

Form ADV Part 3 Customer Relationship Summary – Innealta Capital, LLC

March 28, 2023

Introduction: Innealta Capital, LLC (“Innealta,” the “Adviser,” the “Firm,” “we,” “us” or “our”) is registered with the Securities and Exchange Commission as an investment adviser. Registration does not imply a certain level of skill or training. Brokerage and investment advisory services and fees differ, and it is important for you to understand the difference. Free and simple tools are available to research firms and financial professional at [Investor.gov/CRS](https://www.investor.gov/CRS) which also provides 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 through separately managed accounts, including certain wrap fee programs (“SMA Programs”). Those investment advisory services we offer include:

- Developing investment strategies designed to meet your financial goals after considering personal financial circumstances and risk tolerance
- Monitoring investment accounts and updating strategies as circumstances or financial markets change
- Communicating (in-person, phone, or email) investment strategy status updates and market insights as it relates to the investor’s accounts

We offer advisory accounts for which *we exercise investment discretion (i.e. discretionary accounts)*, and advisory accounts for which we *do not exercise investment discretion (non-discretionary accounts)*. A discretionary account allows us to buy and sell investments in your account, without requiring permission in advance. In a non-discretionary account, we give advice and you decide what investments to buy and sell. Although eligible investments may vary by account type, strategy and investment guidelines, we generally do not restrict our advice to a limited menu of investments. We may agree on customized investment guidelines, including specific restrictions, so long as we are able to implement them and to do so without fundamentally altering the strategy. Other firms could provide advice on a wider range of choices, some of which might have lower costs. To open an account, the Adviser does not require a minimum account size.

For additional information on us, the types of clients we advise and the types of services we offer, please refer to our [Form ADV Part 2A](#). To start a conversation about relationships and services, you should also consider asking our financial professionals:

- *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?*

What fees will I pay? If you open an investment advisory account with us, you will be charged an on-going management fee based on the value of cash and investments in the advisory account. The fees you will be charged are assessed either quarterly in arrears or quarterly in advance as mutually agreed upon. Our standard fee schedule, which is subject to change and may be negotiated, is as follows:

- 1.00 percent per annum (0.25% per quarter) of the first \$1,000,000; and
- 0.75 percent per annum (0.1875% per quarter) of the next \$9,000,000; and
- 0.5percent per annum (0.125% per quarter) for any amount above \$10,000,000.

In addition to investment management fees, you will typically also directly or indirectly pay brokerage commissions, operating fees, custodial fees, transaction fees, taxes and other fees and expenses. Other than investment management fees, we do not retain any portion of these fees and costs.

The fees, expenses and billing practices will be different for clients participating in an SMA Program (*i.e.*, wrap fee program). In an SMA Program, the management fee/asset-based fee will include most transaction costs and fees to the SMA Program sponsor (*i.e.*, broker-dealer or bank) that will custody (*i.e.*, hold) your assets, and as a result SMA Program fees are typically higher than non-SMA Program fees. Although transaction fees are usually included in the SMA Program fee, sometimes you will pay an additional transaction fee for investments bought and sold outside the SMA Program. Paying for a SMA Program could cost more than separately paying for advice and for transactions if there are infrequent trades in your account.

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 on our fees and costs, please refer to our [Form ADV Part 2A](#). To start a conversation about the impact of fees and costs on investments, you should consider asking our financial professionals:

- *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 to 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 to you. Here are some examples to help you understand what that means:

- Proprietary Products: Investments that are issued, sponsored, or managed by us or our affiliates.
- We manage multiple accounts that pursue similar strategies or transact in the same investments, some of which may provide materially higher fees than other accounts. We may have an incentive to favor certain of those accounts over others in trade execution, limited offering allocation and other matters.
- We manage mutual funds and may have an incentive to place you into one of those mutual funds or invest your assets into such mutual funds instead of another investment.

We and our affiliates invest, on behalf of themselves, in securities and other instruments that may be appropriate for you, are held by you, or may fall within your investment guidelines. For additional information on our other activities, the conflicts they present and our policies, procedures and controls to address those conflicts, please refer to our [Form ADV Part 2A](#). To start a conversation about conflicts of interest, you should consider asking our financial professionals:

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

How do our financial professionals make money? Our portfolio managers receive fixed and variable compensation in cash and non-cash forms. The fixed compensation is an annual base salary based on various factors, such as performance, scope of responsibility, skills, knowledge, experience, ability and market competitiveness. The variable compensation is a discretionary bonus based on various factors, including but not limited to account performance, client support and investment team support. The way our portfolio managers make money creates some conflicts with your interests as they may have an incentive to favor certain accounts, to invest in affiliated products or to pursue riskier strategies.

Do we or our financial professionals have legal or disciplinary history? No. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals. To start a conversation about legal or disciplinary history, you should consider asking our financial professionals: As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information: For additional information about us and our services, please visit innealtacapital.com. We encourage you to seek additional information about our advisory services and to request a copy of this relationship summary by contacting Innealta via phone at (737) 808-4640 or via e-mail at consulting@innealtacapital.com. Additional information about Innealta is also available via the SEC's web site www.adviserinfo.sec.gov. The searchable IARD/CRD number for Innealta is 292158. To learn more about contacts and complaints in the event you have issues or questions, you should consider asking our financial professionals:

- *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?*

Innealta
C A P I T A L

13215 Bee Cave Parkway | Building A, Suite 240 | Austin, Texas 78738
Phone: (737) 808-4640 | consulting@innealtacapital.com