

### Item 1: Introduction

Alethea Capital Management, LLC is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

### Item 2: Relationships and Services

***What investment services and advice can you provide me?*** We offer to retail investors investment advisory services which includes portfolio management and financial planning. As part of our standard services, we typically monitor client accounts on a daily basis, but no less than monthly. We manage client accounts on a discretionary basis – with account supervision guided by the clients’ investment objectives. Our discretionary authority allows us to decide which securities to buy or sell and/or choose the amount of securities to buy or sell. Additionally, we may recommend to certain qualified clients, investment in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients’ investment objectives. For investments in our affiliated private pooled investment vehicles, the minimum investment amount will be disclosed in the subscription agreement and other fund documents. **For additional information**, please see our Form ADV Part 2A (“[Brochure](#)”), specifically Items 4 and 7.

***Questions to ask us:*** *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: Fees, Costs, Conflicts and Standard of Conduct

***What fees will I pay?*** We provide investment management services for an annual fee (between 0.50% and 2.00%) based upon a percentage of the market value of assets being managed (“[Management Fee](#)”). The Management Fee is exclusive of any brokerage commissions, transaction fees, and other related costs and expenses which are incurred by your account. The Management Fee is prorated and charged quarterly, in advance. We may also render investment management services to certain qualified clients for a performance-based fee (“[Performance Fee](#)”) in addition to the Management Fee. The Performance Fee is charged of up to 20% of the account’s net performance, subject to reaching an agreed-upon hurdle rate and a perpetual high-water mark. The Performance Fee is charged annually, in arrears, based on the net appreciation of the account at the end of the calendar period. This fee arrangement raises a conflict of interest where there may be an incentive for us to make investments that are riskier or more speculative than would be the case absent a Performance Fee arrangement or to favor accounts that pay a Performance Fee. The more assets there are in your advisory account, the more you will pay in fees; thus, we may have an incentive to encourage you to increase the assets in your account. For additional information, please see Items 5 and 6 of our [Brochure](#).

***Third Party Costs:*** In addition to our advisory fees, you may incur charges from custodian(s) and other third parties such as trading commissions, transaction fees, custodial fees, fees charged directly by a mutual fund or ETF, and other fees and taxes on brokerage accounts and securities transactions. Such charges are exclusive of and in addition to our advisory fees. **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**, please see Item 5 of our [Brochure](#).

***Questions to ask us:*** *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.

**Proprietary Products:** We act as the General Partner to our affiliated private pooled investment funds in exchange for a Management Fee and Performance Fee, as applicable. All relevant information, terms and conditions relative to the private fund, including compensation received by us, suitability, risk factors, and potential conflicts of interest, are set forth in a confidential private placement memorandum, limited partnership agreement, and/or subscription agreement, which each qualified investor is required to receive and execute prior to investing in the private fund.

**Third-Party Payments:** We use TD Ameritrade and Charles Schwab as the primary custodians for our clients. TD Ameritrade and Schwab may provide us with additional products and/or services which assist us in managing and administering our client accounts. Products and/or services include research, brokerage, custody, and access to certain investments that are otherwise available only to institutional investors. In addition, we may engage in a solicitor/referral arrangement where solicitors are compensated for referring prospects to our firm. As part of our fiduciary duty, we always endeavor to put the interests of our clients first, however, clients should be aware that our receipt of economic benefits (including our related persons) in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of our primary custodians for custody and brokerage services.

**Questions to ask us:** *How might your conflicts of interest affect me, and how will you address them?*

**For additional information,** please see Items 4, 6, 12, and 17 of our [Brochure](#).

**How do your financial professionals make money?** We are compensated based on salary with bonus incentives. Compensation may vary based on factors such as individual goal-based or firm goal-based, and can be tied to growth in client base, assets under management, and new net assets.

#### Item 4: Disciplinary History

**Do you or your financial professionals have legal or disciplinary history?** No. A free search tool to research us and our financial professionals is available at [www.investor.gov/CRS](http://www.investor.gov/CRS).

**Questions to ask us:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

#### Item 5: Additional Information

**For additional information about our services,** please see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/156500> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date information, or would like a copy of this Client Relationship Summary, please call us (858) 926-2058.

**Questions to ask us:** *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?*