

## SecondMarket Financial LLC Customer Relationship Summary (Form CRS) November 15, 2024

SecondMarket Financial, LLC ("SecondMarket," "we" or "our") is registered with the U.S. Securities and Exchange Commission ("SEC") as a multi-state investment adviser. 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.

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

SecondMarket offers discretionary investment advisory services to its clients which are pooled investment vehicles ("Funds"). These Funds are then offered to accredited investors on a private placement basis.

Each Fund is a series of a Delaware limited liability companies, formed for the purpose of investing in unregistered securities (i.e., securities not listed on registered securities exchange and not registered under Section 12 of the Securities Exchange Act of 1934) of a single non-publicly traded issuer ("Private Company Security"). These Funds are not registered under the Securities Act of 1933, as amended, nor registered under the Investment Company Act of 1940, as amended. Interests in the Funds are offered exclusively to investors who are, at minimum and accredited investor as defined in Regulation D. Investors in these Funds need to refer to the offering documents associated with these instruments. Our advisory services are tailored specifically to each Fund regarding a single type of investment held by such Fund and are not tailored to the individual needs and objectives of the beneficial owners of the Funds. We will ensure that investment objectives and guidelines of each Fund are adhered to by actively selecting investments and monitoring the existing investments. We do not recommend purchases or sales of Funds or their underlying Private Company Securities.

SecondMarket also offers referral services to unaffiliated investment advisers ("Unaffiliated Advisers"). We have an affiliate, NPM Securities, LLC ("NPMS"), an SEC-registered broker-dealer and alternative trading system. NPMS facilitates primary and secondary transactions in Private Company Securities and acts as paying agent in connection with the settlement of the purchase or sale of Private Company Securities, as well as for the issuers and third-party purchasers participating in private non-capital raising transactions, such as tender offers and company buybacks. Sellers who receive cash proceeds from the sale of these types of transactions will be presented with an option to contact an Unaffiliated Adviser that can help with providing investment management services. Sellers are under no obligation to use these referral services. When we refer you to an Unaffiliated Adviser, we do not (i) provide you investment advice or recommend the investment advisory services of any Unaffiliated Advisers, or (ii) maintain discretionary authority over assets maintained at Unaffiliated Advisers.

For additional information, please see (i) [www.nasdaqprivatemarket.com](https://www.nasdaqprivatemarket.com), (ii) [www.sec.gov/education](https://www.sec.gov/education), and (iii) the SecondMarket ADV, Part 2A brochure, items 4 and 5.

### **Conversation Starters.** 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?*

### *What fees will I pay?*

Fund investors will not be required to make any capital contribution in excess of their subscription amount, except for ongoing and extraordinary expenses, as defined in the Fund LLC Agreement. Investors in these Funds need to refer to the offering documents to have a complete understanding of the fees they will pay.

NPMS will broker the purchase of Fund interests from the Fund. The brokerage fee payable by the Fund investor, and responsibility for any brokerage-related costs, shall be as disclosed in the relevant offering materials.

Through the referral programs, we may receive payments ("referral fee") from one or more Unaffiliated Advisers in exchange for making such referrals ("referral fee"). At the time of the referral, we'll disclose the nature of the relationship with the Unaffiliated Adviser, including the compensation paid by the Unaffiliated Adviser to SecondMarket. Any such referral fee is typically paid to SecondMarket as a percentage of the investment advisory fees charged by the Unaffiliated Adviser to a selling shareholder on an ongoing basis.

Our current fee schedules are described in Item 5 of the Form ADV Part 2. Fees will vary and are negotiable based on each individual circumstance.

For additional information, please see [SecondMarket ADV, Part 2A brochure, item 5.](#)

**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.**

**Conversation Starters.** 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?*

***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.

**Referral Fees.** We may share fees with or receive fees from Unaffiliated Advisers. Therefore, we have an incentive to refer you to an Unaffiliated Adviser where we receive a referral fee.

**Funds.** SecondMarket's engagement with, and commissions payments to, NPMS present potential conflicts of interest because we have an incentive to raise capital or purchase and sell securities through NPMS as opposed to an unaffiliated broker-dealer.

For additional information, please see [SecondMarket ADV, Part 2A brochure, item 10, which explains in more detail what types of conflicts may exist with the services we provide.](#)

**Conversation Starters.** Ask your financial professional –

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

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

We pay our financial professionals an annual base salary, discretionary bonus that is based on the productivity of us, NPMS and our parent company, Nasdaq Private Market, LLC (collectively, "NPM"), and equity interests in NPM. Since the annual bonus is based, in part, on our revenues, our financial professionals have an incentive for you to obtain services through NPM.

***Do you or your financial professionals have a legal or disciplinary history?***

No. Free and simple tools are available to research us and our financial professionals at [investor.gov/CRS](http://investor.gov/CRS) and FINRA's BrokerCheck ([brokercheck.finra.org](http://brokercheck.finra.org)).

**Conversation Starters.** Ask your financial professional –

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

#### ***Additional Information***

For additional information about our services, including up-to-date information about us and/or a copy of this disclosure, please call us at (646) 968-7000. To report a problem to the SEC, visit [Investor.gov](http://Investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330. If you have a problem with your investments, investment account or a financial professional, you may contact us in writing at 3 E. 28th Street, 7th Floor, New York, NY 10016.

**Conversation Starters.** Ask your financial professional –

- Who is my primary contact person? Is he or she a representative of an investment adviser or broker dealer? Who can I talk to if I have concerns about how this person is treating me?