

**CleverAlpha Asset Management, LLC.**  
**Form CRS Customer Relationship Summary**  
**August 21, 2023**

CleverAlpha Asset Management, LLC. (“CleverAlpha”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). The services of and fees for brokerage and investment advisory services differ and it is important for you to understand those differences. Free and simple tools are available to you to research CleverAlpha, other firms and financial professionals at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), where you may also find important educational materials about broker-dealers, investment advisers and investing.

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

We offer investment advisory services to retail investors, like you. As part of our advisory service, we conduct a preliminary digitally based interview with clients to understand their age, financial condition, employment status, investment objectives, risk tolerance and time horizon. Then via a subsequent series of interview questions a risk tolerance score is mapped to the client which all combined the algorithm will select a portfolio comprised of stocks, ETFs, Funds and/or cash (collectively, Assets”). Based on the client’s information, the algorithm will periodically rebalance accounts under our management, and will seek to balance risk, reward and taxable exposure.

**Ask your financial professional the following questions:**

*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?*

CleverAlpha manages accounts on a discretionary basis. Discretionary basis means our firm has authority to determine the type of securities bought and sold, the dollar amounts of the securities to be bought and sold and whether a client’s transaction should be combined with those of other clients and traded as a “block” without consulting you first. We maintain this discretion until it is revoked (e.g., by termination). There is no minimum account size; however, the minimum deposit is \$10.

*For further information about our services and advice please read Items 4, 7, and 8 of our Form ADV Part 2A disclosure brochure. [Click here](#) for a copy or go to*

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**What fees will I pay?**

Clients with portfolios less than \$5,000 will be charged \$1 per month for assets under management (AUM), and for portfolios greater than \$5,000, CleverAlpha charges 25 bps per annum. There are no other separate fees for any trade execution or custody service. CleverAlpha generally charges a monthly asset management fee in advance, based on the AUM as of the close of business on the last business day of the preceding calendar month. Fees will be deducted from your account. You may pay additional fees to third parties in connection with your managed account. These can include (as applicable), mutual fund 12b-1 fees, distribution fees, deferred sales charges, IRA fees, wire

**Ask one of our financial professionals the following questions:**

*Help me understand how these fees and costs might affect my investments. If I give you \$5,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

transfer and electronic fund fees, and other administrative fees. However, the Firm does not receive any portion of these costs. 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.

*More detailed information about our fees and other costs associated with investing, along with applicable conflicts can be found in Items 5, 10, and 14 of our Form ADV Part 2A disclosure brochure. [Click here](#) for a copy or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

***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 serving as your investment adviser, our primary obligation is to act in your best interest, prioritizing your financial objectives over our own interests. However, it's important to note that the way we generate revenue can sometimes create conflicts of interest with your financial goals. We encourage you to discuss these potential conflicts with us, as they may influence the investment advice we offer you. For instance, our fee structure may incentivize us to manage your assets in a way that is more aggressive or carries higher risk, aiming to increase the account value and subsequently, our compensation.

**Ask your financial professional:**

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

To clarify any questions about our affiliations, it should be noted that Rick Cabanes and Lucio Flores of CleverAlpha Asset Management are licensed brokers with Velocity Clearing LLC. However, there is no business relationship or service exchange between CleverAlpha Asset Management and Velocity Clearing LLC. Our association with Velocity is solely to assist them in the development of software and a digital broker-dealer platform. CleverAlpha Asset Management does not utilize any services or products from Velocity Clearing.

*More detailed information about our conflicts of interest can be found in Items 4, 5, 8, 10, 11, 12, and 14 of our Form ADV Part 2A disclosure brochure. [Click here](#) for a copy or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

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

Rick Cabanes and Lu Flores are the principle owners of the firm and receive a base salary and proportional profits from the earnings of the firm. For more information about compensation arrangements for CleverAlpha professionals and related conflicts of interest are found in CleverAlpha's Form(s) ADV Part 2B. The Form ADV Part 2B for any of our Investment Adviser Representatives is available through us by request at: 425 15th Street, C3321 Manhattan Beach, CA 90266 or by phone at (310) 293-7837 or by email at support@cleveralpha.com.

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

Yes. Please go to [www.Investor.gov/CRS](http://www.Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Ask your financial professional:**

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

***Additional Information***

**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?*

Additional information and a copy of this Form CRS can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching “CleverAlpha Asset Management” or by contacting us at 425 15th Street, Suite 3321 Manhattan Beach, CA 90266 or by phone at (310) 293-7837 or by email at [support@cleveralpha.com](mailto:support@cleveralpha.com).