

Client Relationship Summary - Recap Investing Inc. (July 27, 2020)

Item 1. Introduction

The Client Relationship Summary (“Form CRS”) provides important information about Recap Investing Inc. (“Recap”), an investment adviser 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 www.Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationship and Services

- *What investment services and advice can you provide me?*

Recap offers investors investment advisory services to individuals and institutional investors. We provide fully automated, passive investment services to help you meet your long-term financial objectives. The minimum investment required to open a non-retirement account and participate is \$1,000 and for IRA accounts, the minimum investment is \$5,000.

Monitoring is a standard service. Recap will periodically remind you to review and update your personal profile information. In addition, we continuously monitor your Investment Account to periodically rebalance your investments to optimize returns for the intended level of risk, as well as to conduct tax-loss harvesting in taxable accounts. Typically, accounts will be rebalanced once every three months, or more often as conditions dictate. Tax-loss harvesting is an Investment Account feature that takes advantage of movements in the markets to capture investment losses, which can reduce your tax bill, leaving you with more money to invest. Our Investment Offerings include two distinct investment advisory services: (1) Recap Lite Wrap Fee Program; and Recap Standard Wrap Fee Program. The Recap Lite program invests solely in ETFs. The Recap Standard program invests in ETFs and U.S. exchange-listed equities. Recap seeks to invest in ETFs with high liquidity, low expenses, and where feasible, ESG-mandate alignment. Recap’s investment team constantly monitors the markets and evaluates ETF offerings for inclusion in its portfolios. We invest your funds by purchasing whole and fractional shares of stocks and ETFs. We allocate any remaining cash to a highly liquid money market fund until there is enough cash to buy more whole and fractional shares according to your risk profile. Recap’s Investment Authority includes discretionary investment advisory management services sponsored by Recap. Our institutional grade investment management services offered to institutional investors are essentially similar to those services offered to individual investors. Please refer to Item 6 in our Form ADV Part 2 for an overview of our quantitative investment model. *For more detailed additional information*, on Recap’s investment advisory services, please see www.recapinvesting.com for our Form ADV, 2A Client Brochure, more specifically, Items 4 and 7.

- *Given my financial situation, should I choose a brokerage service or 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?*

We answer these questions for you [here](#).

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

- *What fees will I pay?*

Recap charges clients a single bundled fee that covers the investment advisory services it provides, as well as the brokerage and custodial services associated with holding and trading securities. Our Investment Accounts are all “wrap accounts,” which means that investment management fees and expenses, including any brokerage commissions, custodial fees, management fees and other administrative costs, are “wrapped” into a single fee. Clients pay an annual wrap fee of 0.50% which accrues daily and is charged at the end of each month and is automatically deducted from your account. 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. See Item(s) 4 and 5 of our Client Brochure.

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- ***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?***

To calculate daily fees, we multiply the fee rate by the net market value of your Investment Account as of the close of trading on the New York Stock Exchange (“NYSE”) or as of the immediately preceding close of the NYSE for days when the NYSE is closed. We then divide that fee by 365 (or 366 in a leap year) to calculate the daily fee. We deduct the monthly fee from your Investment Account no later than the tenth business day of the following month. Recap does not charge any account-opening fees, withdrawal or account-closing fees, trading/commission fees, or account transfer fees. If you have an average monthly balance of \$10,000, the monthly advisory fee you will pay is approximately \$4.11 each month. Assuming 30 days in the month and 365 days in the year, the math is as follows: $\$10,000 * 0.005 * (30/365)$ approximately = \$4.11. Certain clients may pay other fees or expenses to third parties, including ETF fees (commonly called expense ratios) purchased for client accounts include their own embedded fees and expenses, including management fees, custodian fees, brokerage fees and trading commissions, and legal and accounting fees. ETF expense ratios vary depending on the portfolio allocations in your Investment Account. Single name equity allocations will not carry such fees. The weighted average of expense ratios for Recap Client Accounts will likely range between 0.19% - 0.25% in addition to the Recap management wrap-fee. Recap does not earn or receive a portion of such fees.

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

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: From time to time Recap will run promotional campaigns to attract Clients to open accounts and these campaigns may result in existing Clients receiving promotional referral benefits. For full disclosure on our practices please see Item 9 of our Client Brochure.

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

We pay our employees a base salary or equivalent equity in the firm. Certain employees may receive a discretionary bonus based on the firm’s overall revenue. No compensation is tied to specific accounts, fees or performance.

Item 4. Disciplinary History

- ***Do you or your financial professionals have legal or disciplinary history?***
- ***As a financial professional, do you have any disciplinary history? For what type of conduct?***

No. Visit www.investor.gov/CRS for a free and simple search tool to research you and your financial professionals.

Item 5. Additional Information

- ***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?***

For additional information about Recap’s services and to obtain an up-to-date copy of our Form CRS please call us at 1-833-MY-RECAP or by email us at support@recapinvesting.com.