

CLS Investments, LLC (“CLS”, “we”, “our”, or “us”) is registered with the Securities and Exchange Commission as an *investment adviser*. The services provided and fees charged by *investment advisory* and *brokerage* firms differ, and it is important that retail investors understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about investment advisers, broker-dealers and investing.

What investment services and advice can you provide me?

We provide investment advisory services to retail investors and other clients. We primarily provide investment management by partnering with unaffiliated investment advisers and working through their financial representatives (“Financial Advisors”) to offer investment strategies for clients who wish to utilize our services. We tailor an investment portfolio designed for you based on the management strategy you select. The process begins when you work with your Financial Advisor to fill out a Client Profile and Investment Advisory Agreement and select your appropriate strategy. The Client Profile will help you to clarify your financial objectives and goals and establish your tolerance to risk. The Client Profile is used as the primary reference for managing your portfolio. You can also indicate any special instructions or limitations that you request us to follow in managing your assets.

Each investment strategy gives us discretion to provide continuous, discretionary investment advice based on your individual objectives and needs, which means we do not need to get your permission before buying or selling a security in your account. Our portfolio managers and investment committee regularly monitor the individual securities utilized in all client accounts and your Financial Advisor monitors your account as needed, but on an annual basis at a minimum. We utilize various security products including: exchange traded funds (“ETFs”), mutual funds, bonds, equities and/or other securities in association with the investment strategy selected by you. Certain strategies utilized the AdvisorOne Funds, which are managed by us. Generally, if you select a strategy that utilizes stocks or ETFs, you will be enrolled in a wrap fee program. Under the wrap fee programs, investment advice and costs of trade executions are provided for an all-inclusive wrap fee. This means that under wrap fee programs, we pay the trading costs out of the fee that we receive from you.

The minimum account size starts at \$10,000, but is dependent upon which strategy you select. More detailed information regarding our services is provided in our Form ADV, Part 2A Brochure, which is available here: clsinvest.com/inquiries/. For a description of the management style and products utilized for each strategy, please see Item 8.

“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?

For our services, we charge an advisory fee based on a percentage of the value of your assets managed by CLS. Our advisory fee is billed either in advance or in arrears, on a monthly or quarterly basis, as specified in your Investment Advisory Agreement. A portion of the advisory fee we charge is paid out to your Financial Advisor (the “Financial Advisor Retained Portion”) and the remainder of the fee is retained by CLS (the “CLS Retained Portion”).

Advisory fees billed in advance are based on the market value of all your assets under management on the last trading day of each advisory fee period, unless otherwise specified. If your advisory fees are billed in advance, you may also be billed for additional monies added to your account during the advisory fee period. No adjustments to your advisory fee will be made for monies withdrawn during the advisory fee period. Upon termination, CLS will issue you a prorated refund of all unearned advisory fees that were paid in advance. Advisory fees billed in arrears will generally be determined based on your account balance on a daily basis unless otherwise specified. Please refer to your Investment Advisory Agreement, including attached addendums and schedules, to determine the manner your advisory fees will be calculated and billed. In any partial advisory fee cycle, your advisory fee will be pro-rated based on the number of days your assets are under management for the applicable period.

Our fees are negotiable, but they generally range from 0.00% - 2.30%. This amount includes the Financial Advisor Retained Portion. If you select a strategy that invests directly in ETFs, stocks, or bonds you will be enrolled in our wrap fee program. Under the wrap fee program, investment advice and costs of trade executions are provided for an all-inclusive wrap fee. This means that under wrap fee programs, we pay the trading costs out of the fee that we receive from you. As a result our fee schedule for our wrap fee program is higher than the fee schedule for our non-wrap fee program.

Our advisory fees are separate and distinct from fees and expenses charged by mutual funds or ETFs, which fees and expenses are described in the fund's prospectus, and are exclusive of all fees paid to third parties and custodians.

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. Because we charge an asset-based fee, the total fees you pay us will increase with the size of your account. This creates an incentive for us to recommend that you increase the assets in your account. Fees received by CLS from the AdvisorOne Funds may exceed our standard advisory fee, creating an incentive for us to recommend the AdvisorOne Funds for a client's account.

More detailed information regarding fees and costs can be found in your agreement with us and in Item 5 of our Form ADV, Part 2A Brochure, which is available here: clsinvest.com/inquiries/.

“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 certain 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. CLS receives advisory fees based on the amount of assets in the AdvisorOne Funds, which creates an incentive for us to use the AdvisorOne Funds in client accounts. Fees received by CLS from the AdvisorOne Funds may exceed our standard advisory fee, creating an incentive for us to recommend the AdvisorOne Funds for a client's account.

Constellation Trust Company. We do not serve as the custodian for your managed assets; however, we do have an affiliated custodian, Constellation Trust Company (“CTC”). We have an incentive for you to custody your accounts at CTC because they are more operationally efficient for us to manage and because CTC earns revenue from accounts for which it provides custodial services.

TD Ameritrade Additional Services. We receive certain additional economic benefits from TD Ameritrade (“Additional Services”). The Additional Services include our fees for utilizing certain vendors that facilitate management of your account. This creates a conflict of interest as we have incentive when recommending you maintain your assets at TD Ameritrade, in order to receive these Additional Services.

More detailed information about our conflicts of interest can be found in our Form ADV, Part 2A Brochure, which is available here: clsinvest.com/inquiries/.

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

How do your financial professionals make money?

Our portfolio managers' compensation includes an annual fixed salary and a discretionary bonus, which is based on our firm's profitability. Our sales associates receive compensation based on gross sales of CLS's investment programs. Certain professionals have an equity interest in CLS. These compensation structures creates an incentive for our financial professionals to recommend that you increase the size of your account with us.

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

Yes, one of our portfolio managers settled an outstanding student loan debt in 2014 with a creditor. For a free and simple search tool to research us and our financial professionals, please go to investor.gov/CRS.

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

Additional Information

For additional information regarding us (including an up-to-date copy of this statement), please contact us by telephone at 888.455.4244 or visit our website at clsinvest.com/inquiries/.

“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?”