

COMPOUND

FAMILY OFFICES

Form CRS Client Relationship Summary

June 19, 2020

Item 1 – Introduction: Is an investment advisory account right for you?

Compound Family Offices, LLC is registered with the Securities and Exchange Commission as an investment adviser. Please be aware that brokerage and investment advisory services and fees differ and that it is important for you 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.

Item 2 – What investment services and advice can you provide me?

We offer investment advisory services to retail investors. We offer the following family office services, tailored for each family to meet their unique needs, including, but not limited to developing, presenting, reviewing, and/or implementing advice related to the family's financial and non-financial capital. Such services may involve financial planning, investment advice, estate, gift and trust planning, tax planning, philanthropy, education, family meetings, sharing best practices, risk management, asset protection, the management of information and coordination with the family's other key advisors. As part of our overall family office services and standard portfolio management services, we will monitor your portfolio on a continuous basis and rebalance the portfolio as we deem appropriate, as changes occur in market conditions and/or your circumstances. Our portfolio management services are offered on either a *discretionary* or *non-discretionary* basis. *Discretionary* authorization allows us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. These decisions are made based upon your stated investment objectives. You may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors by providing us with your restrictions or guidelines in writing. *Non-discretionary* arrangements require us to obtain your approval prior to executing any transactions on behalf of your account. As part of our investment advisory services, we may engage the services of unaffiliated third party investment managers to manage all or a portion of your investment portfolio based on your financial situation and objectives. We will monitor the third party investment managers' performance to determine if its management and investment style remains aligned with your investment goals and objectives. At our sole discretion, we may enter into stand-alone, planning only engagements, which do not include portfolio management services or monitor the investments made as a result of a stand-alone financial plan unless you subsequently hire us separately for portfolio management services. We do not limit our advice to proprietary products, or a limited menu of products or types of investments. Third party investment managers and private fund investments may have minimum net worth or minimum investment requirements. In general, we require a minimum of \$10,000,000 to establish a family office relationship with us. At our discretion, we reserve the right to waive this minimum.

For additional information, please refer to Items 4, 7, & 13 of our Form ADV Part 2A at the following link:
<https://adviserinfo.sec.gov/firm/brochure/298776>.

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?*

Item 3 – What fees will I pay?

We are primarily compensated for family office services by an annual asset-based fee billed quarterly, in arrears based on a percentage of the value of your portfolio. Our fees vary depending on the services you receive. Third party investment managers charge separate fees in addition to our fees. Third party investment management fees may or may not be negotiable. The more assets there are in your advisory account, the more you will pay in fees. Therefore, we have an incentive to encourage you to increase the assets in your account. For stand-alone planning we charge a fixed fee or an hourly fee payable as invoiced in accordance with the agreed upon terms of the planning agreement you sign with us. Our fees are negotiable depending upon the complexity and scope of the service, your financial situation, and your objectives.

For additional information regarding our fees, please see Item 5 of our Form ADV Part 2A at the following link:
<https://adviserinfo.sec.gov/firm/brochure/298776>.

Description of Other Fees and Costs: The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by investment companies (e.g., mutual funds, exchange traded funds, and unit investment trusts). These fees are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and

fees are typically imposed by the broker-dealer or custodian that executes the trade. The broker-dealer or custodian may also charge your account for custodial fees, retirement account fees, trust fees, exchange fees, redemption fees that may be assessed on investment company shares, transfer fees, account termination fees or other special service fees and charges. We do not share in any portion of these fees imposed by the broker-dealer or custodian. Certain private funds may assess performance based fees. These are described in the respective private offering documents provided to you. Compound does not share in these fees. To fully understand the total cost you will incur, you should review all the fees charged by investment companies, broker-dealers, our firm, and others.

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 about fees charged by third parties, please refer to Item 5 of Form ADV Part 2A at the following link: <https://adviserinfo.sec.gov/firm/brochure/298776>.

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?*

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:

- All investment advisers face conflicts of interest which are inherent in the business. Our primary source of compensation is through asset based fees. Therefore, we are incentivized to acquire new clients and to increase assets under management. Other conflicts of interest result from other business activities we engage in and relationships we have with business partners and third parties, or affiliations we have established with other financial institutions.
- Third party investment managers charge fees in addition to our fees. You should carefully consider all fees charged by the third party investment manager(s) and by us to determine the total amount of fees you will pay for the management of the assets managed by the third party investment manager(s) that are also supervised by us. Generally, fees in excess of three percent of the assets under management are considered to be in excess of industry standards. In limited circumstances, for example, where you are invested in certain private investments (e.g., certain hedge funds, funds-of-funds, etc.), the total combined fees paid to us and the third party managers of these investments could exceed this amount. Therefore, you should be aware that lower fee options may be available. You are not required to use the services of any third party investment manager or private fund we recommend.

Conversation Starter. Ask your financial professional—

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

Please refer to our Form ADV Part 2A for further information on our conflicts of interest and how we address them at the following link: <https://adviserinfo.sec.gov/firm/brochure/298776>.

How do your financial professionals make money?

Our financial professionals receive salary-based compensation, discretionary compensation or bonuses based on firm profitability and potentially formula based bonuses determined by the amount of new client revenue they bring to our firm. Therefore, our financial professionals have an incentive to encourage you to increase the assets in your account.

Item 4 – Do you or your financial professionals have legal or disciplinary history?

No, our firm and financial professionals do not have reportable legal and/or disciplinary history.

For a free, simple search tool to research us and our financial professionals please visit [Investor.gov/CRS](https://investor.gov/CRS).

Conversation Starter. Ask your financial professional—

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

Item 5 – Additional Information

For additional information about our advisory services, please refer to our Form ADV Part 2A brochure available at <https://adviserinfo.sec.gov/firm/brochure/298776> and the individual Form ADV Part 2B brochure supplement(s) your representative provides. If you have any questions, need up-to-date information and/or need a copy of this Client Relationship Summary, please contact us at (941) 556-9294.

Conversation Starters. 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?*