

## ***Clearwater Capital Partners***

### ***Form CRS Customer Relationship Summary***

#### **Introduction**

Clearwater Capital Advisors, LLC does business as Clearwater Capital Partners and is registered with the Securities and Exchange Commission (SEC) as an investment adviser.

Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://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?**

Our firm offers the following principal investment advisory services to retail investors.

Our firm provides investment discretion for the following services. If you invest on a discretionary basis, our firm will buy and sell investments in your accounts without requiring your pre-approval on an ongoing basis until you notify us in writing to switch. These services include the provision of continuous monitoring based on your particular circumstances as part of our standard service:

- Portfolio Management Services
- Thematic Exploration Strategy Portfolios
- Wrap Fee Program
- Participant Managed Strategies

Our firm offers the following consulting services on a nondiscretionary basis. When engaged on a nondiscretionary basis, you make the ultimate decision regarding the purchase or sale of investments. As part of our standard service, we do not continuously monitor client circumstances but rather make updates based on situational changes as directed by the client. Alternative Investments under management will be continuously monitored.

- Family Office Services
- Insurance Reviews
- Private Wealth Management
- Alternative (Private Placement) Investments
- Institutional Advisory Services
- Financial/Retirement Planning
- Investment Strategy Reviews and Recommendations

Insurance services are offered through an independent insurance agency, Clearwater Capital Insurance, LLC, a separate legal entity under common ownership and control with us. Bill pay and general ledger services are offered through Clearwater Capital Accounting Services, LLC, a separate legal entity under common ownership and control with us. Our firm has policies in place to ensure no custody of client assets results from these services. Clients are not required to purchase insurance products or accounting services through them, but we have an incentive to recommend specific courses of action through these related entities that may lead to employees and/or the firm receiving additional compensation.

We generally do not require a minimum account size for any of these services but choose our clients based on specific facts and circumstances of each case. We do not offer proprietary products and are not limited to a specific menu of products or types of investments but are free to use the solution we feel best meets your needs.

**For additional information, please see Items 4, 7, 8 and 10 of our Form ADV Part 2A Brochure, and Items 4 and 5 of Part 2A Appendix 1 available at: <https://www.ccpwealth.com/disclosures> or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>**

**Conversation Starter.** We encourage you to ask your financial professional:

- *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?**

Our asset-based fees are generally assessed monthly or quarterly, in advance, as agreed, and are disclosed in our Form ADV Part 1A, Item 5.E. and more fully described in our Form ADV Part 2A, Item 5. Effective 3/31/2024, all new relationships will be subject to a minimum monthly fee of \$416.67 (\$5,000 annually). This minimum is an aggregate figure across the client billing group and will be applied across accounts under management on a prorated basis.

Portfolio Management Services and Wrap Program fees are generally calculated as a percentage of assets under management, according to a tiered schedule. Clients typically pay an annual rate of 1.0% for the first \$2 million with a decreasing rate associated with each of several additional tiers based on total assets managed. Applicable fees will be detailed in the advisory agreement. Participant Managed Account participants pay 1.0%, instead of the tiered schedule rate. While we believe there are numerous benefits to having a single advisor providing a comprehensive strategy, it is important to understand that the more assets held in your account, the more you will pay in fees. We, therefore, have an incentive to both grow the account(s) through performance and to encourage you to increase the amount of your assets we manage. If you invest in a wrap fee program, asset-based fees associated with the wrap fee program will include most transaction costs to a broker-dealer or bank that has custody of these assets. We, therefore, have an incentive to reduce the number of transactions made in a wrap fee program account or to use securities with lower transaction fees. It should be noted, though, that custodian transaction fee levels

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are generally falling, and have gone to zero in some cases, thereby reducing this incentive over time. It should also be noted that we also have an incentive to grow and protect your account balance, to the best of our ability, through trading and security selection that looks beyond transaction fees only.

Clients participating in non-discretionary consulting and Family Office services may be charged a negotiated hourly fee, flat rate fee, and/or monthly retainer based on the complexity of services provided. Specific fees and services will be detailed in the consulting agreement. We, therefore, have an incentive to recommend specific courses of action through the firm's services that may lead to representatives and/or the firm receiving additional compensation. Fees are due upon completion of the services agreed upon.

In addition to the principal fees and costs listed above, there are other fees and costs related to our investment advisory services that you will pay directly or indirectly. Examples of the most common additional fees and costs include custodial and brokerage fees, including trade fees. Mutual funds and exchange-traded funds also charge management fees, which are separate from the fees assessed by us. We do not receive any portion of any of these 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 Form ADV, 2A Brochure and the ADV 2A Appendix 1 available at:

<https://www.ccpwealth.com/disclosures> or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

**Conversation Starter.** We encourage you to ask your financial professional:

- *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?**

We believe that in order to properly do our job we must fully embrace our Fiduciary duty to our clients. *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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

- Our firm makes money by offering products and services to you that we in turn earn money on and, therefore, have an incentive to sell these to you. Some services have higher fees. We, therefore, have an incentive to encourage a client to use those services.
- As mentioned above, the more assets the client has in his/her account(s), the more we receive in fees. We, therefore, have an incentive to encourage a client to increase the assets in his/her account(s).

**Conversation Starter.** We encourage you to ask your financial professional:

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

For additional information, please see Items 5 and 10 of our Form ADV, 2A Brochure available at:

<https://www.ccpwealth.com/disclosures> or <https://www.adviserinfo.sec.gov/IAPD/default.aspx>.

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

Some of our financial professionals are compensated based on the revenue the firm earns from the financial professional's advisory services or recommendations and, therefore, earn higher compensation for managing more of your money. Others are paid a flat salary. They also receive a discretionary bonus, paid in cash and/or stock of our company, that is determined by the Board of Directors and may be based on the amount of client assets they service, the time and complexity required to meet client needs, efforts to acquire new clients, and other contributions to the firm. In theory, this compensation system can create conflicts as the financial professional is incentivized to seek new clients and increase managed assets, rather than only servicing existing accounts.

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

No, neither our firm nor our financial professionals have any legal or disciplinary history. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** We encourage you to ask your financial professional:

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

**Additional Information**

If you would like additional, up-to-date information or a copy of this relationship summary or our Form ADV, Part 2A Brochure, please call 847-841-8650.

**Conversation Starter.** We encourage you to 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?*

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**Summary of Material Amendments**

As of 3/27/2025, the following material changes have been made to the Customer Relationship Summary (CRS) for Clearwater Capital Partners (CCP) based on information previously provided on CRS dated 3/27/2024:

- The response to “What investment services and advice can you provide me?” has been updated to include bill pay and general ledger services are offered through Clearwater Capital Accounting Services, LLC, a separate legal entity under common ownership and control with us. Our firm has policies in place to ensure no custody of client assets results from these services. Further, it has been clarified that for clients receiving consulting and non-discretionary advisory services, CCP will continuously monitor Alternative Investments under non-discretionary management on an ongoing basis.
- The response to “What fees will I pay?” has been updated to specify that the specific fee applied will be detailed in the client agreement.
- The response to “How do your financial professionals make money?” has been updated to clarify that some of our financial professionals receive a flat salary rather than revenue based compensation.