



## Form CRS Customer Relationship Summary February 23, 2021

### Introduction

Magnolia Capital Advisors., LLC is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker dealers, investment adviser, and investing.

### What investment services and advice can you provide me?

Our retail investment services include portfolio management, financial planning, and business consulting services. Through our portfolio management services, we can utilize individual stocks, bonds, ETFs, mutual funds and other securities, as well as managed portfolios from third-party investment managers. Our services are either “nondiscretionary” or “discretionary”—meaning that we will either recommend investments to you and you will make the ultimate decision regarding the purchase or sale of investments (non-discretionary), or we will make the ultimate investment decisions without your signoff (discretionary). When we have discretionary authority, we will monitor the portfolio's performance on an ongoing basis and will make adjustments and reallocations as necessary. If we manage your account on a non-discretionary basis, we would first need to obtain your approval before executing transactions. The third-party managers we make available to you will invest your account on a discretionary basis using mutual funds, ETFs, and other securities, and either we or the third-party manager will monitor your advisory account and investments continuously as part of your standard services. You have the ability to impose reasonable restrictions and guidelines on investing in certain securities, types of securities or industry sectors. There is no minimum account size or minimum fee for advisory services.

MAG CAP also offers financial planning and consulting services. Regardless of the nature of the service, the implementation of all recommendations will be at the client's discretion. We typically do not impose a minimum account size or a set minimum annual fee for investment advisory services.

**For more information about our services, please refer to Items 4, 7, 8, and 13 of our Firm Brochure available at <https://adviserinfo.sec.gov/firm/brochure/298398>.**

#### **Conversation Starters.** Ask your financial professional –

- *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?

If you participate in our portfolio management service, you will be charged an **ongoing management fee** based on the assets under management in accordance with the fee schedule contained in your agreement. These fees will generally be “asset-based” meaning that the fees are calculated as a percentage of assets invested in your account, according to the fee scheduled in your advisory agreement with us. This means that the more assets you invest in your account, the more you will pay in fees, and therefore ***we have an incentive to encourage you to increase your advisory account assets.*** Fees are negotiable and will not exceed 2% of the assets under management. We may also agree to an alternative fee arrangement with **flat quarterly or annual fees** where you will be charged at an agreed upon flat annual fee, paid quarterly, or flat quarterly fee depending on the scope and complexity of the client's needs. Our current fee schedules are described in Item 5 of the Form ADV Part 2 and in your advisory agreement. Clients will also be responsible for paying **transaction costs** and fees to the extent applicable. You will also be responsible for paying miscellaneous fees that your account's custodian charges, including wire fees, transfer fees, bank charges and other fees, as well as fees and expenses that are included in the expense ratio of certain investments, including mutual funds and ETFs. If you are only engaging our financial planning services, fees are generally calculated and charged on a flat fee basis from \$2,500 to \$25,000 per engagement, depending

on the scope and complexity of the engagement. ***For more information about fees and costs, please refer to Item 5 of our Firm Brochure available at <https://adviserinfo.sec.gov/firm/brochure/298398>.***

**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.**

**Conversation Starters.** Ask your financial professional –

- *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.

- Certain firm financial professionals serve as licensed insurance agents and may recommend that a client purchase an insurance commission product from them in their individual capacity as an insurance agent.
- Certain representatives of the firm act as registered representatives of unaffiliated FINRA-registered broker-dealers, and receive compensation based on the sales of those investment products.
- Stephen Griner, a principal owner of the firm, is a minority owner in First Southern Bank, Griner Drilling, and Citizen's Bank. In addition, First Southern Bank is a client of Magnolia Capital Advisors and therefore a conflict of interest exists to give First Southern Bank preferential treatment over other clients.

***For more information about the ways we make money and our conflicts of interest, please refer to Items 5, 10, 12, and 14 of our Firm Brochure, available at <https://adviserinfo.sec.gov/firm/brochure/298398>.***

**Conversation Starters.** Ask your financial professional –

- *How might your conflicts of interest affect me, and how will you address them?*

**How do your financial professionals make money?**

For advisory services provided, our financial advisors are compensated based on the amount of client assets they personally manage and service. In some instances, financial professionals in non-advisory roles are paid a salary and may earn bonuses based on company and individual performance.

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

Yes. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starters.** Ask your financial professional –

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

**Additional Information**

For additional information about our services, including up-to-date information about the firm and/or a copy of this disclosure, call Charles Marion at 601-362-5010 or search for our firm at <https://www.adviserinfo.sec.gov/>.

**Conversation Starters.** Ask your financial professional –

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