

Item 1: Introduction

Alethea Capital Management, LLC (hereinafter “we”, “our”, or “us”) is an investment adviser registered with the Securities and Exchange Commission. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Please visit [Investor.gov/CRS](https://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 (“Management Fee”) of between 0.50% and 2.00% based upon a percentage of the market value of assets being managed. 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. In addition to the Management Fee, we may also render investment management services to certain qualified clients for a performance-based fee (“Performance 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 are the General Partner to our affiliated private pooled investment funds which we receive management fees. 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 Charles Schwab as the primary custodian for our clients. Charles 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.

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 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 www.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?*