

## Item 1: Cover Page

### Form ADV 2A: Firm Brochure



## **Logic Capital Management, LLC**

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This brochure provides information about the qualifications and business practices of Logic Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (713) 781-1475 and/or toby.whitby@logiccapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Logic Capital Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **ITEM 2: MATERIAL CHANGES**

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The last annual update of this brochure was in March 2023. The following material change has occurred to our firm since that update:

We now offer pension consulting services. See Items 4, 5, and 7 for more information.

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## ITEM 4: ADVISORY BUSINESS

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### **Advisory Firm Description**

Logic Capital Management, LLC (formerly Logic Capital Management, LLP) (“Logic,” “LCM” or the “Firm”) has been in business since October 19, 2005. The principal owner is Thomas “Toby” H. Whitby III.

### **Types of Advisory Services**

#### ***Investment Advisory Services***

Logic provides investment advisory services tailored to each client’s personal goals, objectives, and risk tolerance.

Client accounts are managed by the Firm on a discretionary basis according to an agreement to provide advisory services with each client.

The Firm provides continuous investment advisory services to its clients. These services include:

- ❖ Developing an asset allocation strategy while taking into consideration a client’s risk tolerance and economic objectives.
- ❖ Providing specific investment recommendations.
- ❖ Placing trades in the client’s account as appropriate.
- ❖ Providing ongoing support:
  - ❖ Support to new clients for the establishing the new account and/or transfer assistance.
  - ❖ Portfolio monitoring
  - ❖ Support to existing clients in the event of changes in their investment objective, risk tolerance or financial situation.

#### ***Pension Consulting Services***

Logic offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting includes, but is not limited to, some or all of the following:

- ❖ identifying investment objectives and restrictions
- ❖ providing guidance on various asset classes and investment options
- ❖ monitoring investment options and making recommendations for changes
- ❖ recommending other service providers, such as custodians, administrators, and broker-dealers
- ❖ creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

NOTE: The Firm's services do not include:

- ❖ Tax preparation.
- ❖ Tax advice.
- ❖ Legal counsel.

### **Tailored Advisory Services**

Clients may instruct Logic not to purchase or sell certain investments on their behalf or to limit such trades to specified amounts.

### **Client Assets Under Management**

As of December 31, 2023, the Firm had approximately \$291,917,024 of discretionary assets under management and approximately \$2,191,730 of non-discretionary assets under management.

## **ITEM 5: FEES AND COMPENSATION**

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### **Investment Management Fees**

The Firm charges an annual fee that is based on the amount of the client's assets under management (see table below). The fee is negotiable, is determined at the time the client signs the client agreement and is based on the complexity of each client's individual situation. Portfolios generally are aggregated by family. The Firm generally charges on cash or illiquid assets. The fee schedule is subject to change. Any change would not take place prior to a calendar quarter-end.

<u>Portion of Investment Portfolio</u>	<u>Annual Rate</u>
First \$1,000,000	1.00%
Next \$4,000,000	0.75%
Next \$5,000,000	0.50%
\$10,000,000 or more	Negotiable

Fees are calculated on a cumulative basis, so that a client with \$1,600,000 under management would pay 1.00% on \$1,000,000 and 0.75% on \$600,000. The initial fee for each deposit (cash or securities) transferred into an account, which is charged on a prorated basis, is calculated based on the custodian's valuation at the time of the deposit before the upcoming quarterly fee is calculated, which is based on the quarter-end value of the entire account. Thereafter fees are calculated based on the portfolio valuation as determined by the account custodian at the close of market on the last business day of each period. Fees include accrued interest and pending trades and are billed quarterly in advance at the rate of one fourth of the annual fee shown above and are deducted from clients' accounts. The fee for aggregated accounts is a weighted average fee and not just a reduced fee based on the total balance of the accounts. The balance on the custodian statement may not match the fee invoice not only based on interest and pending trades but on activity that may not be reflected on the current custodian statement.

## **Pension Consulting Services Fees**

<u>Total Assets Under Advisement</u>	<u>Annual Rate</u>
All assets	Up to 0.60%

The basis points calculation is based on the average daily balance (ADB) from the prior quarter as calculated by each custodian. All plan assets are included in the calculation by each custodian. These fees are generally negotiable, and the final fee schedule will be memorialized in the client's retirement plan consulting agreement. Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are calculated by each custodian and paid in arrears.

## **Other Fees**

The annual fee generally is separate from transaction, exchange, wire transfer, margin interest or account fees charged by the custodian.

## **Implementation with Mutual Funds, ETFs or Money Market Funds**

When Logic recommends a mutual fund for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is Logic's investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus which is provided to each client by the custodian. (This set of fees also applies to any money market fund or ETF purchased in the client's account.) The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe of mutual fund families through one account. To avoid such fees a client would be required to open a separate account with each individual mutual fund company instead of using the custodian Logic recommended, which would also negatively affect Logic's ability to deliver its services efficiently. Not all mutual fund trades enacted by Logic incur this transaction fee. When recommending mutual funds for client portfolios, Logic only recommends no-load funds.

## **Hourly Consulting Fees**

In the rare event that clients request additional consultation on matters not pertaining to their managed account, Logic may charge a negotiable hourly consulting fee of \$200, which is due immediately upon conclusion of the consulting engagement. The scope of services to be completed on an hourly basis is outlined in an Addendum to the Client Agreement.

## **Termination**

Each client agreement allows for either party to terminate the agreement immediately upon receipt of written notice to such effect. Clients may terminate the agreement without penalty within five (5) business days after entering the agreement.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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This section does not apply to Logic, as it does not charge fees based upon capital appreciation of a client's account.

## **ITEM 7: TYPES OF CLIENTS**

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Logic provides investment advisory services to:

- ❖ Individuals
- ❖ High net worth individuals
- ❖ Pension plans
- ❖ Corporations and small businesses

There is no account minimum for any of Logic's services.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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Logic uses a combination of the following types of analysis in evaluating investment options for client accounts:

- ❖ Quantitative – which includes analysis of:
  - ❖ Performance consistency
  - ❖ Volatility and downside risk relative to its benchmark and peers
  - ❖ Level of assets on which the track record is based
  - ❖ Expenses
  - ❖ Manager tenure
- ❖ Qualitative – which includes analysis of:
  - ❖ Manager's investment philosophy
  - ❖ Team focus
  - ❖ Stability and culture of the organization
  - ❖ Team quality

Client portfolios will be invested primarily in mutual funds or exchange traded funds (ETFs) but, in certain circumstances, could also include the purchase of individual stocks or bonds, private placements or alternative investments. Investment strategies and recommendations are based upon many factors, including but not limited to diversification, risk factors, time horizon, investment discipline and income tax considerations.

### **Investment Philosophy**

Asset allocation means different things to different people. Some investors equate asset allocation with short-term market timing. Others view it as a dynamic process of identifying longer-term valuation discrepancies between asset classes and taking advantage of these to either increase return without increasing risk, or to lower risk without sacrificing return. Some investment advisors use technical analysis (statistical models of price and volume data) to time shifts from one asset class to another. Others

combine numerical analysis and qualitative judgment. Finally, some take a long-term view of asset allocation and advise static allocations to various asset classes based on investor risk tolerance. While there is no single "correct" way to allocate assets, Logic does not advocate short-term market timing or sole reliance on technical analysis.

### **Investment Process**

Logic maintains, and updates periodically, model portfolios of diverse asset classes and investment options to generate a spectrum of expected risk/return characteristics. These models are then used as the starting point for a client's customized investment recommendations based upon their planning goals, long-term investment objectives and short-term risk concerns. As the models are adjusted, at least annually, client accounts may be rebalanced to account for such changes. Tax considerations are prioritized which may result in different rebalancing outcomes across a client's various account types.

Logic encourages clients to give an investment recommendation a minimum of four years. This time interval gives the firm confidence that the underlying investment fundamentals, rather than short-term market sentiment, will drive the investment returns.

While there is a focus on long-term purchases (securities held at least a year), there may be occasions when short-term purchases (securities sold within a year) may be implemented to achieve the desired investment objective.

### **Investment Risks and Rewards**

Logic advisor representatives work directly with each client to determine the most appropriate combination of risk and reward to meet understood personal financial objectives. This is done by way of a personal interview process between the Firm's advisor representatives and the client. The full disclosure by the client of his or her overall financial situation will greatly assist in an appropriate determination of a client's investment recommendations. Where appropriate, this is done in conjunction with a retirement and/or estate plan.

Clients are responsible for notifying Logic of any changes in their financial situation or their goals and objectives. Securities and other investments carry different types and levels of risk. These risks are typically discussed with clients in defining the investment recommendations policies and objectives that will guide investment decisions for their accounts. Logic advisor representatives discuss investment strategies that they believe may reduce these risks for a particular client's circumstances.

Clients must understand that obtaining higher rates of return on investments necessitates higher levels of risk. Based upon discussions with clients, Logic advisor representatives attempt to identify the balance of risk and reward that is appropriate and comfortable for the client. It is the clients' responsibility to ask questions if they do not fully understand the risks associated with an investment. Clients are encouraged to read prospectuses and ask questions throughout the investment process.



Logic advisor representatives use their best judgment when rendering advice. However, Logic cannot assure clients that investments will be profitable or that no losses will occur in their portfolios.

Investing in securities entails a risk of loss, which the client should be prepared to bear. Past performance is an important consideration with respect to any investment, but it is not a predictor of future performance.

## **ITEM 9: DISCIPLINARY INFORMATION**

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There have been no disciplinary actions against Logic or any employees.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Mr. Whitby sells insurance and annuities through MetLife, Principal, Lincoln Financial, Securian Financial, and Nationwide (and others). As an insurance “writing” agent, Mr. Whitby receives initial and continuing commissions on insurance products he recommends to and are purchased by clients. This service creates a conflict of interest with Logic clients but is mitigated through the fact that clients are free to purchase recommended insurance products elsewhere. At no time will a client of any service provided by the Firm or Mr. Whitby pay both commission and investment management fees on the same asset.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

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### **Code of Ethics**

Logic has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- ❖ Misuse of nonpublic information
- ❖ Personal securities trading
- ❖ Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- ❖ Clients’ interests come before employees’ personal interests and before the Firm’s interests.
- ❖ The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- ❖ Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.

- ❖ The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- ❖ The Firm and its employees must always comply with all applicable securities laws.

### **Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or clients' securities trades.

### **Personal Securities Trading**

Logic or individuals associated with the Firm may buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients. Such trades will occur after trades placed on behalf of clients, unless employees participate in block trades with clients.

To mitigate conflicts of interest, the Firm has established the following policies:

- ❖ A person with access to trading information for Logic or its clients shall not buy or sell securities for a personal portfolio when the decision to purchase is substantially derived, in whole or in part, by reason of knowledge of Firm trades, unless the information is also available to the investing public on reasonable inquiry.
- ❖ No person associated with Logic shall prefer his or her own interest to that of any client.
- ❖ The purchase of Initial Public Offerings or private placements are allowed only with prior permission from Mr. Whitby, the Firm's Chief Compliance Officer.
- ❖ The Firm does not permit front running client trades.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm's policies.

### *Outside Business Activities*

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease this activity.

## **ITEM 12: BROKERAGE PRACTICES**

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### **Selection of Brokers and/or Custodians**

In recommending a custodian, Logic considers:

- ❖ the range and quality of the products the custodian offers,
- ❖ the technical support provided,
- ❖ execution quality,
- ❖ commission rates,
- ❖ the financial responsibility and responsiveness of the custodian to both the Firm

- and its clients
- ❖ and the range of mutual funds available with no transaction fee.

The Firm recognizes its responsibility to attain best execution and recognizes that limiting its custodial relationships may affect its ability to provide best execution on a trade-by-trade basis. However, the Firm evaluates its entire custodial relationships in assessing best execution on a client-by-client basis.

The Firm has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides the Firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist the Firm in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

### **Research and Other Soft-Dollar Benefits**

Fidelity also offers other services intended to help the Firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third-party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom the Firm may contract directly.

The Firm is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

### **Brokerage for Client Referrals**

The Firm does not receive referrals from a broker/dealer or third party providing service to Logic.

### **Directed Brokerage**

Logic selects broker-dealers to execute transactions involving client accounts. Otherwise, Logic may be unable to attain best execution for those accounts and would be unable to aggregate those accounts with others when aggregating trades.

### **Order Aggregation**

To the extent that trades are enacted on the same day in the same security across several client accounts, Logic makes every effort to aggregate trades in order for clients to receive the same price. However, the custodian still charges commissions on a per account basis, which are paid directly by the client's account. Logic personnel may participate in block trade with clients. If such a block order should be partially filled, client orders will be filled before those of Logic personnel.

## **ITEM 13: REVIEW OF ACCOUNTS**

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Reviews of managed accounts are conducted by Toby Whitby, President, Paige Guinn, Vice President, and Donnie Roberts, Vice President. Reviews are conducted as a matter of course at least quarterly. All clients are encouraged to meet with the Firm at least annually. Additional reviews may be triggered by events such as a client meeting, change in a client's risk tolerance, financial position or circumstances or other unforeseen events.

The Firm provides written performance reports to clients as requested.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

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The Firm does not provide compensation for client referrals.

## **ITEM 15: CUSTODY**

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The Firm recommends "qualified custodians" for clients' accounts, with each client signing a separate agreement with the custodian.

Custody is defined as having any access to client funds or securities. Because Logic generally has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, Logic is considered to have "custody" of client assets. This limited access is monitored by each client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account.

Additionally, several clients have established standing instructions with Fidelity which allow clients to direct the Firm to send funds from their account to other accounts with verbal instructions from the client. Logic has been determined to have a form of custody over these accounts since the amount and/or timing of these transfers are not pre-defined. However, these accounts do not require surprise examination by a public accounting firm.

The Firm provides written quarterly performance reports to clients as requested. When clients receive their statements from the account custodian, clients should carefully review those statements and take the time to compare them with those they receive from Logic, if any. If the client finds significant discrepancies, the client should notify both Logic and the custodian.

#### **ITEM 16: INVESTMENT DISCRETION**

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For discretionary accounts, the Firm has full trading authority under a limited power of attorney assigned to Logic through the client agreement. As a result, Logic will determine both the investments, and how much of each, should be purchased or sold on each client's behalf.

Nondiscretionary accounts are managed for clients not willing or unable to provide limited power of attorney to Logic.

#### **ITEM 17: VOTING CLIENT SECURITIES**

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The Firm votes proxies for its clients and joins class action shareholder suits on behalf of its clients by request and it will depend on cost/benefit. Any client may request a copy of the Firm's proxy policy and to see or receive records showing how the Firm voted on the client's behalf. The Firm will generally vote with management with exceptions documented by LCM.

#### **ITEM 18: FINANCIAL INFORMATION**

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There is no financial condition that is reasonably likely to impair Logic's ability to meet its contractual commitments to its clients.