

Equity Logic Relationship Summary

10.20.23

Understand your relationship with Equity Logic.

Equity Logic is registered as an Investment Advisor (CRD 154870).

Investment advisory services and fees differ and it is important for retail investors to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Relationships and Services

What investment services and advice can you provide me?

- Equity Logic provides investment advisory services in the primary form of discretionary money management to professional investors and retail investors.
- Equity Logic does not provide wrap fee programs, or financial planning.
- Equity Logic monitors all client investments daily, via the strategies they are allocated to, as a standard of service.

Equity Logic has full discretionary authority to manage money in accordance with the strategy(s), and it groups trades for client accounts at Interactive Brokers into one trade so that all clients receive the same prices and % of NAV.

Equity Logic does not permit professional or retail clients to make the ultimate decision of whether to buy or sell any positions in a defined strategy, unless the client wishes to exit the strategy. Outside of a strategy, Equity Logic would require client consent for all trades.

Conversation Starters:

- How will you choose investments to recommend to me?
- Given my financial situation, should I choose an investment advisory service?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?"

Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?"

Equity Logic only accepts new investment from qualified investors, which could also be retail investors, but has some legacy clients who are not [qualified accredited investors per SEC rule](#).

The fees for qualified investors (professional or retail) are:

1. CORE Portfolio Strategy: 1% + 20% of the profits after a 7% gain in the account.
2. ULTRA Core: 2% + 20% of the profits after a 7% gain in the account.
3. Evitar Corte: 0.5% of AUM. No participation fees.

Conflicts of interest related to fees and warnings:

- The more money in an account the more the nominal fee will be, but the percentage will remain consistent.
- The existence of performance fees could give an investment advisor incentive to take extra risks to realize performance fees.

Equity Logic operates its strategies with rules sets and disciplines; decisions are not arbitrary.

Equity Logic does not charge commissions or participate in commission fees, but the client may pay commission charges to their brokerage firm for transactions Equity Logic makes in their account. Equity Logic tries to negotiate client trading costs to the lowest rate possible, and never receives compensation from brokerage firms, or market makers for those trades.

How will these fees and costs affect my investments? If I give you \$1,000,000 to invest, how much will go to fees and costs, and how much will be invested for me?"

- The entire amount gets allocated to the strategy on day one.
- Fees come out daily, no upfront costs.

The daily fee is calculated using this formula:

$$\text{Daily Fee} = (\text{Account Value} * (\% \text{dailyfee} / \# \text{business days in the year})).$$

For example, a \$1 million account in the CORE Portfolio Strategy would pay \$36 per day if there were 275 business days in the year. %dailyfee = 1%.

What are your legal obligations to me when acting as my investment adviser?

Equity Logic has a fiduciary duty to act in the best interest of all clients, to seek the best execution for transactions in those client accounts, and to monitor and service those accounts over time.

How else does your firm make money and what conflicts of interest do you have?

- Equity Logic charges management fees for service.
- Equity Logic does not receive third party payments, revenue sharing, or principal trading.

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

Equity Logic believes it does not maintain any material conflicts of interest outside of the fees.

How do your financial professionals make money?"

Our financial professionals make money from the fees charged to clients for managing money.

Equity Logic does not receive bonuses for assets under management, no sharing in commissions, no rebates, or other fees outside of management fees. There are no consultancy fees.

Disciplinary History

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

Yes: Thomas H. Kee Jr. voluntarily resigned from Morgan Stanley late in 1999.

For what type of conduct?

There have been no disciplinary actions resulting in punitive damages or client complaints. His resignation was related to him shorting internet stocks for client accounts late in 1999.

Visit Investor.gov/CRS for a free and simple search tool to research Equity Logic and Thomas Kee.

Additional Information

- Additional Information can be found at www.equitylogic.net
- Equity Logic provides clients direct phone access to their money manager.
- Questions: please email support@equitylogic.net. This email is monitored and responses usually come within 24 hours.

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

Clients of Equity Logic will be in direct contact with their money manager, Thomas H. Kee Jr., preferably by electronic communication methods, namely email. Telephone calls and face-to-face meetings are also part of the communication options, albeit to a lesser extent.

If clients do not like the way Equity Logic is treating them, they can inform Thomas H. Kee Jr. He is the highest level of contact available.

Broker Check can also be utilized to find more information: <https://brokercheck.finra.org/>