

**Denali Advisors, LLC**  
**Client Relationship Summary**  
**September 24, 2024**

## **Item 1: Introduction**

Denali Advisors, LLC (“we”, “us”, our “firm”) is registered with the Securities and Exchange Commission as an Investment Advisor. Brokerage and investment advisory services and fees differ, and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## **Item 2: Relationships and Services**

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

Our firm offers investment advisory services to retail investors on a discretionary basis, meaning we can buy and sell securities without your permission. We will tailor our services to your individual needs. You may impose restrictions on your account to us in writing. We do not limit our advice to proprietary products, or a limited menu of products or types of investments. We require you to have a minimum investment to open an account with us that ranges from \$250,000, however, we may accept lesser amounts. As part of our standard offering, we will monitor your account on a daily basis and provide a formal analysis to you on a monthly or quarterly reporting cycle. **FOR ADDITIONAL INFORMATION REGARDING OUR SERVICES, PLEASE SEE SECTIONS ADVISORY BUSINESS, TYPES OF CLIENTS, AND REVIEW OF ACCOUNTS OF OUR FORM ADV PART 2A, WHICH CAN BE FOUND ON THE SEC’S WEBSITE AT [HTTPS://ADVISERINFO.SEC.GOV/FIRM/SUMMARY/110242](https://adviserinfo.sec.gov/firm/summary/110242).**

*Ask us 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?***

## **Item 3: Fees, Costs, Conflicts and Standard of Conduct**

### ***What fees will I pay?***

For our investment management services you will generally pay a quarterly management fee based on the assets under management with our firm, however this fee may be negotiated or waived. Client requirements and facts and circumstances relating to accounts may also result in different fee rates. Some clients are billed in advance while others are billed in arrears. While not charged by us, you may also pay custodial fees to the broker-dealer that holds your assets, a transaction fee and commissions to those broker-dealers when we buy or sell an investment in your account. We participate in wrap fee programs. Clients invested in wrap products may pay a higher total management fee than other clients. Clients invested in certain products may pay a performance-based fee, which is typically 20% of profits.

**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 REGARDING OUR FEES, PLEASE SEE SECTION FEES AND COMPENSATION OF OUR FORM ADV PART 2A, WHICH CAN BE FOUND ON THE SEC’S WEBSITE AT [HTTPS://ADVISERINFO.SEC.GOV/FIRM/SUMMARY/110242](https://adviserinfo.sec.gov/firm/summary/110242).**

*Ask us the following question:* 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**

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**ARE SOME EXAMPLES TO HELP YOU UNDERSTAND WHAT THIS MEANS.** Our fees are asset-based. Thus, the more money you invest with us the more fees you will pay. As a result, we have an incentive to encourage you to increase your assets in your account. However, if you are a non-fee-paying account, this conflict does not apply. We mitigate these risks by implementing a trade rotation process, blocking trades, maintaining proper written records, and allocating at average price. A performance-based fee arrangement creates a conflict of interest by creating an incentive for us to direct potentially better investments and/or allocate favorable trades to performance-based accounts for accounts for the potential of higher compensation. We mitigate this potential conflict of interest by monitoring and ensuring that all performance-based accounts are managed in the same manner. Denali receives other benefits, called “soft dollars”, which refers to the practice of using broker commission dollars to pay for trading and research related goods or services and trade execution. This creates a conflict of interest because under such arrangements Denali receives a benefit for which it does not have to pay. Thus, Denali has an incentive to select a broker-dealer based on the goods and services offered. Using “soft dollars” can result in clients having to pay higher commissions than other broker-dealers in exchange for these benefits. We regularly evaluate such arrangements. **FOR ADDITIONAL INFORMATION REGARDING OUR CONFLICTS, PLEASE SEE SECTION FEES AND COMPENSATION OF OUR FORM ADV PART 2A, WHICH CAN BE FOUND ON THE SEC’S WEBSITE AT [HTTPS://ADVISERINFO.SEC.GOV/FIRM/SUMMARY/110242](https://adviserinfo.sec.gov/firm/summary/110242).**

*Ask us the following question:*

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

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

Our financial professionals are paid a base salary and either a share of the firm’s profits through direct ownership or a profit-sharing plan. In addition to the salary, the professionals are paid a discretionary bonus that is based on the professional’s attainment of their personal goals. The portfolio manager’s bonus is based on achieving risk-adjusted excess return, research ideas and client service. Like most businesses, we have an incentive to drive profits and performance.

**Item 4: Disciplinary History**

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

No. Please visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple tool to research our firm and financial professionals.

*Ask us the following question:*

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

**Item 5: Additional Information**

For additional information regarding our fees, services, and conflicts, please see our *form adv part 2a, which can be found on the sec’s website at <https://adviserinfo.sec.gov/firm/summary/110242>*, or visit our website at [www.DenaliAdvisors.com](http://www.DenaliAdvisors.com). Please contact Deborah Lamb at 1-858-558-3600 for more up-to-date information or request a copy of this client relationship summary.

*Ask us the following questions:*

**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?**