

**Form ADV Part 2A – Firm Brochure**  
**EXDS Capital LLC**

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**January 20, 2026**

This **Brochure** provides information about the qualifications and business practices of EXDS Capital LLC (“the **Firm**”). If you have any questions about the contents of this Brochure, please contact us at [info@exdscapital.com](mailto:info@exdscapital.com).

The United States Securities and Exchange Commission (SEC) has not approved or verified the information contained in this **Brochure**.

EXDS Capital LLC is registered with the U.S. Securities and Exchange Commission as an investment adviser. Registration does not imply a certain level of skill or training.

Additional information about EXDS Capital LLC is also available on the SEC’s Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our Firm’s CRD number is **338093**.

## **Item 2: Material Changes**

This Brochure is dated January 20, 2026, and represents the first annual updating amendment to our initial Brochure dated October 23, 2025.

The following material changes have been made to this Brochure since our initial filing:

- **Assets Under Management (Item 4.E):** EXDS Capital LLC has commenced advisory operations. As of January 20, 2026, we manage approximately \$171,559 in discretionary client assets, an increase from \$0 at initial filing.
- **Advisory Services Expansion (Item 4.B):** Expanded service offerings to include comprehensive Financial Planning and Wealth Advisory Services on a non-discretionary, project-based basis, encompassing retirement planning, tax coordination, estate planning concepts, real estate analysis, and business interest planning.
- **Geographic Restrictions (Items 4.B and 7):** Clarified that investment advisory services are NOT provided to residents, citizens, or legal entities of the European Union (EU), United Kingdom (UK), or European Economic Area (EEA) due to regulatory licensing requirements under MiFID II and related frameworks.
- **Fees and Compensation (Item 5):** Increased minimum onboarding fee, added Financial Planning fee structures (fixed project fees and hourly consulting rates), restructured EXDS Insight subscription pricing to a simplified three-tier model, and disclosed that cash is included in the billing base, creating a potential conflict of interest where management fees on cash may exceed interest earned.
- **Code of Ethics and Proprietary Trading (Item 11):** Enhanced disclosure to identify firm's proprietary trading account and four specific conflicts of interest. Implemented detailed "Clients First Policy" including client priority in order allocation, no front-running, fair execution pricing, quarterly monitoring, and CCO attestation.
- **Brokerage Practices (Item 12):** Identified Interactive Brokers LLC as primary recommended custodian, with Charles Schwab & Co. as alternative. Added detailed trade aggregation and allocation procedures.

**Availability of Updated Brochure**

We will provide you with an updated Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested free of charge by contacting us via email at [info@exdscapital.com](mailto:info@exdscapital.com).

Additional information about EXDS Capital LLC is also available via the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by our Firm's unique CRD number: 338093.

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## Item 4: Advisory Business

**A. Description of Advisory Firm.** EXDS Capital LLC (the "Firm") is a Delaware Limited Liability Company established in February 2025 and registered with the U.S. Securities and Exchange Commission as an investment adviser.

The Firm is owned and operated by its founder, Serhii Yershov, who serves as Chief Executive Officer (CEO), Chief Investment Officer (CIO), and Chief Compliance Officer (CCO).

We provide investment advisory and financial planning services to individuals, high-net-worth individuals, trusts, corporations, and other business entities, subject to jurisdictional eligibility requirements described herein.

**B. Types of Services.** EXDS Capital LLC provides both personalized and impersonal investment advisory services as described below:

**Investment Portfolio Management:** We provide continuous and ongoing discretionary management of client investment portfolios. We begin with a complimentary consultation to understand your financial goals, risk tolerance, investment time horizon, and investment objectives. After gathering comprehensive information about your financial situation, we develop a customized Investment Policy Statement (IPS) that serves as the roadmap for managing your portfolio.

With your written authorization in an Investment Advisory Agreement, we monitor account performance, rebalance portfolio allocations, and adjust investment strategies to align with changing market conditions and your evolving circumstances.

We employ a Tactical Asset Allocation strategy, guided by:

- Macroeconomic Analysis: Evaluation of economic indicators, interest rate trends, business cycle positioning, and inflation expectations
- Fundamental Analysis: Assessment of security valuations, earnings trends, credit quality, and company-specific factors
- Technical Analysis: Market momentum, sentiment indicators, and price pattern recognition

Portfolios may include:

- Exchange-Traded Funds (ETFs)
- Mutual Funds
- Individual stocks and bonds
- Money market instruments and certificates of deposit
- Government and agency securities
- Options and futures contracts (where appropriate and specified in client's IPS for sophisticated investors)

**Geographic Eligibility:** Due to regulatory licensing requirements under MiFID II and related frameworks, we do not provide investment advisory services to residents, citizens, or legal entities of the European Union (EU), United Kingdom (UK), or European Economic Area (EEA). Our educational subscription service (EXDS Insight) remains available globally.

**Financial Planning and Wealth Advisory Services:** We provide customized comprehensive financial planning and wealth advisory services on a non-discretionary, project-based consultative basis. These services focus on clients' total financial situation and are designed to help clients achieve their long-term financial objectives.

Financial planning and wealth advisory services encompass comprehensive analysis of a client's complete financial situation, including detailed examination of income sources, assets, liabilities, investments, real property, business interests, insurance coverage, and financial goals. We provide strategies and recommendations regarding retirement savings, pension planning, withdrawal strategies, and income generation in retirement. Our consultation includes analysis of tax-efficient strategies related to investment decisions, income timing, charitable giving, and coordination with estate planning objectives. We offer recommendations regarding asset titling, liquidity planning, and wealth transfer strategies. We analyze and provide recommendations regarding real property holdings and real estate as a component of total wealth. For clients with business interests, we provide consultation regarding business structure considerations and entity-level planning concepts. We also analyze income and expense flows to optimize cash flow and liquidity positioning, and evaluate how assets are titled, owned, and structured to optimize overall wealth structure.

Important Limitations:

- **No Legal or Tax Advice:** The Firm does not provide legal advice or tax advice.

Clients must consult with qualified tax advisors (CPAs, tax attorneys) and estate planning attorneys to implement any tax or estate planning strategies.

- No Insurance Sales: The Firm does not sell insurance products, act as an insurance intermediary, or receive commissions from insurance companies.
- No Business Transaction Advisory: While the Firm may discuss general concepts related to business succession planning, the Firm does not advise on specific business transactions, mergers, acquisitions, or corporate finance matters.

The Firm does not retain discretionary authority under financial planning and wealth advisory engagements. This means that the Firm provides recommendations and analysis but does NOT have authority to execute any transactions, transfers, or other actions affecting client assets. Clients retain final decision-making authority regarding all matters and are solely responsible for implementing recommendations through their chosen custodians, financial institutions, attorneys, accountants, or other advisors. The Firm does not arrange deals, facilitate transactions, or act as an intermediary between clients and product providers.

Following delivery of the initial comprehensive financial plan or wealth advisory consultation, clients may engage the Firm for plan update services or additional consultation as separate project-based engagements when their circumstances change significantly due to life events such as marriage, divorce, birth of children, sale of business interests, inheritance, relocation, or other material changes. Each plan update is a separate engagement subject to a new service agreement, and fees are determined based on the scope of updates required. The Firm does not provide continuous and regular supervisory or management services with respect to investment accounts or securities portfolios, nor does the Firm provide ongoing account monitoring or portfolio performance reporting.

Financial planning and wealth advisory services apply to the client's total wealth and assets, including but not limited to real property and real estate holdings, business ownership interests, securities and investment accounts held with third-party custodians, retirement accounts, insurance policies, bank deposits, and other financial assets. These assets are considered "Assets Under Advisement" (AUA). AUA represents client assets for which we provide financial planning, wealth advisory, or consultative services, but for which we do not have trading authority or provide continuous and regular portfolio management services. We do not arrange or execute transactions for AUA assets; clients retain full decision-making authority and are responsible for

implementing our recommendations.

**Geographic Restrictions:** Financial planning and wealth advisory services are NOT provided to residents or citizens of the European Union (EU), United Kingdom (UK), or European Economic Area (EEA).

**Educational Subscription Services – EXDS Insight:** We publish periodic newsletters and educational materials presenting market commentary and economic analysis. EXDS Insight is provided exclusively for educational purposes. It does not constitute investment advice or personal recommendations and does not establish an advisory relationship.

**Global Availability:** Unlike our advisory services, EXDS Insight is available globally, including to residents of the EU, UK, and EEA.

**Investment Research and Analysis:** We prepare specific research reports or security analyses on a project or subscription basis. This research is impersonal and may be distributed to multiple recipients.

**General Consultations:** Upon request, we conduct periodic consultations regarding market conditions or strategic financial topics. These sessions are educational and do not establish an ongoing advisory relationship unless documented in a signed agreement.

**C. Client-Tailored Services and Restrictions.** We tailor our investment portfolio management and wealth advisory services to the individual needs of each client. Your specific financial objectives, risk tolerance, investment time horizon, tax situation, and financial circumstances guide all investment recommendations and portfolio construction.

You may impose reasonable restrictions on investing in certain securities or types of securities. For example, you may restrict investments in specific companies, industries, or asset classes based on personal, ethical, social, or religious considerations. We will document these restrictions in your Investment Policy Statement and implement them in managing your account.

You will incur third-party fees charged by your custodian, including custody fees, transaction fees, and account maintenance charges. You will also bear internal expenses of ETFs and mutual funds, including management fees and administrative costs. EXDS

Capital LLC does not receive any portion of these third-party charges.

**D. Wrap Fee Programs:** The Firm does not participate in any wrap fee programs.

**E. Assets Under Management.** As of January 20, 2026, EXDS Capital LLC manages approximately \$171,559 in discretionary client assets. The Firm has \$0 in non-discretionary client assets under advisement.

## Item 5: Fees and Compensation

**A. Fee Schedule.** The Firm is compensated through asset-based fees, fixed fees, hourly fees, subscription fees, and one-time onboarding fees.

**Investment Portfolio Management Fees.** Our annual fee is based on the market value of the assets under management (“AUM”), which includes all cash and cash equivalents, and is billed quarterly in arrears (i.e., at the end of each quarter), unless negotiated with a client otherwise. The fee schedule is as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>
Up to \$999,999	2.00%
\$1,000,000 - \$4,999,999	1.50%
\$5,000,000 and above	1.00%

**Negotiability of Fees.** Fees may be negotiable depending on factors such as account size, complexity of services, anticipated account growth, and overall relationship circumstances. We may also waive or reduce fees at our sole discretion during the advisory relationship due to changes in account circumstances or other considerations. Any negotiated or reduced fee arrangement will be documented in your Investment Advisory Agreement. Fee reductions and waivers are never contingent on investment performance outcomes.

**Conflict of Interest Note:** Clients should be aware that the management fee charged on cash balances may exceed the interest earned on those balances, resulting in a negative return on the cash portion of the account. The Firm includes cash in the billing base because it provides ongoing advice and tactical oversight regarding the timing of cash deployments.

**Onboarding Fee.** Upon execution of the Investment Advisory Agreement, clients pay a

one-time onboarding fee, typically ranging from \$2,000 to \$5,000.

This fee covers: initial financial and risk assessment; development of a written Investment Policy Statement (IPS); asset allocation strategy recommendations and account setup coordination. The onboarding fee is earned upon delivery of the completed Investment Policy Statement (typically 5–15 days after account execution). For termination and refunds, see point D.

**Financial Planning and Wealth Advisory Fees.** Fees are charged on either a fixed project fee basis or an hourly basis, depending on the scope and complexity of your engagement:

**Fixed Project Fee:** For comprehensive financial planning engagements, we charge a fixed fee determined based on the complexity of your financial situation, typically ranging from \$3,000 to \$10,000, determined based on the complexity of your financial situation. Complexity factors include the number and nature of income sources, entities you own or control, properties and real estate holdings, business interests, jurisdictions involved, family structure, existing planning arrangements, tax complexity, and other circumstances affecting the scope of planning required. The fixed project fee is negotiated and documented in your service agreement before engagement commences.

**Hourly Fee:** For consulting services, plan updates, or more limited-scope projects, we charge an hourly rate of \$250 per hour. Before commencing work, we will provide you with an estimate of the hours required and total anticipated fees. You will be invoiced based on actual time incurred.

Our financial planning and wealth advisory fees are fixed fees (or hourly fees) that do not vary based on the market value of your assets, investment returns, or account performance. This fee structure aligns our compensation with the time, expertise, and analysis required to deliver comprehensive financial planning services, rather than with asset values that fluctuate with market conditions beyond our control.

**Plan Updates and Follow-Up Services.** If you require updates to your financial plan due to changed circumstances such as marriage, divorce, birth of children, sale of business interests, inheritance, relocation, or other significant life events, we offer plan update services as separate engagements. Update fees are determined based on the scope of analysis and revisions required, and may be charged on a fixed-fee or hourly basis.

Fees may be negotiable depending on factors such as account size, complexity of services, anticipated account growth, and overall relationship circumstances. We may also waive or reduce fees at our sole discretion during the advisory relationship due to changes in account circumstances or other considerations. Any negotiated or reduced fee arrangement will be documented in your Investment Advisory Agreement. Fee

reductions and waivers are never contingent on investment performance outcomes.

**EXDS Insight Educational Subscription.** Our educational subscription service provides periodic newsletters and educational materials presenting market commentary, economic analysis, and investment insights. EXDS Insight is provided exclusively for educational purposes and does not constitute investment advice or personal recommendations.

Subscription fees (Fees: \$99 monthly, \$200 quarterly, or \$650 annually, paid in advance) are fixed and paid in advance for the subscription period selected.

### **B. Fee Payment Methods and Billing Frequency.**

Portfolio management fees - billing frequency and payment methods. Billing Frequency: We bill quarterly in arrears (at the end of each calendar quarter). Fees are calculated based on the market value of assets under management as of the last business day of the quarter for which services were provided.

Payment Methods: Portfolio management fees may be paid through the following methods:

- **Automatic Deduction:** Fees are deducted directly from the client's custodial account by the qualified custodian (typically Interactive Brokers LLC), as authorized by the client in writing. Fee deductions typically occur within 10 business days following quarter-end.
- **Direct Invoicing:** Clients may be invoiced directly for payment by wire transfer, ACH, or other agreed-upon methods. Invoiced fees are due within 30 days of invoice date.

Clients will receive regular account statements from the custodian and/or invoices from the Firm detailing all fees charged. Specific arrangements and clients preferences will be documented in their Investment Advisory Agreement.

**Onboarding Fee.** The onboarding fee is due upon execution of the Investment Advisory Agreement and is typically invoiced directly or deducted from initial account deposits as agreed in your advisory agreement.

**Financial Planning and Wealth Advisory Services Fees.** Financial planning fees may be paid according to a payment schedule negotiated in your service agreement. Payment arrangements may include an upfront deposit with the balance due upon delivery of the written plan, or payment based on project milestones. For hourly engagements, fees are invoiced monthly based on time incurred during the billing period and are due within 30 days of invoice date.

EXDS Insight Subscription Fees. Subscription fees are paid in advance for the subscription period selected (monthly, quarterly, or annually) and are processed via the payment method you provide at enrollment.

Client Statements and Invoices. You will receive regular account statements from Interactive Brokers LLC (for portfolio management clients) and/or invoices from EXDS Capital detailing all fees charged during the billing period. You should review these documents carefully and notify us promptly of any discrepancies.

**C. Other Fees and Expenses.** In addition to the advisory fees paid to EXDS Capital LLC, clients will incur third-party charges including: custodial fees and account service charges; brokerage commissions and transaction costs; internal expenses of mutual funds or Exchange Traded Funds (ETFs).

The Firm does not receive or share in any portion of these third-party charges. For more information regarding brokerage practices, see Item 12.

**D. Prepaid Fees, Termination, and Refunds.** To terminate your advisory engagement, you must submit a written request to [info@exdscapital.com](mailto:info@exdscapital.com) including your full name and the effective date of termination.

Portfolio Management Fees: We bill quarterly in arrears based on the market value of your account at the end of the prior quarter. If you terminate during a quarter, you will be charged a prorated fee only for the days from the beginning of the quarter through your termination date. Since these fees are billed in arrears, no refund is due; you simply pay for the period during which we provided services.

Onboarding Fee: The onboarding fee (\$2,000-\$5,000) is due upon execution of the Investment Advisory Agreement. This fee is earned upon delivery of your completed Investment Policy Statement (typically 5-15 days after execution).

If you terminate BEFORE the IPS is delivered, you will receive a prorated refund calculated as:  $(\text{Days Remaining Until IPS Delivery} \div \text{Total Days Allowed for IPS Preparation}) \times \text{Onboarding Fee Paid}$ .

If you terminate AFTER the IPS is delivered, the onboarding fee is fully earned and no refund will be provided. Any refund of the onboarding fee will be processed within 10 business days of your termination notice.

Financial Planning and Wealth Advisory Service Fees: Common arrangements include payment of 50% upon engagement and 50% upon delivery of the written plan. If you have paid fees in advance for a comprehensive financial plan and terminate before delivery, we will refund fees paid for services not yet delivered on a pro-rata basis

calculated as: (Percentage of Work Completed) × Total Fee Paid. The refund amount will be the difference between fees paid and fees earned for work completed.

In the event we fail to deliver the comprehensive financial plan within 90 days of your engagement (unless the delay is caused by your failure to provide requested information or materials), you are entitled to a full refund of any fees paid.

For hourly engagements, you will be invoiced only for hours worked through the termination date. No refund is due for hourly services already rendered and invoiced.

Any refund of financial planning and wealth advisory fees will be processed within 30 days of the termination notice.

**EXDS Insight Subscription Fees:** These fees are paid in advance (monthly, quarterly, or annually). If you cancel your subscription mid-period, no refund will be provided for the unused portion of the prepaid subscription period. Your access will continue through the end of the paid period.

**E. Compensation for Sale of Securities or Other Investment Products.** Not applicable. EXDS Capital LLC and its supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from mutual funds. We do not receive commissions, 12b-1 fees, or other transaction-based compensation from product sponsors, broker-dealers, or third parties.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

EXDS Capital LLC does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of client accounts). We do not manage accounts that are charged performance-based fees alongside accounts charged other types of fees.

Any fee reductions or waivers described in Item 5 are exercised solely at the Firm's discretion and are not linked to investment performance.

## **Item 7: Types of Clients and Eligibility Requirements**

We provide advisory services to individuals, high-net-worth individuals, trusts, corporations, and other business entities, as well as, proprietary accounts of the Firm and its management.

**Account Requirements.** EXDS Capital LLC does not impose a minimum account size or a minimum assets under management requirement.

Service Eligibility and Geographic Restrictions. To be eligible for our advisory services, prospective clients must meet the following criteria:

- **Geographic Restrictions:** We do not provide investment advisory services (including portfolio management, financial planning, and wealth advisory services) to residents or citizens of the European Union (EU), United Kingdom (UK), or European Economic Area (EEA). These restrictions are based on local regulatory licensing requirements. Our educational subscription service (EXDS Insight) remains available globally.
- **Regulatory Compliance:** All prospective clients must complete identity verification and comply with Know Your Customer requirements per U.S. anti-money laundering regulations.
- **Disclosure of Financial Information:** You must provide accurate and complete financial information, including investment objectives, risk tolerance, financial circumstances, and any material facts affecting your situation. You are responsible for notifying us promptly of any material changes.
- **Agreement Execution:** Advisory services commence only upon execution of a written Investment Advisory Agreement (and, for portfolio management clients, approval of a customized Investment Policy Statement).

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Methods of Analysis and Investment Strategies.**

**Portfolio Management Services.** EXDS Capital employs a Tactical Asset Allocation strategy for discretionary portfolio management. This approach involves actively adjusting portfolio positioning based on changing market conditions and economic environments. We utilize three complementary analytical methods:

**Macroeconomic Analysis:** We evaluate broad economic indicators, interest rate trends, inflation expectations, business cycle positioning, and monetary and fiscal policy to assess the overall investment environment.

**Fundamental Analysis:** We assess security valuations, earnings quality, growth prospects, balance sheet strength, credit characteristics, and competitive positioning when evaluating securities and asset classes for client portfolios.

**Technical Analysis:** We analyze market momentum, price trends, sentiment indicators, and support and resistance levels to identify optimal timing for portfolio adjustments.

Portfolios are constructed using exchange-traded funds (ETFs), mutual funds, individual

stocks and bonds, money market instruments, certificates of deposit, and government and agency securities. For sophisticated clients where appropriate and explicitly authorized in the Investment Policy Statement, options contracts may be utilized for income generation or downside protection strategies. We do not use futures contracts in client portfolios.

**Financial Planning and Wealth Advisory Services.** For non-discretionary financial planning and wealth advisory services, we conduct comprehensive analysis of clients' complete financial situations including cash flow analysis, retirement income planning, tax planning coordination, estate planning concept review, risk management assessment, and real estate and business interest analysis. We provide written recommendations and strategies, but clients retain decision-making authority and are responsible for implementing recommendations with their chosen service providers.

Investing in securities involves risk of loss that clients should be prepared to bear.

**B. Material Risks of Investment Strategies.** **Market Risk:** Security prices fluctuate due to economic conditions, market sentiment, interest rate changes, company-specific developments, and investor behavior. Market risk affects virtually all securities and cannot be eliminated through diversification. During periods of market decline, portfolios may experience losses regardless of the quality of securities held.

**Tactical Allocation Risk:** Our investment strategy depends on our ability to correctly forecast market trends and respond timely to changing conditions. If our analysis is incorrect or our tactical adjustments are poorly timed, portfolio performance may lag passive strategies, underperform benchmarks, or suffer losses that could have been avoided.

**Frequent Trading Risk:** Our tactical asset allocation strategy involves more frequent trading than passive buy-and-hold strategies. Frequent trading can negatively impact performance through increased transaction costs (commissions, fees, bid-ask spreads), tax consequences (short-term capital gains taxed at higher rates than long-term gains), and potentially less favorable execution prices. Clients should understand that frequent trading seeks to add value but there is no guarantee this will occur.

**Manager Risk:** For portfolios using mutual funds or ETFs, there is risk that fund managers may underperform their benchmarks, change investment strategies, or fail to achieve stated objectives.

**Liquidity Risk:** Certain securities may not be readily sellable at fair market value, particularly during market stress or in securities with limited trading volume. Illiquidity can result in delays in executing transactions, wider bid-ask spreads, or the need to sell

at unfavorable prices.

**Concentration Risk:** Our tactical approach may result in portfolios being concentrated in limited asset classes, sectors, or securities at certain times based on our market views. Concentration increases sensitivity to adverse developments in those specific areas.

**Interest Rate Risk:** Fixed-income securities decline in value when interest rates rise. The longer the duration of fixed-income holdings, the greater the sensitivity to interest rate changes.

**Credit Risk:** Fixed-income securities are subject to the risk that issuers may default on principal or interest payments, or that credit quality may deteriorate, resulting in price declines.

**Inflation Risk:** Inflation erodes the purchasing power of investment returns. Fixed-income securities and cash holdings are particularly vulnerable to inflation risk.

**Currency Risk:** If client portfolios include international securities, they are exposed to currency fluctuation risk. Changes in exchange rates between the U.S. dollar and foreign currencies can increase or decrease the value of foreign investments.

**Options Risk (For Clients Authorizing Options Use):** Options strategies involve leverage and the risk of losing more than the premium paid. Options are only utilized for sophisticated clients who have explicitly authorized their use and understand the associated risks. For sophisticated clients where appropriate and explicitly authorized in the Investment Policy Statement, options and futures contracts may be utilized for hedging or tactical positioning purposes.

**Futures Risk:** Futures contracts involve leverage and the risk of losses exceeding the initial margin deposited. Futures are highly volatile derivative instruments and are only used for sophisticated clients who explicitly authorize their use and understand the associated risks.

**Regulatory and Political Risk:** Changes in laws, regulations, tax policies, or political conditions can materially affect security values and markets.

**C. Risks of Particular Types of Securities.** We do not recommend primarily any single type of security. Client portfolios are diversified across multiple asset classes as appropriate for each client's Investment Policy Statement. However, common security types held in portfolios include:

**Exchange-Traded Funds (ETFs) and Mutual Funds:** Pooled investment vehicles subject to management risk (fund managers underperforming), expense risk (internal fees reduce

returns), and the underlying risks of securities they hold.

**Individual Stocks:** Subject to company-specific risks including business performance, competitive threats, management decisions, and market sentiment that can cause significant price volatility independent of broader market movements.

**Individual Bonds:** Subject to interest rate risk, credit risk (risk of issuer default), call risk, and reinvestment risk.

**Money Market Instruments and Certificates of Deposit:** Generally lower risk with lower returns; subject to inflation risk and, in some cases, credit risk.

**Government and Agency Securities:** U.S. Treasury securities are subject to interest rate risk. Government agency securities carry some degree of credit risk in addition to interest rate risk.

We do not represent, warrant, or guarantee that our methods of analysis will successfully predict future results, identify profitable opportunities, or protect against losses. All investment strategies involve risk of loss. Past performance is not indicative of future results.

## Item 9: Disciplinary Information

Neither the Firm nor its management person (Serhii Yershov) has any legal or disciplinary events to disclose.

## Item 10: Other Financial Industry Activities and Affiliations

**A. Broker-Dealer Registration.** Not applicable. EXDS Capital LLC and its management persons are not registered as broker-dealers or registered representatives of broker-dealers.

**B. Futures Registration.** Not applicable. EXDS Capital LLC and its management persons are not registered as futures commission merchants, commodity pool operators, or commodity trading advisors.

**C. Material Relationships with Related Persons.** Not applicable. EXDS Capital LLC does not have material relationships or arrangements with related persons in other financial industry roles. Serhii Yershov, the sole owner and operator of EXDS Capital LLC, does not have any other business activities, financial industry affiliations, or control over other financial services entities.

**D. Selection of Other Investment Advisers.** Not applicable. EXDS Capital LLC does not

recommend or select other investment advisers for clients. Clients who receive financial planning and wealth advisory services from the Firm are responsible for implementing recommendations through their own selection of custodians, financial institutions, professional advisors, and service providers.

**E. Financial Industry Affiliations and Related Persons.** Not applicable. EXDS Capital LLC has no related persons, affiliates, or material relationships with other financial industry participants. The Firm does not share ownership with, control, or maintain material financial arrangements with any broker-dealers, other investment advisers, insurance agencies, real estate firms, or other financial services providers. All advisory services are provided exclusively by EXDS Capital LLC with no involvement of affiliated entities or related persons.

**Absence of Conflicts:** Because the Firm maintains no financial industry affiliations or related person relationships, no conflicts of interest arise from such relationships. The Firm operates independently and is focused exclusively on providing advisory services to clients in accordance with fiduciary standards.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

**A. Code of Ethics.** EXDS Capital LLC has adopted a Code of Ethics pursuant to SEC Rule 204A-1 that establishes standards of business conduct for all supervised persons. The Code of Ethics sets forth the firm's fiduciary obligations and requires supervised persons to comply with federal securities laws. The Code of Ethics addresses conflicts of interest arising from personal securities trading by advisory personnel, including provisions for reporting of personal securities transactions and holdings, pre-clearance requirements for investments in initial public offerings and private placements, and procedures to prevent trading ahead of client orders (front-running).

The Code of Ethics reflects EXDS Capital's commitment to placing client interests first and maintaining the highest standards of integrity and ethical conduct. A copy of the Code of Ethics is available upon request. Please contact us at [info@exdscapital.com](mailto:info@exdscapital.com) to request a copy.

**B. Material Financial Interest in Client Securities.** Not applicable. EXDS Capital LLC does not act as principal in transactions with clients. We do not buy securities from or sell securities to client accounts, and we do not recommend securities in which we maintain a material financial interest. All client transactions are executed through Interactive Brokers LLC, an unaffiliated broker-dealer.

**C. Investing in the Same Securities as Clients.**

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Access Person Status. Serhii Yershov, who serves as Chief Executive Officer, Chief Investment Officer, and Chief Compliance Officer, is an "access person" under Rule 204A-1 because he has access to nonpublic information regarding clients' purchase or sale of securities and is involved in making securities recommendations to clients. As an access person, Mr. Yershov is subject to personal securities trading reporting requirements and restrictions outlined in the firm's Code of Ethics.

Proprietary Trading Account. EXDS Capital maintains a proprietary trading account for firm capital. The firm's proprietary trading account may invest in the same securities that are recommended to or held in client accounts. This practice creates a conflict of interest because:

- We have access to information about client holdings and position sizes before trades are executed
- We are aware of pending client trades before execution
- We could potentially benefit from market movements in securities also held in our proprietary account
- Portfolio manager discretion could theoretically be influenced by personal interests

**Clients First Policy and Conflict Management.** To address these conflicts, EXDS Capital has implemented the following procedures:

Client Priority in Order Allocation: When the firm and clients trade in the same security on the same day, client orders receive allocation priority. In aggregated trades that are only partially filled, client accounts are allocated their proportionate shares first. The firm's proprietary account is subordinated and receives allocation only after all client orders are fully satisfied.

No Front-Running: The firm does not place proprietary trades in advance of similar client trades. We do not use information about pending client trades to benefit our proprietary account through better execution prices or earlier market positioning.

Fair Execution Pricing: When the firm aggregates trades with client trades, all accounts (including the proprietary account if participating) receive the same average execution price. Transaction costs are allocated proportionately based on the size of each position.

Options Strategies: The firm may use options contracts in the proprietary account for more sophisticated strategies (such as covered call writing or protective puts) that may not be appropriate for most clients. These strategies limit upside potential and involve assignment risk, making them unsuitable for standard clients seeking capital appreciation. Sophisticated investors with income-focused objectives and understanding of options risks may authorize these strategies in their Investment Policy Statement after

receiving options risk disclosure documents.

**Trading Log and Monitoring:** All trades in the proprietary account are logged and reviewed by the Chief Compliance Officer (Serhii Yershov) on a quarterly basis to identify any trading patterns that could indicate improper conflicts of interest, including comparing proprietary account performance to client performance, analyzing profitability patterns (profitable vs. unprofitable trades), and assessing timing of proprietary trades relative to client trades.

**Regular Attestation:** Serhii Yershov certifies quarterly that proprietary trading has complied with the Code of Ethics, that the Clients First policy has been implemented, and that no improper conflicts or violations have occurred.

**Proprietary Account Trading Records.** The firm's proprietary trading account is maintained for firm capital and is not a personal account of Serhii Yershov. All transactions in the proprietary account are logged and documented as part of the firm's trading records. As Chief Compliance Officer, Serhii Yershov reviews proprietary account trading activity quarterly to ensure compliance with the Clients First policy and to identify any conflicts of interest. The firm maintains detailed records of all proprietary account transactions, including trade date, security, quantity, price, and comparison to client trading activity.

**CCO Personal Trading.** Serhii Yershov does not maintain a personal securities trading account separate from the firm's proprietary account. All securities trading by Mr. Yershov is conducted exclusively through the firm's proprietary account described above, which is subject to the Clients First Policy, quarterly monitoring, and attestation procedures. This eliminates potential conflicts between personal trading interests and fiduciary obligations to clients.

**D. Trading at Same Time as Clients.** Because the firm may invest in the same securities as clients and may execute trades contemporaneously with clients, the firm has implemented the procedures described in Item 11.C above to address conflicts arising from parallel trading. These procedures include:

- Client order priority in order allocation on same-day trades
- Fair average pricing for aggregated trades
- No front-running of client trades
- Trading logs reviewed quarterly for conflicts of interest

The firm maintains detailed records of all proprietary account transactions and reviews them regularly to ensure compliance with the Code of Ethics and fiduciary obligations to clients.

**E. Compensation for Sale of Securities or Other Investment Products.** Not applicable. EXDS Capital LLC and its supervised persons do not accept compensation for the sale of securities or other investment products. We do not receive commissions, 12b-1 fees, soft dollar compensation, or other transaction-based compensation from product sponsors, broker-dealers, mutual fund companies, or third parties.

## Item 12: Brokerage Practices

**A. Selection of Broker-Dealers and Custodians.** EXDS Capital LLC does not maintain custody of client assets. Your assets must be held at a qualified custodian, which is generally a broker-dealer or banking institution. We primarily recommend Interactive Brokers LLC (IBKR) as the qualified custodian for client accounts. We also can recommend Charles Schwab & Co., Inc. (Schwab) or other qualified custodians depending on client preference, account structure, and specific account requirements.

We are independently owned and operated and are not affiliated with Interactive Brokers LLC, Charles Schwab & Co., Inc., or other custodians we may recommend. While we recommend Interactive Brokers as our preferred custodian for most clients, you decide whether to use any recommended custodian and will open your account directly with the custodian of your choice.

**Factors We Consider in Selecting Custodians.** We seek to use a custodian and broker who will hold your assets and execute transactions on terms that are, overall, most advantageous to you. In evaluating custodians, we consider the following factors: execution quality and speed of order execution; trading costs and competitiveness of transaction fees and commissions; asset custody services and proper segregation of client assets; availability of investment products across multiple asset classes (stocks, bonds, ETFs, mutual funds, options, and other securities); quality of trading platforms, portfolio reporting tools, and account management systems; capability to facilitate wire transfers, deposits, withdrawals, and transfers of assets to other custodians; availability of research materials and analytical tools; quality of customer service and technical support; financial strength, stability, and regulatory compliance record; prior experience serving EXDS Capital and other clients; custodial fee structures and account maintenance charges.

**Why we selected Interactive Brokers as our primary custodian.** We selected Interactive Brokers as our primary custodian because it offers: highly competitive execution pricing and low transaction costs across multiple asset classes; no custodial fees or account maintenance charges for advisory clients; advanced trading technology and reliable order execution; comprehensive investment product availability including domestic and international securities; excellent research tools and portfolio analytics; reliable and responsive customer service; strong financial position and regulatory compliance record;

proven track record serving investment advisers and their clients.

We believe Interactive Brokers provides optimal value and execution for most EXDS Capital clients. However, clients may request a different qualified custodian based on personal preference or specific account needs.

Soft Dollar Arrangements and Custodial Benefits. The Firm does not receive "soft dollars," research, technology products, or other economic benefits from custodians in exchange for directing client brokerage or recommending custodians. We have not negotiated any arrangements to receive soft dollar benefits, client referrals, revenue sharing, or other compensation based on client trading volume or assets under management. We recommend custodians solely based on the factors described above that benefit clients (execution quality, custody fees, platform functionality, customer service, and financial strength), not based on benefits to the Firm.

## **B. Execution Quality and Brokerage Arrangement**

EXDS Capital is committed to obtaining best execution on all client trades. We evaluate execution quality through multiple metrics including: price improvement and execution pricing relative to market conditions; speed and reliability of order execution; availability of multiple asset classes in a single account; transparency regarding fees and commissions; quality of trading technology and order routing capabilities; custodian financial strength and operational reliability.

We have determined that Interactive Brokers provides best execution for most clients based on their competitive pricing, advanced trading technology, comprehensive investment product availability, and overall service quality. Interactive Brokers offers some of the most competitive commissions available in the industry, with no custodial fees, and provides access to U.S. and international securities markets.

We may aggregate (block) purchase or sale orders for multiple client accounts when clients are buying or selling the same security at the same time. Aggregating orders allows us to execute trades more efficiently, potentially negotiate better pricing through volume discounts, and achieve uniform execution prices across participating client accounts. We aggregate orders to benefit all participating clients through improved execution quality and lower costs.

When we aggregate orders, all participating accounts (including client accounts and our proprietary account, if applicable) receive the same average execution price. Transaction costs and commissions are allocated proportionately based on the dollar amount or number of shares allocated to each account. If an aggregated order is only partially filled due to insufficient market liquidity, we allocate available shares among participating accounts on a fair and equitable basis. Client accounts receive priority in allocation; our

proprietary account (if participating) is subordinated and receives allocation only after all client orders are fully satisfied (consistent with our Clients First policy described in Item 11).

We maintain written procedures governing order aggregation and allocation. We do not aggregate orders if doing so would disadvantage any participating client.

**Trading Error Policy.** In the event that EXDS Capital or Interactive Brokers causes a trading error in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending upon the circumstances, corrective actions may include:

- Canceling the erroneous trade and executing the correct trade
- Adjusting the allocation of partially filled orders
- Reimbursing your account for any losses or charges resulting from the error
- Covering any transaction costs or market impact losses incurred as a result of the error

We work promptly with your custodian to identify and correct trading errors. Upon discovery of a trading error, we will contact you promptly to explain the error and the corrective action being taken. We take responsibility for errors caused by our systems, personnel, or processes, and we will not pass trading error costs to client accounts.

**Client Direction of Brokerage.** You have the right to request that EXDS Capital direct all or a portion of your account trades to a specific broker-dealer or custodian of your choice. If you direct brokerage to a custodian other than Interactive Brokers or Schwab, you should be aware that:

- EXDS Capital may not be able to obtain as favorable execution prices and commissions as we might obtain through Interactive Brokers
- You may incur higher transaction costs, spreads, and commissions
- You may have access to fewer investment products and research tools
- You are responsible for any additional fees or charges imposed by your directed custodian
- EXDS Capital's duty to seek best execution applies only to the extent reasonably possible given your custodian direction

If you direct brokerage, please provide written instructions specifying the custodian and any special requirements. Directed brokerage arrangements do not relieve EXDS Capital of its fiduciary obligation to seek reasonable best execution under the circumstances of your directed arrangement.

**C. Recommendations Regarding Broker-Dealers.** EXDS Capital does not recommend

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clients to use specific broker-dealers for transactions outside the context of our primary custodian recommendation (Interactive Brokers or Schwab). All client trades for portfolio management services are executed through the custodian where your account is held. We do not enter into separate brokerage arrangements or recommend third-party broker-dealers for executing client trades.

## Item 13: Review of Accounts

### A. Periodic Account Reviews

Portfolio Management Clients. Client accounts are reviewed regularly by Serhii Yershov, Chief Executive Officer and Chief Investment Officer. We conduct formal account reviews at least quarterly, assessing portfolio performance relative to benchmarks, asset allocation relative to your Investment Policy Statement, market conditions, and rebalancing opportunities. Reviews ensure your portfolio remains aligned with your investment objectives and risk tolerance. All portfolio management clients receive periodic reviews on a systematic basis.

Financial Planning Clients. Financial planning and wealth advisory services are provided on a project basis. We do not provide ongoing reviews or monitoring following delivery of the written financial plan. Clients may request plan updates as separate engagements if their financial circumstances change materially.

**B. Non-Periodic Reviews.** We may conduct additional reviews and recommend portfolio adjustments when triggered by significant market volatility, extraordinary market events, material changes in your financial circumstances, changes to your investment objectives, or substantial performance divergence from benchmarks. We will contact you if circumstances warrant non-periodic review or if we recommend material portfolio changes.

**C. Client Reports.** You will receive regular account statements from Interactive Brokers LLC (your qualified custodian) at least quarterly showing holdings, transactions, cash balances, fees, and account valuations. You should review these statements carefully and contact us or your custodian regarding any discrepancies or unauthorized transactions.

EXDS Capital Performance Reports. We provide quarterly performance reports to portfolio management clients that include portfolio performance compared to benchmarks, asset allocation summary, and market commentary. We also provide trade confirmations from Interactive Brokers for each transaction. We remain available to answer questions about your account, portfolio, or investment strategy. You may contact us at [info@exdscapital.com](mailto:info@exdscapital.com).

## **Item 14: Client Referrals and Other Compensation**

The Firm does not pay referral fees to others for introducing clients to us, nor do we receive any economic benefit from third parties for providing advice.

## **Item 15: Custody**

The Firm does not accept or maintain physical custody of client funds or securities. The Firm is deemed to have custody only because it has authority to deduct fees from client accounts. The Firm does not accept checks or other assets made out to third parties on behalf of clients.

## **Item 16: Investment Discretion**

Clients grant the Firm discretionary trading authority by signing an advisory agreement. This allows us to manage the portfolio in a timely manner in accordance with the client's IPS. You can terminate the discretionary authorization at any time by giving us written notice. Additionally, you are advised that:

- You can set parameters with respect to when the account should be rebalanced and set trading restrictions or limitations.
- Your written consent is required to establish any investment management account.

## **Item 17: Voting Client Securities**

The Firm will not vote proxies on behalf of clients. Clients will receive proxy materials directly from their custodian. You can contact us to ask questions and opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

Class Action Lawsuits. The Firm will not take action on behalf of clients regarding class action lawsuits. Upon request, we will provide clients with the transaction information necessary for them to file a claim.

## **Item 18: Financial Information**

The Firm does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. The Firm has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients and has not been the subject of a bankruptcy petition.