

# Form CRS - Client Relationship Summary

## Kral Financial Advisors, LLC

Our firm, Kral Financial Advisors, LLC ("KFA" or "we" or "us" or "firm"), is registered as an investment adviser with the Security Exchange Commission (SEC). Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://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?***

**Services:** We are a registered investment adviser that offers investment advisory services to retail investors. These services include **Investment Management, Financial Planning and Consultation Services**. We work closely with you to understand your current financial situation, your financial goals and objectives, your tolerance for risk and your time horizon in order to develop an overall investment strategy. However, it remains your responsibility to promptly notify us if there has been any change in your financial situation or investment goals and objectives for the purpose of re-evaluating our previous recommendations.

**Investment Authority and Monitoring:** Our **Investment Management** services are perpetual and discretionary in nature, which means you are providing us with the authority to buy and sell investments in your account(s) that are consistent with your investment strategy without asking your permission in advance ("discretion"). As part of this service, we review the portfolio of investments on a continuous basis to ensure they are being managed consistently with your investment strategy. We will offer you advice on an ongoing basis and attempt to contact you at least annually to discuss the portfolio. Our **Financial Planning and Consultation Services** are non-discretionary, which means we do not have the authority to place trades on your behalf within your account(s). Therefore, you will make the ultimate decision regarding the purchase or sale of investments in your account(s) and are responsible for the execution of the trades. We will have discretion or non-discretion until the advisory agreement is terminated by you or the firm.

**Accounts and Investments:** We provide services to individual, joint, retirement, trust and estate accounts. We primarily use mutual funds and exchange-traded funds when constructing portfolios. We do not make available or offer advice with respect to only proprietary products or a limited menu of products or types of investments.

**Account Minimum & Other Requirement:** Our firm does not impose a minimum size for establishing a relationship. However, our Investment Management services have a minimum annual fee of \$3,500 which effectively results in a minimum relationship size of \$400,000 in order to provide cost-effective services.

**Additional information:** For more detailed information, please see **Advisory Business, Types of Clients, and Review of Accounts** included in our Form ADV, Part 2A ("Brochure") available via online at <https://adviser.sec.gov/firm/brochure/138959>.

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

### ***What fees will I pay?***

**Investment Management Fees:** Our Investment Management fees are based upon a percentage of the value of the investments in your account(s) that we manage. This fee ranges from 0.40% to 0.80% annually and is collected on a quarterly basis, in advance, based upon the value of the account(s) on the last trading day of the prior quarter. There is a minimum annual fee of \$3,500. Our fees vary and are negotiable. The more assets in your account(s), the more you will pay in fees. This presents a conflict of interest as we are financially incentivized to encourage you to place more assets in your account(s) as you will pay more in advisory fees. Our advisory fees will be automatically deducted from one or more of your advisory accounts unless you specify otherwise.

**Financial Planning and Consultation Fees:** Our Financial Planning and Consulting fees are agreed upon prior to beginning work. The fees factor in the nature and complexity of the services to be provided and are based upon our hourly rate

of \$225 per hour. These fees are billed after services have been rendered. There are times that we may request a retainer at the beginning of the engagement that will be no more than 1/2 of the proposed fee.

**Other Fees & Costs:** In addition to our advisory fee, you will also be responsible for third party manager fees, custody fees, account administrative fees, fees and expenses related to the mutual funds and exchange-traded funds and applicable security transaction fees.

**Additional information:** 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 detailed information on our fees, please see **Fees and Compensation** in our Form ADV, Part 2A ("Brochure") available online at <https://adviser.sec.gov/firm/brochure/138959>.

**Conversation Starters:** *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 interests 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 those conflicts because they can affect the investment advice we provide you. Here is an example to help you understand what this means

We will recommend that you open your account(s) with a specific custodian, where we maintain an institutional relationship and receive some economic benefits. The receipt of economic benefits presents a conflict of interest and can influence our recommendations of a custodian to you. However, you ultimately decide where to open your accounts. Choosing a different custodian may result in the loss of quality of service and/or ability to obtain favorable prices.

**Additional information:** For more detailed information, please see **Other Financial Industry Activities and Affiliations, Brokerage Practices, and Client Referrals and Other Compensation** included in our Form ADV, Part 2A ("Brochure") available online at <https://adviser.sec.gov/firm/brochure/138959>.

**Conversation Starters:** *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 upon the profitability of the firm. This means financial professionals have an incentive to increase the asset size in the relationship or solicit new business, which may limit the financial professionals' availability from time to time.

### ***Do you or your financial professional have legal or disciplinary history?***

No. We have no legal or disciplinary history to report. Free and simple search tools are available to investors who visit [Investor.gov](https://www.investor.gov)/CRS 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***

You may also find additional information about the firm and your financial professional by viewing our **Form ADV Part 2A on the SEC's Investment Adviser Public Disclosure** website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching **CRD #138959**. You may also contact us at **734.354.9720** to request a copy of this relationship summary and for up-to-date information about our services.

**Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment advisor? Who can I talk to if I have concerns about how this person is treating me?*