

Form ADV Part 3 – Client Relationship Summary

Date: 03/29/2024

Who is Equity Advisors of Kentucky?

Equity Advisors of Kentucky (EAK) is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. As an investment adviser, our services and fees differ from a broker-dealer, and it is important to understand the differences. This document gives a summary of the types of services and fees we offer. Please visit www.investor.gov/CRS for free, simple tools to research firms and for educational materials about investment advisers, broker-dealers, and investing.

What investment services and advice can you provide me?

Our firm primarily assists clients in the selection of mutual funds, bonds, stocks, and other equities, balancing the investments as a total portfolio using asset allocation, which is just one part of our Comprehensive Financial Planning. We also integrate budgeting and cash flow, retirement planning, estate planning, insurance recommendations, college funding, income tax planning and preparation, and consultation for business operations. We help clients in all these financial areas, so that they may grow their entire financial health, not just one piece of it. Our management authority and responsibility continues until the termination of the client relationship.

Account Monitoring: We review each client portfolio on a quarterly basis. Market conditions that might cause a wide variance in the specified asset allocation, or other mitigating factors, could cause a more frequent review.

Investment Authority: EAK manages client accounts on a non-discretionary basis. This means we must obtain your approval prior to placing any transactions in your account. A limited power of attorney, limited to the power of executing trades on a non-discretionary basis will sometimes be obtained from clients for other custodians, such as client 401(k) accounts.

Minimum Account Size: The minimum account size is generally \$400,000, subject to a minimum annual fee of \$5,000. This may be waived at EAK's discretion.

Please also see our Form ADV Part 2A [Brochure](#), specifically Items 4 & 7.

***Questions to ask us:** 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?

EAK is compensated for financial planning by charging a calculated annual fee, payable quarterly in advance at one-fourth the annual rate. The first payment is due and payable upon execution of an Asset Management Agreement. Subsequent fees are payable quarterly, every three months following the initial quarterly fee.

Clients with at least \$1.1M of assets under management are considered "qualified clients" and are eligible to participate in a performance-based agreement. EAK offers two performance based agreements; Alternative 1 (Plus 5%) and Alternative 2 (Plus 10%). Under Alternatives 1 and 2, the fixed (base) fee portion is lower, and a portion of the investment growth is paid in addition at year end. Under these alternatives, client expense is lower if investment values fall, and can be more if assets grow.

Conflicts: Our appreciation fee arrangement may create an incentive for us to make investment recommendations that could be riskier, or more speculative.

Please also see our ADV Part 2A [Brochure](#).

Third Party Costs: EAK's recommended custodian is SEI. EAK is not affiliated with SEI and our representatives are not registered representatives with SEI, nor do they receive any commission or fees from recommending funds. We recommend no-load funds for our clients whenever possible at no added charge to account holders. Many of these funds can be traded by Equity Advisors on a "No Load" basis. Additionally, client accounts are easily accessible via SEI's on-line platform. SEI provides inexpensive trading fees and technical support as needed.

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 also see Item 5 of our ADV Part 2A [Brochure](#) for additional details.

Questions to ask us: 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. As a fiduciary, that is our obligation. At the same time, the way we make money creates some conflicts with your interest. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here are some examples to help you understand what this means:

Assets Under Management: The more assets that are in your advisory accounts, the more you will pay in fees, so EAK may therefore have an incentive to encourage you to increase the assets in your account, or manage them in a way where we receive higher fees.

Our Code of Ethics sets forth standards of conduct expected of financial planners and our fiduciary duty obliges us to conduct ourselves with integrity and fairness. Our Code of Ethics is based on the following principles:

- The interest of the client must always be placed above the firm's or employee's own financial interests;
- Employees will not take inappropriate advantage of their position within the firm
- Employees are expected to act always in the best interest of each of our clients
- Employees are expected to be familiar with and comply with State or Federal securities regulations
- Employees will avoid conflicts of interest by disclosing material facts concerning conflicts that may arise

Questions to ask us: How might your conflicts of interest affect me, and how will you address them?

Please also see Item 10 of our ADV Part 2A [Brochure](#) for additional details.

How do your financial professionals make money?

Our financial professionals are paid a base salary determined by factors driven in the industry and experience. Our financial professionals are generally also eligible for a discretionary bonus, based on a number of criteria including overall firm performance, individual job performance, and other factors. Most of our financial professionals own a portion of the company and share in the profits. You should discuss your financial professional's compensation directly with your financial professional.

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

Yes, visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?

For additional information on our advisory services, see our Brochure available at <https://adviserinfo.sec.gov/firm/summary/116398> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date, or want another copy of this Client Relationship Summary, then please contact us at (502) 829-9244.

Questions to ask us: 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?