

**ITEM 1  
COVER PAGE**

Aleph Investments, LLC  
3505 N Chatham Road  
Ellicott City, MD 21042  
(410) 750-7894

[david.merkel@gmail.com](mailto:david.merkel@gmail.com), [aleph.investments@gmail.com](mailto:aleph.investments@gmail.com)

2-22-2023

**This brochure provides information about the qualifications and business practices of Aleph Investments, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 750-7894, [david.merkel@gmail.com](mailto:david.merkel@gmail.com), or [aleph.investments@gmail.com](mailto:aleph.investments@gmail.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.**

**Additional Information about Aleph Investments, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Aleph Investments, LLC is a Registered Investment Advisor in the States of Maryland, California and Texas. Please note that registration does not imply a certain level of skill or training.**

**ITEM 2  
MATERIAL CHANGES**

None.

**ITEM 3**  
**TABLE OF CONTENTS**

Page 1 – Cover Page and Material Changes since Our Last Annual Update

Page 2 – Table of Contents

Page 4 – Advisory Business

- A. Description of our business
- B. Description of advisory services we offer
- C. If or how, we tailor our advisory services to your individual needs
- D. Wrap fee programs
- E. Amount of assets we manage

Page 6 – Fees and Compensation

- A. How we are compensated
- B. How our fees are paid
- C. Other types of fees
- D. Do we charge fees in advance
- E. Do we get compensated (*commissions*) for the sale of securities

Page 7 – Performance-Based Fees and Side-By-Side Management

Page 7 – Types of Clients

Page 7 – Methods of Analysis, Investment Strategies and Risk of Loss

- A. Our analysis & strategies
- B. Material risks involved in our analysis or strategies
- C. Do we recommend primarily a particular type of security

Page 8 – Disciplinary Information

- A. Criminal or civil actions
- B. Administrative proceedings before The SEC or any other government agency
- C. Any self-regulatory organization (SRO) proceedings

Page 8 – Other Financial Industry Activities and Affiliations

- A. Are we registered representatives of a securities broker/dealer
- B. Are we a futures commissions merchant, commodity pool operator or commodity trading advisor
- C. Do we have any other financial relationships or arrangements that are material to our business
- D. Do we recommend other registered investment advisors and receive compensation

Page 9 – Our Code of Ethics

- A. Describe our Code of Ethics
- B. Do we have any material interests in investments we recommend
- C. Do we invest in securities we recommend to you
- D. Do we buy or sell securities for our own account about the same time we buy the same securities for your account

Page 10 – Brokerage Practices

- A. Research and other soft dollar benefits
  - a. Soft dollars
  - b. Brokerage for client referrals
  - c. Directed brokerage

Page 11 – Review of Accounts

- A. Frequency and nature of reviews
- B. Reviews on an other than periodic basis
- C. Client reports

Page 11 – Client Referrals and Other Compensation

- A. Do we get economic benefits from a non-client for providing certain advice to you
- B. Do we pay for client referrals

Page 11 – Custody

Page 12 – Investment Discretion

Page 12 – Voting Client Securities

- A. Do we accept authority to vote client securities
- B. If we do have the authority to vote client securities, disclose that fact

Page 12 – Financial Information

- A. Do we require prepayment of fees of more than \$500/ more than 6 months in advance
- B. If we require such prepayment, or have custody or discretion, is there any impairment to give you refund, if necessary
- C. Bankruptcy
- D. Business Continuity Plan

Page 13 – Additional Requirements for *State*- Registered Advisors

- A. Our educational & business backgrounds
- B. Any other business activities
- C. Performance-based fees
- D. Any issues with events listed below
  - a. Arbitration
  - b. Civil, SRO or administrative proceedings
- E. Do we have any relationships with an issuer of securities

**ITEM 4**  
**ADVISORY BUSINESS**

A. Description of our business Aleph Investments, LLC (“Aleph”) has been a Registered Investment Advisor in Maryland since 2010, Texas since 2011, and California since 2014. David Merkel owns 100% of it.

B. Description of advisory services we offer Aleph is a small firm specializing in managing client portfolios of primarily equities and/or fixed income. Other asset classes can be used, but they are not expected to have a major role in the asset management. These are our five products:

1. For equity accounts, we will manage assets following the same strategy that our principal, David Merkel, continues to use for his own assets. This strategy is only suitable for assets that can afford to suffer total loss, as we are investing in the stock market. The stock market and strategies in the stock market have been known to produce spectacular losses on occasion. For the most part, your account(s) will be invested in stocks, but subject to market conditions, will contain money market funds, preferred stocks, bonds, CDs, municipal and government securities, mutual funds, and other appropriate investments. Clients requesting a hedged version of the strategy will also have securities sold short and options in their account(s).
2. Clients may request that securities be sold/withdrawn in order to help manage taxes, and Aleph will make its best efforts to carry out the request, but does not guarantee any specific tax result. During such times, Aleph will adjust the account(s) to make it as close to its strategy as it can, but cannot guarantee that performance will do as well as the unadjusted strategy. Clients may place ethical restrictions on the investments in their account. Aleph will happily heed the request, and will adjust the account(s) to make it as close to its strategy as it can, but cannot guarantee that performance will do as well as the unadjusted strategy.
3. For fixed income accounts, we will manage assets using David Merkel’s strategy of only taking risks that we are paid to take, stressing capital preservation, with yield being a secondary concern. We will use bonds, fixed income Exchange Traded Products and Closed-end funds to attempt to achieve returns that outpace inflation. There may come a time when individual bonds make it into smaller client accounts, but for liquidity and execution reasons these seem to be a better choice for small accounts. David has employed this strategy before for prior employers, but has no verifiable track record on this strategy.
4. For fixed income accounts over \$1 million, we will manage assets using David Merkel’s strategy of only taking risks that we are paid to take, stressing capital preservation, with yield being a secondary concern. We will use individual bonds to create a laddered portfolio to attempt to achieve returns that outpace inflation. David has employed this strategy before for prior employers, but has no verifiable track record on this strategy. Fees are the same as for the smaller fixed income strategy.
5. For balanced accounts seeking yield, we manage the assets using a strategy called Necessity Focused Investing [NFI]. The strategy is high-quality, focusing on industries that are recession-resistant, and unlikely to be made obsolete. It is intended to be a low-turnover strategy that yields a growing income stream. It uses bonds, bond funds, closed-end funds, and dividend-paying common stocks and stock funds to achieve this goal. David has inherited this strategy from a former registered investment advisor, and as such has no track record on this strategy.

C. If, or how we tailor our advisory services to your individual needs We are an asset manager. Our asset management programs reflect that. Our primary work is not asset allocation. We do review your investments at Aleph for broad suitability in terms of your overall asset allocation, but we view asset allocation as primarily a client responsibility. If you ask our opinion on the matter, we may render one, but on a friendly basis, and not for payment. For Necessity Focused Investing, we do asset allocation in a minor way, as the range for stocks is 60-80%, and bonds is 20-40%.

For larger fixed income accounts where we use individual bonds, various client portfolios will have some similarities, but will frequently be different because blocks of bonds for specific entities and maturities are not always available at attractive prices. Also different clients may want a longer or shorter ladder based on their income needs. Some clients may want more income or more safety. Thus each client portfolio will have investing different results.

D. Wrap fee programs Aleph does not participate in wrap-fee programs.

E. Amount of assets we manage As of February 22<sup>st</sup>, 2023, Aleph managed approximately \$13,600,000 on a discretionary basis and nothing on a non-discretionary basis. Aleph does not advise for pay on other money managers.

**ITEM 5  
FEES & COMPENSATION**

A. How we are compensated Aleph Investments has only one source of revenue – asset management fees. We receive fees daily or quarterly in arrears at the following annualized rates:

<b>Assets</b>	<b>Equities/NFI</b>	<b>Fixed Income</b>
\$ 1,000,000 and under	1.00%	0.30%
\$ 1,000,000 to \$ 5,000,000	0.50%	0.15%
\$ 5,000,000 and over	0.25%	0.10%

Daily fees are assessed at the annualized rate times the net assets of the prior day, divided by the average number of trading days in a year, which is 252. Direct billed quarterly fees are assessed on the quarter end net assets times the annualized rate divided by four.

When used, clients will implicitly pay the internal management fees of closed-end and exchange traded funds. Aleph will not receive any payments from any funds as a result of clients buying, selling or owning them.

Clients may terminate their contract at any time. Any unpaid fees will be billed or deducted on a prorated basis. Either party may terminate this agreement upon written notice. Written notice means sending an email to [david.merkel@gmail.com](mailto:david.merkel@gmail.com), or to [aleph.investments@gmail.com](mailto:aleph.investments@gmail.com).

Note that lower fees for comparable services may be available from other sources.

B. How our fees are paid Fees are withdrawn daily for accounts that are not choosing to have us bill them externally quarterly. It's your choice; just let us know.

C. Other types of fees Our fees do not include transaction fees, brokerage commissions and other related costs and expenses, which you will pay. You may also pay fees charged by your custodian, charges internal to ETFs, mutual funds and other money managers, including: management fees, custodial fees, mutual fund fees, taxes and transfer fees. We do not receive a portion of any of these fees. Simply put, they are a necessary part of doing business in the securities industry. (Please refer to item 12.)

D. Do we charge in advance? Aleph charges no fees in advance.

E. Do we get compensated (commissions) for the sales of securities Aleph and its representatives receive no compensation when transactions are made for clients. No one at Aleph has a securities license.

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

Not applicable.

**ITEM 7**  
**TYPES OF CLIENTS**

Most of our clients are individuals; some are high net worth individuals. We have some business clients and trust clients. We also may have charities and small pension clients.

Unless waived, Aleph imposes a minimum account size of \$100,000 for opening or maintaining an account.

**ITEM 8**  
**METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

A. Our analysis & strategies We don't generally do technical security analysis; we do not have a core competency in market timing. For our equity strategy, we do fundamental security analysis of a business, which involves analyzing its financial statements & health, its management & competitive advantages, and its competitors & markets. Fundamental analysis is performed on historical & present data, but with the goal of making financial forecasts, including stock price evolution, projection of business performance, management evaluations and credit risks.

For our fixed income strategies, we measure yield spreads relative to likely credit, duration, convexity, liquidity, foreign exchange, and other risks. Like the equity and NFI strategies, we believe in only taking risks that we are paid to take. When there are few risks worth taking, we decrease risks and yields, and aim to preserve capital until there are better opportunities.

We don't read many paper newspapers or magazines. Online is faster and more convenient. We do read a lot of books; it is good to get longer-dated perspectives that are not just "the information of the moment."

For short-term information, we primarily read online financial websites including The Wall Street Journal, Barron's, Bloomberg.com, Reuters, FT Alphaville, Abnormal Returns, and a variety of off-the-beaten track blogs written by clever people. We also study corporate rating services such as Value Line and Morningstar. We also listen to random podcasts put together by Google, which often bring up ideas that give us new directions in research.

*YOU SHOULD BE AWARE THAT INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT YOU SHOULD BE PREPARED TO BEAR. THE FIRST DECADE OF THE 21<sup>ST</sup> CENTURY SHOULD HAVE PROVEN THAT.*

B. Material risks involved in our analysis or strategies We consider risk control to be the core discipline at Aleph. That said, we view risk control differently than most, considering it over a full market cycle, 3-7 years, rather than shorter-term measures. There will certainly be times where we lose money in the short run; our methods are for long-term investors. We have a detailed "risks" document that we give to all potential investors, and anyone else that asks for it.

C. Do we recommend primarily a particular type of security As mentioned earlier, we place client accounts in general securities (stocks & bonds), mutual funds, government securities and options, none of which are customarily considered to involve significant or unusual risk. But, as noted above, investing in securities ALWAYS INVOLVES RISKS.

**ITEM 9**  
**DISCIPLINARY INFORMATION**

- A. Criminal or civil actions Not applicable
- B. Administrative proceeding before The SEC or any other government agency Not applicable
- C. Any self- regulatory organization (SRO) proceedings Not applicable

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

A. Are we registered representatives of a securities broker/dealer No one at Aleph has been a securities broker/dealer or a securities registered representative.

B. Are we a futures commission merchant, commodity pool operator or a commodity trading advisor No one at Aleph has been a futures commission merchant, a commodity pool operator or a commodity trading advisor or an associated person of the above-mentioned 3 entities.

C. Do we have any other financial relationships or arrangements that are material to our business No. David Merkel writes a popular weblog, and also tweets on Twitter, but he only earns a small amount of money from that writing. The writing is educational for investors in a general way, and does not constitute formal “investment advice.” No writing is done that constitutes a material conflict of interest for asset management clients.

All material conflicts of interest that Aleph may have with clients have been disclosed in this form.

D. Do we recommend other registered investment advisors and receive compensation No. We may recommend other RIAs for the good of our clients, but we do not receive any payment from any third parties.

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

A. Describe our Code Of Ethics Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity & trust. It ensures that we always put your interests first. We have no material conflicts of interest when we manage assets for our clients. We hold ourselves to high standards and diligence. Taken as a whole, our Code of Ethics is our promise to work hard in your interests, with complete confidentiality and honesty. We will immediately provide a copy of our Code of Ethics to any client or prospective client upon request.

B. Do we have any material financial interests in investments we recommend? We will not recommend an investment to you in which we have a material financial interest. We do not act as a principal and buy securities from, or sell securities to clients. We are not general partners in a partnership so we will not solicit your investments for such. We are not investment advisors to any investment company, so we will not solicit your investments for such.

C. Do we invest in securities we recommend to you? Yes, we buy the same securities that you do, in the same proportion, and at the same prices. There is no front-running. David Merkel is a client of Aleph, and he aims to have all clients treated equally. When Aleph trades for clients, it trades as a group, and all clients get the same price. Trades are allocated pro-rata to net assets in an effort to give all clients, including David, the same performance. This serves to minimize conflicts of interest, because David is treated the same as all other clients. It aligns his incentives with yours.

There are three exceptions to the above paragraph. David has one small account (about \$80,000) custodied at Fidelity because it is a Health Savings Account, and Interactive Brokers does not custody those. Because it is small, it is invested in eleven securities, all of which are in client portfolios, and mostly are the securities that are the largest positions across all portfolios.

David's wife has two new accounts from an inheritance. One account has roughly \$500,000 in cash. It will get invested in David's strategies. He is waiting for the right time to do so. The second account holds roughly \$300,000 in four highly appreciated securities that David and his wife are donating to charity annually, subject to IRS limits. One of the securities is in David's strategies, and the other three are not. Once the appreciation of the securities is severely reduced, the remainder will be invested in one of David's strategies.

These accounts trade last; there is no front running.

For the large fixed income accounts, we may invest in the same securities, but we do not front-run you.

D. Do we buy or sell securities about the same time as you? Yes, we do, but we all get the same price. The idea behind our management is that whether in the equity or fixed income strategy, all clients get roughly the same price and performance. When Aleph trades for clients, it trades as a group, and all clients get the same price. Trades are allocated pro-rata to net assets in an effort to give all clients, including David, the same performance. This serves to minimize conflicts of interest, because David is treated the same as all other clients. It aligns his incentives with yours.

## ITEM 12 BROKERAGE PRACTICES

A. Describe the factors we used in selecting a custodian for you We have selected a custodian, Interactive Brokers, based on its:

Costs: The cheapest we have seen, bar none. No ticket charges, and those add up rapidly.

Skills: No mistakes so far; they are a little persnickety to deal with, though.

Reputation: Other RIAs that use them have sworn by them. That's important.

Dependability: Rarely a problem

Compatibility with you: Many small RIAs like us use them

Technology: Trading technology was the best of any custodian we interviewed

Customer Service: a little below average.

Information Security: very tight, better than most brokers.

1. Soft dollars We do not do "soft dollars." We take no payments, products or services from any third parties in connection with client business. We do not receive research, commissions, compliance support, the ability to directly deduct fees from client accounts, or equipment from a broker-dealer.

Our custodian does provide us with duplicate statements, software, and internet access to accounts or downloads. These are ordinary aspects of doing business; Aleph could not do asset management without them. They do not create any conflicts of interest.

2. Brokerage for client referrals We do not do "brokerage for client referrals." By that we mean we haven't selected our custodian on the basis that it will send us other client referrals in exchange for your custodial business.

3. Directed brokerage We do not do "directed brokerage." That means we don't recommend, request or require that you direct us to execute transactions through a specified broker/dealer. If we did it, we may be unable to achieve favorable execution of trades and it would cost you money.

B. Aggregating client accounts We have only three strategies that we employ for all of our clients. When we have the opportunity to aggregate client orders, we do so. That way everyone gets a lower commission cost, and all clients, including David Merkel, get the same price.

**ITEM 13**  
**REVIEW OF ACCOUNTS**

A. Frequency & nature of reviews We review managed accounts weekly. Accounts at other money managers are reviewed when we receive their statements- usually quarterly. All accounts are reviewed by Aleph's president- David Merkel. He reviews on a portfolio analysis basis.

B. Reviews on an other than periodic basis On occasions, such as a dramatic market move (in either direction), retirement or any catastrophe, we review client accounts to ascertain if we need to make appropriate repositioning moves for you.

C. Client reports We do not prepare regular client *reports*. Your custodian sends you account statements, transaction confirmations, all applicable tax documents, required minimum distributions from any qualified plans, and proxy documents, including ballots and any communication from public companies (if we are not voting on your behalf at your request). In addition, you also receive statements from any mutual funds you may own and other money managers you may utilize.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

A. Do we get economic benefits from a non-client for providing certain advice to you No. In addition, we do not accept sales awards or other prizes, such as trips. We pay for our own trips.

B. Do we pay for client referrals We do not *pay* for client referrals. The arrangement with the former RIA who developed the NFI strategy was a one-time occurrence, and has now ended.

**ITEM 15**  
**CUSTODY**

Aleph does not directly deduct fees from client accounts. Fees may only be deducted from client accounts by the custodian, according to the formula agreed upon in the asset management contract. Aleph sends the client an invoice detailing the fee calculation for those that are direct billed. Other clients have their pro-rata fee deducted daily. The custodian sends statements on a quarterly basis, which contains the fees paid to Aleph, among other things.

**ITEM 16**  
**INVESTMENT DISCRETION**

We manage your accounts on a discretionary basis only. If you do authorize us to use discretion on your account, you may tell us any limitations you'd want on your account. For example, several clients prefer that we not invest in gambling, tobacco or alcohol-based securities. We will, of course, abide with your wishes.

In order for you to have an account with us, we must first have you authorize it with a Limited Power of Attorney, which the custodian provides to you. Before executing the power of attorney, the custodian insures that your signed contract with us authorizes us to have certain privileges and these are then initialed on your new account form.

**ITEM 17**  
**VOTING CLIENT SECURITIES**

A. Do we accept authority to vote client securities We vote client securities. Clients may ask that their securities be voted a certain way and we will honor that request. We collect and save the data on how we voted client securities. Any client may ask for a record of how we have voted client securities via the contact information provided in Item 1. We will send a copy of the data collected upon request.

B. If we do not have that authority, disclose that fact We have the authority to vote client securities. We will do so in the best interests of all clients, as summarized in our proxy voting policy. We send our proxy voting policy to all potential clients. Any client or potential client may ask for our proxy voting policy.

C. Conflicts of Interest Our proxy voting policies are our own policies, and not those of any third party. We do not care what the boards and managements of the companies in which we own stock think about how we vote. Our proxy voting policies make Aleph vote for what is best for the economic interests of our clients, and nothing else. Aleph will never seek asset management business or any sort of economic advantage in exchange for how we vote the proxies of our clients.

**ITEM 18**  
**FINANCIAL INFORMATION**

A. Do we require prepayment of fees of more than \$500 more than 6 months in advance? Aleph never asks for prepayment of fees.

B. If we require such prepayment, or have custody or discretion, is there any impairment for us to make a refund, if necessary? Not applicable.

C. Bankruptcy Neither David Merkel, nor Aleph Investments, LLC has ever filed for bankruptcy.

D. Business Continuity Plan Aleph has a business continuity plan, and it covers natural disaster, power failure, and the death of the principal, David Merkel. Data is backed up in real time to the cloud, and Aleph has been through two incidents where the business continued seamlessly amid natural disaster and equipment failure. In the event of the death or incapacity of David Merkel, management agreements will terminate, and clients and regulators will be notified.

**ITEM 19**  
**REQUIREMENTS FOR STATE REGISTERED ADVISORS**

A. Our education & business backgrounds Principal Officer of Aleph Investments, LLC is David Merkel.

David Merkel - our principal - was born in 1960. He has a BA and MA in Political Economy (known to the rest of the world as economics) from The Johns Hopkins University (1982 and 1983) and formerly a FSA certification (1991-2010) and holds a CFA charter (1996-Present). He was senior analyst with Hovde Capital, a hedge fund (2003-2007), and chief economist & director of research with Finacorp, a minority securities broker/dealer (2008-2010). He was a sole proprietor business consultant (2007-2008) and (2010 to present), and he owns Alephblog.com which provides free generic financial information (2007 to present).

A Fellow in the Society of Actuaries [FSA] has demonstrated knowledge of the business environments within which financial decisions concerning pensions, life insurance, health insurance, and investments are made including the application of mathematical concepts and other techniques to the various areas of actuarial practice. The Fellow has further demonstrated an in-depth knowledge of the application of appropriate techniques to a specific area of actuarial practice. David is no longer a Fellow at this point in time, but passed the requisite exams, and worked for 22 years in the insurance industry.

**To earn a CFA charter**, you must have four years of qualified investment work experience, [become a member of CFA Institute](#), pledge to adhere to the CFA Institute [Code of Ethics and Standards of Professional Conduct](#) on an annual basis, apply for membership to a [local CFA member society](#), and complete the CFA Program.

**The CFA Program** is organized into three levels, each culminating in a six-hour exam. [Completing the Program](#) takes most candidates between two and five years (there is no limit to the number of times you can take each exam), but you can take as long as you need to complete the program.

B. Any other business activities David Merkel is engaged in professions other than providing investment advice. He does business consulting. That profession takes up about 3% of his work week. He also has a website that provides free generic financial information, which takes up about 5% of his work week.

C. Performance-based fees Aleph does not charge performance-based fees.

D-1. Arbitration David Merkel has not been involved in *arbitration* of any kind.

D-2. Civil or administrative proceedings David Merkel has not been found liable in a *civil, self-regulatory organization, or administrative proceeding* of any kind.

E. Relationship with issuer of securities We do not have any relationships with issuers of securities

## Part 2B of Form ADV: *Brochure Supplement*

### Item 1 Cover Page

**This brochure supplement provides information about David Merkel that supplements the Aleph Investments, LLC brochure. You should have received a copy of that brochure. Please contact our Principal, David Merkel if you did not receive Aleph Investments, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about David J. Merkel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

David Merkel, Principal  
Aleph Investments, LLC  
3505 N Chatham Road  
Ellicott City, MD 21042  
(410) 750-7894

[david.merkel@gmail.com](mailto:david.merkel@gmail.com), [aleph.investments@gmail.com](mailto:aleph.investments@gmail.com)

5-3-2011

### Item 2 Educational Background and Business Experience

David Merkel - our principal - was born in 1960. He has a BA and MA in Political Economy (known to the rest of the world as economics) from The Johns Hopkins University (1982 and 1983) and an FSA certification (1991-2010) and holds a CFA charter (1996-Present). During the past 5 years he was senior analyst with Hovde Capital, a hedge fund (2003-2007), chief economist & director of research with Finacorp, a minority securities broker/dealer (2008-2010). He is a sole proprietor business consultant (2007-2008) and (2010 to present) and he owns Alephblog.com which provides free generic financial information (2007 to present).

A former Fellow in the Society of Actuaries [FSA] has demonstrated knowledge of the business environments within which financial decisions concerning pensions, life insurance, health insurance, and investments are made including the application of mathematical concepts and other techniques to the various areas of actuarial practice. The Fellow has further demonstrated an in-depth knowledge of the application of appropriate techniques to a specific area of actuarial practice. David is no longer a Fellow at this point in time, but passed the requisite exams, and worked for 22 years in the insurance industry.

**To earn a CFA charter**, you must have four years of qualified investment work experience, [become a member of CFA Institute](#), pledge to adhere to the CFA Institute [Code of Ethics and Standards of Professional Conduct](#) on an annual basis, apply for membership to a [local CFA member society](#), and complete the CFA Program. **The CFA Program** is organized into three levels, each culminating in a six-hour exam. [Completing the Program](#) takes most candidates between two and five years (there is no limit to the number of times you can take each exam), but you can take as long as you need to complete the program.

### Item 3 Disciplinary Information

- A. David Merkel has never been charged in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.
- B. David Merkel has never been brought before or charged in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. David Merkel has never been involved in any self-regulatory organization (SRO) proceedings.
- D. David Merkel has never been involved in any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct.

David Merkel has no disciplinary history, but you can check that out to be sure at:

- [FINRA's BrokerCheck system](#) or,
- the [IAPD](#)

### Item 4 Other Business Activities

A. David Merkel is the sole writer for Alephblog.com which provides free generic financial information (2007 to present). That earns a small amount for David though advertising, book merchandising, sale of articles to third parties, and convenient use of the articles through third-party electronic reading devices.

David Merkel has no other investment-related businesses, and the blog takes up less than 5% of his working time.

B. David Merkel will on rare occasions work as a consultant on investment-related research. On average, this takes up 1% of David's working time. Aleph Investments is his main interest, and he will not engage in any research or other projects that would detract from the duty that he owes to clients.

### Item 5 Additional Compensation

David Merkel does not derive any income providing advisory services outside of what he does at Aleph Investments, LLC.

### Item 6 Supervision

David Merkel is the only person employed by Aleph Investments, LLC. As such, he oversees himself, taking care to observe all relevant statutes, regulations, and ethics. He says, "You only get one reputation in life," so he works hard to guard it.

Copies of the CFA Code of Ethics, and Aleph's code of ethics are available by request.

Item 7 Requirements for State-Registered Advisers

A. David Merkel has never paid an award or been found liable in an arbitration claim, or been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

B. David Merkel has never filed for bankruptcy.