

# SyntheticFi LLC

Form CRS – Client Relationship Summary November 2024

## Item 1. Introduction

SyntheticFi LLC (“SyntheticFi”, “we”, “us” or “our”) is 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 [Investor.gov/CRS](https://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?*

SyntheticFi offers investment advisory services to high-net-worth individuals, other registered investment advisers, and small businesses. We offer portfolio management services on a discretionary basis. This means that we have the authority to buy/sell assets within your account, the amount of the assets to be bought or sold, and the time/brokerage used for these assets to be bought or sold. You grant us this authority through signing our investment advisory agreement. Based on your suitability, SyntheticFi will limit the size and term length of your potential positions.

SyntheticFi utilizes a box spread option strategy, offering clients an alternative to margin loans and securities-based line of credit. Clients engage SyntheticFi to manage the box spread option strategy on either a discretionary or non-discretionary basis. SyntheticFi picks the size of the box to trade, determining the expiration date of the options, and trading new options as existing options expire. The size of the box refers to the difference in strike prices between different options legs within the box spread, which determines the borrowing amount. The options’ expiration date influences how the strategy’s mark-to-market value may respond to interest rate movements.

During onboarding, SyntheticFi will ask you a series of questions about your risk tolerance, experience with certain asset types, investment objective, requested position amount/term, income, and net worth. We will use this information to recommend an investment strategy.

For discretionary services to individuals and businesses, we review your account periodically using an automated algorithm to reasonably ensure the suitability and income requirements are aligned with the risk profile and to verify the account is above margin requirements. For non-discretionary accounts, we do not monitor your account for suitability. We will remind you to review and update your information profile on an annual basis.

We offer advice exclusively on the box spread options strategy in your account. There is no minimum account size. We do not provide or offer any financial planning, retirement or tax advice.

**Additional Information:** For more detailed information about our investment advisory business please refer to Item 4 of our Form ADV Part 2A (“Disclosure Brochure”), at <https://adviserinfo.sec.gov/firm/summary/330200> and [syntheticfi.com](https://syntheticfi.com).

### Conversation Starters

- 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?

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

### *What Fees Will I Pay?*

When we provide non-discretionary advisory services to individual clients, we charge a flat monthly fee of no more than \$200. For this fee, we take into account the size and length of term of the box spread positions the client wants to trade open.

When we provide discretionary advisory service to individuals, businesses, and other registered investment advisers, we charge an annual fee based on the amount of assets under management. This management fee varies between 0 and 200 basis points (0.00% - 2.00%), depending on the size of the portfolio, the type of services rendered, and the complexity of the service we provide.

You may pay fees and costs separate from our services, and regardless of whether you make or lose money on your investments. These additional fees and charges may include wire transfer fees, transaction fees for the purchase or sale of securities, expenses related to the use of margin, mark-ups and mark-downs, spreads, paper statement fees, fees charged by regulatory agencies,

exchange fees, Automated Customer Account Transfer Service fees, transfer taxes, and fees required by law. These fees may be charged by your brokerage account provider, but not charged by SyntheticFi.

*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 more detailed information about our fees and costs, please see our Brochure, otherwise known as our Form ADV Part 2A*

**Additional Information:** For more detailed information about our investment advisory business please refer to Item 5 of our Form ADV Part 2A (“Disclosure Brochure”), at <https://adviserinfo.sec.gov/firm/summary/330200> and [syntheticfi.com](https://syntheticfi.com).

#### Conversation Starters

- 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?

***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 have client referral arrangements with third-party firms who refer potential clients to our service (collectively, “Promotor” or “Promoters”). These arrangements require us to compensate the Promoters for the referral. Compensation includes either sharing a portion of the fees we charge with registered investment advisers or providing a fixed payment per referred user. If you are referred to us by one of the Promoters where a compensation arrangement exists, the Promotor will provide you with information regarding the compensation as required by regulations. These arrangements present an incentive for a Promotor to refer you to SyntheticFi.
- Our employees may personally hold interests in the same securities the strategy recommends to our clients. These conflicts are mitigated by our policies and procedure.

**Additional Information:** For more detailed information about our investment advisory business please refer to Item 11 of our Form ADV Part 2A (“Disclosure Brochure”), at <https://adviserinfo.sec.gov/firm/summary/330200> and [syntheticfi.com](https://syntheticfi.com).

#### Conversation Starters

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

#### ***How Do Your Financial Professionals Make Money?***

Our employees are compensated by a fixed salary, stock options, restricted and unrestricted stocks. Compensation is not based on commissions or fees of any kind.

#### **Item 4. Disciplinary History**

##### ***Do You or Your Financial Professionals Have Legal or Disciplinary History?***

No. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

#### Conversation Starters

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

#### **Item 5. Additional Information**

For additional information on our advisory services, see our Brochure available at

<https://adviserinfo.sec.gov/firm/summary/330200> 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 (628) 600-2699 or [support@syntheticfi.com](mailto:support@syntheticfi.com)

#### Conversation Starters

- 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?

## **Exhibit A – Summary of Material Changes**

Since our last update to Form CRS, we have made the following material changes:

### **Item 2. Relationship and Services**

- This section was revised to further describe the monitoring of accounts for discretionary and non-discretionary accounts.

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

- This section was revised to further describe the fee structure for discretionary and non-discretionary accounts.
- This section was revised to disclose the Firms relationship client referral arrangements with third parties.