

SDS Family Office, LLC
Effective June 30, 2020
Form Customer Relationship Summary

I. Introduction

SDS Family Office, LLC (hereinafter referred to as “SDS,” “we,” “us,” “the Firm,” or “our Firm”) is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

Brokerage and investment advisory services and fees differ, and that it is important for you to understand these 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.

II. What investment services and advice can you provide me?

We offer investment advisory services (including investment management, wealth consulting and financial planning) to retail investors. In connection with those services you should consider the application of the following to retail investors:

SDS offers *discretionary* and *non-discretionary continuous* investment management services where the investment advice provided is tailored to meet their investment objectives, risk tolerance cash or income needs and any investment restrictions. If you have a discretionary relationship with us, we are not required to first consult with you before placing any specific order or obtain specific authorization from you for each specific transaction. Clients grant us discretionary authority by entering into agreement with us. For clients who do not grant us discretionary authority, they make ultimate decision regarding the purchase or sale of investments.

Once an investment portfolio is constructed, SDS will provide ongoing *monitoring* and rebalancing of the portfolio as changes in market conditions and the client’s circumstance may require. Our advice is generally *limited* to stocks, exchange traded funds, bonds, mutual funds, U.S. Treasuries, municipal securities, options, private funds and alternative investments.

SDS provides *non-discretionary* wealth consulting and financial planning services where an advisor will work with clients to review their current financial position, stated goals and objectives and will make recommendations on how clients can manage their financial resources based on an analysis of their individual needs. We do *not* provide *monitoring* for wealth consulting and financial planning. Clients makes ultimate decision regarding whether or not to act on our recommendations.

SDS generally requires a *minimum* account balance of \$1,000,000 for our investment management services, subject to negotiations.

For additional information, please see Items 4 and 7 of our Firm Brochure.

CONVERSATION STARTER: *Ask your financial professional:*

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?

III. What fees will I pay?

For non-qualified clients and qualified clients who do not wish to be charged a performance-based fee, SDS charges an annualized fee based on the client’s asset under management (“AUM”) in the range of **0.50% to 1.25%**, taken monthly in arrears. A qualified client includes an individual with at least \$1 million in AUM with us or an individual with a net worth of more than \$2.1 million, excluding the individual’s primary residence. These fees are subject to negotiations.

For qualified clients who wish to be charged a performance-based fee, SDS charges (1) an annualized fee up to **1%**, based on the client’s AUM, taken monthly in arrears and (2) an additional performance-based fee equal to **10% to 15%** of the accounts’ Mark-to-market P&L, taken annually in arrears. The performance-based fee is subject to a Hurdle/Performance fee threshold provision under which net P&L must exceed the Hurdle/Performance Fee Threshold for the performance fee to be assessed. These fees are subject to negotiations.

SDS charges an hourly fee of **\$500** for wealth consulting and financial planning services.

The more assets there are in your advisory account, the more you will pay in fees, and SDS may therefore have an incentive to encourage you to increase the assets in your account. The more profits your investments make, the more you will pay in fees, and SDS may therefore have an incentive to encourage you to invest in risky assets. For

hourly fees, the more time SDS spends on your account, the more you will pay in fees, and SDS may therefore have an incentive to spend longer than usual time planning for your account.

In addition to SDS's principal fees disclosed above, you will pay third-parties custodian fees, account maintenance fees, fees related to mutual funds, exchange traded funds and private funds, and other transactional fees and product-level fees.

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.

For additional information, please see Item 4, 5, 7 & 8 of SDS's Firm Brochure.

CONVERSATION STARTER: Ask your financial professional:

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?

IV. 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:

- *Front-running.* SDS and/or our advisors may invest in the same securities that are recommended to and/or purchased for you, and therefore we may have the incentive to trade ahead of you, as we have the advance knowledge of the trades we will place for you. To eliminate this conflict of interest, we will only trade for our own account after your trade(s) have been executed. In addition, we have adopted a compliance manual which establishes a number of restrictions, procedures and disclosures designed to address potential conflicts of interest.
- *Brokerage practice.* Certain custodians make products or services other than execution available to us, including access to advanced account management technologies and compliance consultations, and we may therefore have the incentive to recommend that clients open and maintain accounts with these custodians. To avoid this conflict, we routinely review our brokerage practice seeking to fulfil our best execution obligation.

For additional information, please see Item 11 & 12 of our Firm Brochure.

CONVERSATION STARTER: Ask your financial professional:

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

V. How do your financial professionals make money?

Our professionals are compensated based upon a portion of the advisory fees paid to SDS by their clients. Our professionals may also earn annual discretionary bonuses based meeting certain criteria including: client retention, client referrals, new client assets under management, total assets under management and general firm profitability. Certain SDS partners are additionally paid from Firm profits. Our Firm and financial professionals receive no product sales commissions.

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

No. Visit Investor.gov/CRS for a free and simple search tool to research SDS and its financial professionals.

CONVERSATION STARTER: Ask your financial professional:

As a financial professional, do you have any disciplinary history? For what type of conduct?

VII. Additional Information

For additional information about our investment advisory services, please visit www.sdsfo.com. If you would like additional, up-to-date information or a copy of this disclosure, please call 203-208-9650.

CONVERSATION STARTER: Ask your financial professional:

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?