

June 30, 2021

# Customer Relationship Summary

ShareNett Securities LLC

Form CRS

ShareNett Securities LLC (“ShareNett Securities”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer and is also a member of FINRA, and SIPC. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the 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.

ShareNett Investment Advisors, LLC (“ShareNett IA”) is separately registered with the SEC as an investment adviser. ShareNett Securities is affiliated with ShareNett IA through common ownership and control via ShareNett Holdings LLC (“ShareNett Holdings”). Separate disclosures are available regarding investment advisory services offered through ShareNett IA. All recommendations regarding your brokerage account will be made in a broker-dealer capacity, and all recommendations regarding your advisory account will be in an advisory capacity. When we make a recommendation to you, we will expressly tell you orally which account we are discussing.

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

We offer private placements to “accredited investors” and “institutional investors” only. We do not offer all types of securities, but limit investment recommendations to private placements. Other security products or brokerage services may be more suitable for you.

We do not offer all types of securities, but limit investment choices to private placements. Most private placements have a minimum investment amount which is typically \$100,000, but the minimum investment amount can vary by issuer and placement. Investment minimums may be waived and will be listed in the private placement memorandum (“PPM”) or similar offering documents. We may also make recommendations associated with private placements for accredited investors. When we make a recommendation, you make the ultimate decision regarding the purchase or sale of investments. You may accept or reject any recommendation we make.

It is your responsibility to monitor your private placement investments, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of your private placement investments. Additional information about our services are available through the Best Interest Disclosure Documents.

When considering our services, ask your financial professional:

- Given my financial situation, should I choose a brokerage 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?

You will pay certain fees (commissions and sales concessions) in connection with investing in a private placement. The applicable fees will vary from offering to offering. That said, there are management fees, organizational and operating expense reimbursement and profit participation/carried interest fees. In offerings related to real estate, there can be acquisition fees, development fees, asset management fees, financing fees, and property management fees. In venture capital and private equity offerings, there can be stock acquisition costs.

Where these fees apply, the more transactions you enter into, the more compensation that we and your financial professional receive. This compensation creates an incentive for us to encourage you to invest in private placements. Commissions and other sales concessions are charged when a transaction occurs. You will be charged more the more transactions you do with our Firm, and we, therefore, have an incentive to encourage you to invest in private placements.

Transaction-based fees are based on a host of factors, including, but not limited to: issuer and the type of offering participated in, size of your transaction and/or overall value of your investment, frequency of your private placement investments, and available discounts and/or fee waivers.

You will pay fees whether you make or lose money on your investments. Fees may reduce any amount of money you make on your investments over time. Please make sure you understand what fees you are paying.

Additional information about our fees are available on our Best Interest Disclosure Document and in the PPM or similar offering document.

When considering our services, 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 providing recommendations as my broker-dealer? How else does the firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

ShareNett Securities has a conflict of interest through our financial arrangements between us, our Registered Representatives, our clients and third parties. For example, we have entered into marketing agreements with certain third-party investment managers. By introducing a manager to a client, who ends up investing with the manager, we will receive fees based off of investment performance and management fees.

When considering our services, ask your financial professional:

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

Additional information about our conflicts of interest are available on our Regulatory Best Interest Disclosure Brochure and your Customer Agreement.

### How do your financial professionals make money?

Registered Representatives earn a portion of the commissions and other transaction fees you pay. As commissions are based on a number of factors, so is the compensation paid to our Registered Representatives. For example, certain products pay higher commission rates than others. Employee bonuses may be paid based on the overall profitability of ShareNett Securities.

### Do you or your financial professionals have legal or disciplinary history?

You can visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

When considering our services, ask your financial professional:

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

### Additional Information

Additional information, including our most recent Relationship Summary, is available by calling your Registered Representative at (646) 595-1711 to request up-to-date information and a copy of the Relationship Summary.

When considering our services, ask your financial professional:

- Who is my primary contact person?
- Is she or he 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?

## Regulation Best Interest Disclosure

This guide summarizes important information concerning the scope and terms of the brokerage services we offer and details the material conflicts of interest that arise through our delivery of brokerage services to you. We encourage you to review this information carefully, along with any applicable account agreement(s) and disclosure documentation you may receive from us.

As you review this information, we would like to remind you that ShareNett Securities LLC (“ShareNett Securities”) is registered with the U.S. Securities and Exchange Commission (“SEC”) as a broker-dealer and is also a member of the Financial Industry Regulatory Authority, Inc. ShareNett Investment Advisors, LLC (“ShareNett IA”) is separately registered with the SEC as an investment adviser. ShareNett Securities is affiliated with ShareNett IA through common ownership and control via ShareNett Holdings, LLC (“ShareNett Holdings”). Our brokerage services involving private placements are the primary focus of this guide. In addition, our Form CRS contains important information about the types of services we offer, along with general information related to compensation, conflicts of interest, disciplinary action, and other reportable legal information. Form CRS is available via website at [Investor.gov/CRS](https://www.investor.gov/CRS).

### Brokerage services

We offer private placements to “Institutional Investors” and “Accredited Investors” only. A private placement is a non-public offering of securities exempt from full SEC registration requirements. “Institutional Investors” is defined in FINRA Rule 4512(c) and includes (i) a bank, savings and loan association, insurance company or registered investment company; (ii) an investment adviser registered either with the SEC or with a state securities regulatory agency; or (iii) any other person (whether a natural person, corporation, partnership, trust or otherwise) with total assets of at least \$50 million. “Accredited Investors” is defined in SEC Rule 501(a) and includes natural persons with a net worth of more than \$1 million (not including the person’s primary residence) or with an annual income at least \$200,000 each year for the last two years (or \$300,000 combined income if married) and have the expectation to make the same amount during the current year.

We do not offer all types of securities, but limit investment recommendations to private placements. Other security products or brokerage services may be more suitable for you.

Most private placements have a minimum investment amount which is typically \$100,000, but the minimum investment amount can vary by issuer and placement. Investment minimums may be waived and will be listed in the private placement memorandum (“PPM”) or similar offering documents.

When a private placement is offered by ShareNett Securities, we do so on a best-efforts basis, meaning we do not agree to raise all the money requested by the issuer. Once you subscribe for a private placement, we will not monitor your investment on a regular basis. Moreover, we do not agree to enter into a fiduciary relationship with you. It is important for you to understand that when our Registered Representatives make a recommendation to you, we are obligated to ensure the recommendation is in your best interest, considering reasonably available alternatives, and based on your stated investment objective, risk tolerance, liquidity needs, time horizon, financial needs, tax status, and other financial information you provide us. You may accept or reject any recommendation. It is also your responsibility to monitor your investments, and we encourage you to do so regularly. We do not commit to provide on-going monitoring of any recommended securities. If you prefer on-going monitoring of your investments, you should speak with a financial professional about whether an advisory services relationship is more appropriate for you. From time to time we may provide you with additional information and resources to assist you with managing your investment. This may include but is not limited to educational resources, financial reports, summaries and/or updates about the issuer. When we offer this information, we do so as a courtesy to you. These activities are not designed to monitor specific investment holdings, they do not contain specific investment recommendations about investment holdings, and you should not consider them a recommendation to trade or hold any particular security. Upon your request, we will review such information and reports with you and may provide you with investment recommendations, but we are not under any specific obligation to do so.

## Investment Risks

It is important for you to understand that all investment recommendations and activities involve risk, including the risk that you may lose your entire principal. Higher-risk investments, including private placements, may have the potential for higher returns but also for greater losses. The higher your “risk tolerance,” meaning the amount of risk or loss you are willing and able to accept in order to achieve your investment goals, the more you may decide to invest in higher-risk investments offering the potential for greater returns. Our recommendations are based in part on your risk tolerance and investment objective. We encourage you to carefully consider your investment objective and risk tolerance before investing.

Private Placements are extremely speculative, illiquid, and includes unique risks. While we will take reasonable care in developing and making recommendations to you, private placements involve risk, and you may lose money. There is no guarantee that any private placement will meet the stated investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any available PPM or other offering documents for any security we recommend for a discussion of risks associated with the product.

The PPM contains important information about a particular investment’s business, operations, financial condition, and risks. The risks below include a summary of risk factors and is not meant to be all inclusive. These include the following:

- Investments are Generally Risky and Offer No Guarantee of Success. All investments generally bear the risk of partial or complete loss of capital. There is no guarantee that an investment will be profitable.
- Illiquidity. Private placements have limited transferability and investors may not be able to liquidate their interest in an issuer. Because of a variety of restrictions upon the transferability of the issuance, including restrictions imposed by federal securities laws, an investor may be required to retain their investment indefinitely. As a result of the foregoing factors, prospective investors must understand that there may never be a market of any kind for the purchase and sale of the interests.
- Forward-Looking Statements. Issuer material may contain forward-looking statements. When used in the material, including but not limited to words such as “believe,” “anticipate,” “intend,” “plan,” “seek,” “will be,” “expects,” “estimates,” “projects” and similar expressions identify such forward-looking statements. Such statements regarding future events and/or the future financial performance of an issuer are subject to certain risks and uncertainties which could cause actual events or the actual future results of the issuer to differ materially from such forward-looking statements. Certain of these risks include changes in the markets in which the issuer operates, technological advances, changes in applicable regulations and new entries into the market. In light of the significant risks and uncertainties inherent in the forward-looking statements included herein, the inclusion of such statements should not be regard as a representation by the issuer or any other person that the objective and plans of the Issuer will be achieved.
- Changes in Capital Markets and the Economy. Each issuer is materially affected by conditions in the global capital markets and the economy generally. Concerns over inflation, energy costs, geopolitical issues, the availability, and cost of credit may contribute to increased volatility and diminished expectations for the economy the markets or this investment going forward. These factors, among others not listed, may contribute to increased likelihood of Issuer failure and loss of investment. In addition, small and new businesses may be particularly susceptible to such factors.

Because the risks of each issuer and private placement are unique, it’s important to review the PPM or other offering material, understand the unique risks of the particular investment under consideration, and ask your registered representative additional questions about the business practices and risks associated with any recommended private placement.

## Brokerage fees and our compensation

It is important to consider that while private placements may provide a cost-effective way to invest in private companies, they are not for everyone given the risks, fees and costs involved. You will pay transaction-based fees when you subscribe to a private placement. These transaction-based fees are generally referred to as a “commission,” a “sales concession.”

For each placement we receive sales compensation based on the amount of money invested. The amount of compensation is generally 3-6% of your initial investment, but the exact amount varies by issuer. Again, exact terms of fees and expenses vary between each private placement offering. The specific fees and expenses associated with a private placement are listed in the PPM or similar offering document.

## Conflicts of interest

Conflicts of interest exist when we provide investment services to you. A conflict of interest is a situation in which we engage in a transaction or activity where our interest is materially averse to your interest. The mere presence of a conflict of interest does not imply that harm to your interests will occur, but it is important that we acknowledge the presence of such conflicts. Moreover, our regulatory obligations require that we establish, maintain, and enforce written policies and procedures reasonably designed to address conflicts of interest associated with our recommendations to you.

Our conflicts of interest are typically the result of compensation structures and other financial arrangements between us, our Registered Representatives, our clients and third parties. Securities rules allow for us, our Registered Representatives, and our affiliates to earn compensation when we provide brokerage services to you. However, the compensation that we and our Registered Representatives receive from you varies based upon the product or service you purchase, which creates a financial incentive to recommend investment products and services that generate greater compensation.

We are committed to taking appropriate steps to identify, mitigate and avoid conflicts of interest to ensure we act in your best interest when providing brokerage recommendations to you. Below you will find additional information related to our conflicts of interest. This information is not intended to be an all-inclusive list of our conflicts, but generally describes those conflicts that are material to your brokerage relationship. In addition to this disclosure, conflicts of interest are disclosed to you in various agreement(s) and disclosure documents and other information we make available to you.

### Compensation We Receive from Clients

#### Transaction-based conflicts

You will pay certain fees (commissions and sales concessions) in connection with investing in a private placement. Where these fees apply, the more transactions you enter into, the more compensation that we and your financial professional receive. This compensation creates an incentive for us to encourage you to invest in private placements.

Registered Representatives are compensated based on the percentage of revenue generated from sales of products and services to clients. This compensation may vary by the product or service associated with a brokerage recommendation. Private placements carry higher fees than other types of securities. Therefore, Registered Representatives are incentivized to recommend these products over other brokerage products. We maintain policies and procedures designed to ensure that recommendations are in your best interest.

We have entered into marketing agreements with certain third-party investment managers. By introducing a manager to a client, who ends up investing with the manager, we will receive fees based off investment performance and management fees. We maintain policies and procedures designed to ensure that recommendations are in your best interest.

### Compensation Related to Our Affiliates

#### Compensation Related to Affiliates

We are affiliated through common ownership and control with ShareNett IA, an investment adviser owned by ShareNett Holdings. Some individuals associated with ShareNett Securities as Registered Representative may also be associated with ShareNett IA or ShareNett Holdings. ShareNett IA and individuals associated with ShareNett IA manage certain private investment funds exempt from registration under the federal securities laws. We may solicit you or other clients to invest in such funds. A recommendation that you purchase an interest in one of these funds poses a conflict of interest to the extent that we have a financial incentive to increase the assets of the fund and thereby increase the management fees paid by the fund to ShareNett IA. Notwithstanding this and other conflicts of interest that may exist, we will recommend an investment in these funds only when such investment is suitable and in the best interest of the client. Each fund's offering memorandum discloses the conflicts of interest and the compensation arrangements.

## Compensation Received by Registered Representatives

### Personal Trading Activities

Registered Representatives may invest in the same private placements offered to clients. This creates a conflict of interest in that they may invest without paying a commission. Sometimes, additional fees are earned based on the total amount raised, or a minimum amount raised. Our written supervisory procedures are designed to assure that the personal securities transactions, activities, and interests of the Registered Representatives of ShareNett Securities will not interfere with making decisions in the best interests of our customers or implementing such decisions while, at the same time, allowing ShareNett Securities Registered Representatives to invest for their own accounts. The Firm has procedures to monitor the personal trading activities and securities holdings of each of the Firm's Registered Representatives and includes procedures for limitations on personal securities transactions of associated persons. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

### Additional Resources

You can visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research us and our financial professionals. You can also call your Registered Representative at (646) 595-1711 to request up-to-date disclosure information or to ask any questions you have about this brochure or services offered by ShareNett Securities.