

ITEM 1: COVER PAGE

Clipper Advisor LLC

<http://www.clipperadvisor.com>

FORM ADV PART 2A
FIRM BROCHURE
March 30th, 2020

This brochure provides information about the qualifications and business practices of Clipper Advisor LLC (“Clipper Advisor”). If you have any questions about the contents of this brochure, please contact Clipper Advisor at (203) 485-0563 or by email at advisor@clipperadvisor.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Clipper Advisor is available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

There are no material changes up-to-date.

ITEM 3: TABLE OF CONTENTS

ITEM 4: ADVISORY BUSINESS

ITEM 5: FEES AND COMPENSATION

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ITEM 7: TYPES OF CLIENTS

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

ITEM 9: DISCIPLINARY INFORMATION

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

ITEM 12: BROKERAGE PRACTICES

ITEM 13: REVIEW OF ACCOUNTS

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

ITEM 15: CUSTODY

ITEM 16: INVESTMENT DISCRETION

ITEM 17: VOTING CLIENT SECURITIES

ITEM 18: FINANCIAL INFORMATION

ITEM 4: ADVISORY BUSINESS

Clipper Advisor is a Greenwich, Connecticut based financial advisor incorporated in the State of Delaware registered with the United States Securities and Exchange Commission (the “SEC”), which operates as an Internet-based investment advisory business under the name Clipper Advisor LLC as of May 14th, 2015. Clipper Advisor manages approximately \$3,250,000 on a non-discretionary basis as of January 28th, 2016. Clipper Advisor is owned 100% by Clipper Advisor Group Inc., incorporated in the Cayman Islands as of May 7th, 2015.

Clipper Advisor offers investment advice and portfolio optimization services to individuals, retail, and institutional clients through a secure website and mobile application: <http://www.clipperadvisor.com>. Clipper Advisor seeks to provide clients with an internet-based investment management service where they can receive investment advice for their portfolio holdings in an easy-to-use online website and mobile application.

Clipper Advisor’s goal is to offer clients state-of-the-art strategies to optimize their holdings to order to meet their financial interests by assessing the progress of their portfolios and receive recommendations for managing those assets. Clients must understand that any type of investing will involve risk of loss due to market volatility and neither Clipper Advisor nor anyone else can predict or guarantee any level of return on investments.

Our investment advisory service delivers investment analysis and recommendations based on financial information provided by clients through our automated computer algorithms on our website and mobile application. Clients receive ongoing investment management for their portfolios for a fee. Our algorithms generate investment analysis and recommendations based on personal and financial information provided by clients. Clipper Advisor will be authorized to place trades and rebalance portfolios on the clients’ behalf. Clients are required to provide accurate information and update any changes according to their circumstances for us to help them optimize their financial goals. Our investment advisory service may include, but not be limited to, buying, selling, holding or otherwise gaining exposure to equity securities that are exchange traded or offered by foreign issuers, mutual fund shares, exchange traded funds (“ETFs”), and U.S. Government securities.

ITEM 5: FEES AND COMPENSATION

Clipper Advisor’s service charges a management fee of 1 percent of the total assets under management (the “Management Fee”). The Management Fee is calculated based on the client’s total assets under management on the first day of the first full month of service and then in three month intervals thereafter. The total assets of each client are calculated based on the aggregate value of the accounts over which such client have granted us

authorization described in Item 16 of this brochure. Clients may incur brokerage costs and “transfer out” fees charged by brokers when they transfer their accounts to other brokers. Clipper Advisor is not affiliated in any way with the brokers’ fee structures and does not receive any compensation from any brokers. For further information on our brokerage practices, please refer to Item 12. Clipper Advisor fees are non-negotiable and may be subject to adjustment at the end of each service term with clients. However, at our sole discretion, Clipper Advisor may elect to modify, waive, or reduce management fees under special circumstances to the extent permissible by law. Periodically, Clipper Advisor may offer promotions for new or existing clients for reduced fees for a limited time. Any fees payable are automatically deducted from the clients’ brokerage account managed by Clipper Advisor on each payment date.

Clients have the right to terminate their service with us at any time by emailing us at advisor@clipperadvisor.com. Clipper Advisor may also terminate our service with a client at our sole discretion by giving a 5 business day notice to the client whose account will be terminated. In the event should a client account terminate, Clipper Advisor will refund the portion of unused Quarterly Fee calculated pro-rata from the date of termination. Similarly, should a client terminate before the Quarterly Fee is due, client will be charged based on the pro-rata amount due from the termination date.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Clipper Advisor does not charge performance-based advisory fees nor manage any client accounts on a side-by-side management basis.

ITEM 7: TYPES OF CLIENTS

Clipper Advisor offers investment advisory services to individuals, retail and institutional clients. We do not require minimum income, asset levels or other similar preconditions for our services. We reserve the right to waive or reduce certain fees based on unique circumstances, special arrangements or promotions. We may also decline our services to a prospective client for any non-discriminatory reasons.

ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Clipper Advisor advises clients through our own state-of-the-art algorithm based on each individual client’s risk preference. We also seek to maximize returns for a given amount of risk, or equivalently minimize risk for a given level of expected return, by allocating various proportions of different asset classes rather than selecting individual securities. Clients must accurately convey their personal objective and subjective tolerance for risk. Clipper Advisor then analyzes such risk in order to build an individualized investment plan based on the client’s specific risk tolerance. Clipper Advisor offers investment

advice on the following types of investments: equity securities that are exchange traded or that are offered by foreign issuers; commercial paper; mutual fund shares; ETFs; and U.S. government securities. Clipper Advisor may buy or sell securities consistent with analysis designed to seek an investment return suitable to the investment objectives and goals of each distinct client account by reviewing the performance of the client's individual account and suitability parameters. Such review may include account type, financial condition, personal and business assets, investment objectives, risk tolerance, and any other factors unique to each client.

Risk Considerations:

Any investment in securities involves the possibility of financial loss that clients should be prepared to bear. Financial loss may be viewed differently by each client and may depend on many different risk factors, each of which may affect the possibility of consequences and potential loss. Neither Clipper Advisor nor anyone else can guarantee any level of performance or avoidance of any loss on client accounts.

Our investment recommendations are dependent on the accuracy and performance of our algorithms and the technology that generates them. The recommendations we provide and other information that appears on our website and mobile application may be time sensitive, especially during times of significant market volatility and when there are time limits on the availability of a particular investment product. Thus, our recommendations and other information may be subject to different interpretations as market conditions and other factors change. Transactions are executed on each client's behalf as soon as possible after generating each recommendation. However, due to unexpected internal and external delays for executing each transaction, material losses in profit may result.

Our algorithms involve assumptions based upon numerous variables that may be referenced from complex financial markets or instruments that they intend to replicate. Any one or all of these assumptions, whether or not supported by past experience, could prove over time to be incorrect, which could result in major losses. Clipper Advisor may also make future changes to the investing algorithms and advisory services that we provide. In addition, it is possible that Clipper Advisor or clients may experience computer equipment failure, loss of Internet access, viruses, or other events that may impair our service. Clipper Advisor will not bear any liabilities resulting from such failures.

The price of securities or the entire value of asset classes may decline for a variety of reasons beyond our control, including, but not limited to, changes in the economic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, interest rates, regulatory changes, and domestic or foreign political, or social events. Past performance does not guarantee future results, and any historical returns, expected returns, may not reflect actual future performance.

Clients may experience difficulty in finding buyers or forced to sell their securities below market value due to high volatility issues. Client securities will be valued based on third

party exchange-traded security data; however, Clipper Advisor may receive inaccurate data that could adversely affect valuations and transaction fees.

ITEM 9: DISCIPLINARY INFORMATION

There are no adverse events affecting Clipper Advisor that would be deemed material to a client's decision to use Clipper Advisor's investment advisory services.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Clipper Advisor does not participate in nor is affiliated with other financial industry activities.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Clipper Advisor has adopted a formal Code of Ethics that is consistent with the requirements of Rule 204A-1 under the Investment Advisers Act of 1940. Clipper Advisor requires its employees to represent that they will comply with Clipper Advisor's Code of Ethics to help to avoid actual and potential conflicts of interest and comply with applicable provisions of laws. A copy of Clipper Advisor's Code of Ethics is available to clients upon request. Clipper Advisor's employees may not invest in the same mutual funds, ETFs, or other securities that Clipper Advisor recommends to our clients.

ITEM 12: BROKERAGE PRACTICES

At the moment clients chooses their own brokerage firms and open their own brokerage accounts. Clipper Advisor may recommend broker-dealers that we have had a good experience working with in executing transactions generated by our algorithm. Clipper Advisor seeks to establish custodial and brokerage arrangements with broker-dealers that are "qualified custodians" (defined by the SEC) to meet the custodial and brokerage needs of our clients. Clipper Advisor only provides investment advice generated by our algorithms based on clients' risk preference. Clients grant us limited power of attorney for us to mandate transactions to clients' brokerage firms on the their behalf and deduct the Management Fee.

ITEM 13: REVIEW OF ACCOUNTS

Clipper Advisor conducts reviews of client accounts on a continual basis to track diversification, overall market movement, significant changes to one or more of the securities owned by a client, or if a client alerts us to changes in life circumstances.

Account reviews are conducted through our automated computer algorithms and monitored by our investment advisor professionals to assess the performance of each portfolio according to the client's financial goals.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Clipper Advisor acquires clients by conducting campaigns through social networks (such as Wechat, Weibo, Facebook, and Google) and by hosting live events. Additionally, Clipper Advisor may offer cash or other incentives for existing clients who refer new clients to our service. Any incentives are of nominal value in order to avoid conflicts of interest. Clipper Advisor may utilize third-party solicitors in order to acquire new clients. New clients referred by third party solicitors will be compensated based on the terms and conditions negotiated by a formal contract.

ITEM 15: CUSTODY

Clipper Advisor does not have custody of client assets. Client assets are held under the client's own name in the custody of a third party brokerage firm. Clients give Clipper Advisor authorization to deduct our service fees directly from their brokerage account on a monthly basis.

ITEM 16: INVESTMENT DISCRETION

Clipper Advisor requires a limited power of attorney on a discretionary basis that allows us to execute trades on behalf of our clients and deduct the Management Fee. Clients complete an agreement as part of the enrollment process.

ITEM 17: VOTING CLIENT SECURITIES

Clipper Advisor does not have the authority to vote client securities for clients, nor do we provide advice about proxy solicitations. Clients must vote proxies on securities held in their account directly based on information they receive from their brokerage firm.

ITEM 18: FINANCIAL INFORMATION

Clipper Advisor has no financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. Clipper Advisor has not been subject to a bankruptcy petition.