

# Form ADV, Part 3 - Client Relationship Summary

## Item 1 - Introduction

Medici is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. As of March 2022, Medici remains in pre-launch mode and does not currently support any users. Brokerage, investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and financial professionals, as well as educational materials about broker-dealers, investment advisers, and investing.

## Item 2 - Relationships and Services

Questions to ask us: **Given my financial situation, should I choose an investment advisory service? Why or why not?** How will you choose investments for me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

**What investment services and advice can you provide me?** Our firm primarily offers the following investment advisory services to retail clients via a wrap fee program. Our firm operates as a Automated financial advisor (historically called a “robo-advisor”), providing automated advisory services solely online without a particular advisor with whom the client interacts. Medici’s investment advisory personnel oversee the technical systems and investment algorithms but do not perform individual reviews of client accounts. Our firm has discretionary management on accounts that you open through us directly via our bank, brokerage, or other partners. For accounts you do not hold or open through us, we will still offer advice on investments that fit your profile and goals, though you are under no obligation to execute on these recommendations. We do not limit the types of investments that we recommend. We do not have a minimum account size. Please also see our Form ADV Part 2A Appendix of Form ADV (“[Brochure](#)”).

## Item 3 - Fees, Costs, Conflicts, and Standard of Conduct

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

**What fees will I pay?** Medici is testing two fee methodologies, and users will be randomly selected to participate in one of the methodologies. The First methodology, “Pay What You Want” methodology, will present the user with either a fee minimum of \$1 or \$5 (selected at random) and a suggested fee of \$5 or \$8 respectively, and the user will define their own monthly fee. The Second methodology, “Pay What You Should”, will define the monthly fixed fee for the user - of \$1-\$15 - based on the assets in their End Accounts attached to the Medici App. Medici requires Users to prepay the Medici Fee via a debit or credit card payment (paid via a third party payment processor), or via a direct debit collected from the Medici User End Account by our Custodian, on a monthly or annual basis. Any discount in the Medici Fee is calculated on a per-account basis with respect to the individual Medici User included. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#). Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay directly to a custodian. For the wrap fee program, you will

not typically pay additional transaction fees and thus our advisory fee is higher than if you paid transaction fees separately. In order to better align with your goals and reduce conflict of interest, we may offer rebates to you for the financial products you originate through us and our service partners. These rebates will vary based on which products and service providers are the best match to your needs and will require an additional service agreement if you choose to move forward. 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. Please also see our [Brochure](#) for additional details.

**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. We benefit from the services we provide to you because of the advisory fee we receive from you. This compensation may vary and we are incentivized to charge the maximum fee to you. We also receive compensation from service partners as intermediary or origination compensation, though will rebate a portion back to you depending on the type of financial product you open through us. This ensures our interests are aligned with yours since we make money when you make money.

**How do your financial professionals make money?** Primarily, we and our financial professionals receive compensation from advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above. Because we manage your portfolio in a wrap fee program, we have an incentive to limit trading in your account and to favor asset types that do not have a transaction fee in order to minimize trading expenses that we would have to normally pay out of our management fee. We may also receive revenue or revenue share, related to promotions or underlying products, from our affiliated partners. Please also see our [Brochure](#) for additional details.

#### **Item 4: Disciplinary History**

**Questions to ask us: As a financial professional, do you have any disciplinary history?** No, we do not have any legal or disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

#### **Item 5: Additional Information**

**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?** For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/315941> and any individual brochure supplement your representative provides. If you have any questions, need additional information, or want another copy of this Client Relationship Summary, then please contact us at [info@medici.co](mailto:info@medici.co) or visit our website [www.medici.ai](http://www.medici.ai).

## Exhibit A – Material Changes to Client Relationship Summary

March 2022: We more explicitly defined our fee rebate process with our external service providers and partners.