proprietary products.

Ask us questions to help you better understand our services: *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 percentage of assets under management for portfolio management services. Typically fees are billed and payable quarterly in advance. Upon request, fees can be calculated and billed quarterly in arrears. Fees for our Cash Management Service program are computed monthly or quarterly as stated in your Investment Management Agreement on the annual rates and charged the month or quarter following when services are rendered. You should be aware that the more assets there are in your account, the more you will pay in fees. This means we have an incentive to encourage you to increase the assets in your account.

Please refer to our [Form ADV, Part 2A Brochure](#) for more detailed information about our services.

Asset-based fees associated with a wrap fee program will include most transaction costs and fees paid to a broker-dealer or bank that has custody of the assets, and therefore are higher than a typical asset-based advisory fee.

In addition to our fees, you may incur additional fees and costs related to the investments in your account, such as custodian fees, account maintenance fees, transaction costs, wire transfer and electronic fund fees, internal management fees of mutual funds, and other product related fees such as redemption fees.

**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. Please refer to our [Form ADV, Part 2A Brochure](#), particularly Item 5, for more detailed information about our fees and your investment costs.**

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You are encouraged to ask us questions including the following to help you better understand the impact of fees and costs on investments: *Help me understand how these fees and costs might affect my investments? If I give you \$10,000 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.

- We purchase research and execution services with commission dollars generated by investment transactions with brokers selected by Karpus. This is a conflict of interest because we have an incentive to use these broker-dealers rather than other broker-dealers who do not allow us to use commission dollars. We also have an incentive to arrange more transactions in your accounts because the more frequently your accounts are traded the more commissions we generate to use for our purchase of research and execution services.
- We receive client referrals from third parties to whom we pay referral fees. This is a conflict of interest because we have an incentive to pay referral fees so that the third parties will refer clients to us that they otherwise might not refer to us.

Please refer to our [Form ADV, Part 2A Brochure](#), particularly **Items 10, 11, and 12**, for more detailed information about our conflicts of interest.

We are fiduciaries to you. That means we are required to act in your best interest throughout our entire advisory relationship.

You are encouraged to ask us questions including the following to help you better understand our conflicts of interest: *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 compensated based on a percentage of the advisory fees collected with respect to the clients they service (relationship management). In addition to compensation for maintaining relationships, they receive commissions when opening new accounts. Quarterly their compensation is increased or decreased to reflect their clients' advisory fees during the past quarter. In addition, certain financial professionals receive a base salary for a period of time. This is a conflict of interest because our financial professionals have an incentive to recommend our advisory services to you and also encourage you to increase assets in your account.

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

No, please visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research our firm and your financial professional.

You are encouraged to ask us questions including the following to help you better understand our disciplinary history: *As a financial professional, do you have any disciplinary history? For what type of conduct?*

## Additional Information

Please refer to our [Form ADV, Part 2A Brochure](#) for more information about our services. You may request updated information and a copy of our Relationship Summary by contacting us via phone at 585-586-4680 or email at [info@karpus.com](mailto:info@karpus.com).

You are encouraged to ask us questions including the following to help you better understand who to contact with any questions or complaints: *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?*