

# **Clarity Asset Management, Inc.**

**2001 Westown Parkway, Suite 110**

**West Des Moines, IA 50265**

**Telephone: 515-252-7489**

**Website: [www.investmentclarity.com](http://www.investmentclarity.com)**



**March 31, 2011**

**This brochure provides information about the qualifications and business practices of Clarity Asset Management, Inc. If you have any questions about the content of this brochure, please contact us at 515-252-7489 or [www.investmentclarity.com](http://www.investmentclarity.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 Clarity Asset Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Summary of Material Changes**

There have been no material changes since the June 30, 2010 Form ADV.

# Table of Contents

<b>Advisory Business .....</b>	<b>4</b>
<b>Fees and Compensation .....</b>	<b>5</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>6</b>
<b>Types of Clients.....</b>	<b>6</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss ..</b>	<b>6</b>
<b>Disciplinary Information .....</b>	<b>7</b>
<b>Other Financial Industry Activities and Affiliations .....</b>	<b>7</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>7</b>
<b>Brokerage Practices.....</b>	<b>8</b>
<b>Review of Accounts .....</b>	<b>9</b>
<b>Client Referrals and Other Compensation .....</b>	<b>9</b>
<b>Custody .....</b>	<b>9</b>
<b>Investment Discretion.....</b>	<b>9</b>
<b>Voting Client Securities .....</b>	<b>10</b>
<b>Financial Information .....</b>	<b>10</b>
<b>Form ADV Part 2b for Each Supervised Person.....</b>	<b>11</b>

#### **ITEM 4 Advisory Business**

Clarity Asset Management, Inc. ("Clarity") has been operating as an investment adviser since 1998. Clarity's owner, Brad Peyton, has been active in the private and corporate law and corporate finance areas since 1984. Clarity provides investment management services to individuals, banks, trusts, estates, charitable organizations, corporations, and business entities. Clarity offers its services on a fee basis generally based upon assets under management or occasionally on a fixed fee basis. Prior to engaging Clarity to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with Clarity setting forth the terms and conditions under which Clarity shall render its services (collectively the "Agreement").

Clarity's investment advisory services are currently limited to the discretionary management of investment portfolios in accordance with the investment objective(s) of the client. Clients may, in writing, place reasonable limitations upon Clarity's discretionary authority, such as restrictions on investing in certain types of securities. The investment strategy utilized may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Clarity's clients may be limited. In order to meet its fiduciary duties to all of its clients, Clarity will endeavor to allocate investment opportunities among its clients on a fair and equitable basis.

Clarity generally does not provide financial planning or other consulting services. To the extent specifically requested by the client, Clarity may recommend the financial planning services of Resource Planning Group, Inc. ("RPG") as further described in Other Financial Industry Activities and Affiliations Page 7.

Clarity also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, Clarity either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

Clarity may provide certain of its clients with consulting services (which may include non-investment related matters). Clarity may or may not charge a fee for these services. Any of Clarity's consulting fees are negotiable and may vary depending upon the consulting services.

Where Clarity charges a fee for consulting services, the client will generally be required to enter into a written agreement with Clarity setting forth the terms and conditions of the engagement and describing the scope of the services to be provided and the portion of the fee that is due from the client prior to Clarity commencing services. Either party may terminate the agreement by written notice to the other. In the event the client terminates Clarity's consulting services, the balance of Clarity's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services the client shall be entitled to a full refund.

In performing its services, Clarity shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Clarity may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Clarity recommends its own services. The client is under no obligation to act upon any of the recommendations made by Clarity under a consulting engagement and/or engage the services of any such recommended professional, including Clarity itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Clarity's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Clarity if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Clarity's previous recommendations and/or services.

#### **Types of Investments**

Clarity typically provides investment advice on mutual fund shares and exchange listed securities. Clarity may also provide investment advice on ETFs (exchange-traded funds), securities traded over-the-counter, foreign issues, corporate debt securities, municipal securities, investment company securities (including variable annuities and variable life insurance), United States government securities, securities option contracts, and any type of investment held in a client's portfolio at the inception of the advisory relationship.

This may not be an all-inclusive list.

### General Information

All Investment Management Services may be provided on a discretionary or nondiscretionary basis by Clarity. Discretion means the trading activity within the Client's account(s) may be entered by Clarity without receiving prior authorization for each trade. This discretion is authorized by the Client in writing (upon signing the specific Investment Advisory Agreement) and may be revoked at any time by submitting a written request to Clarity. In most cases, discretion will be utilized. As of December 31, 2010, all of Clarity's clients are managed on a discretionary basis that totals \$110,416,856. The Client will receive confirmations and statements showing all trading activity in the account(s).

### ITEM 5 Fees and Compensation

In the event the client determines to engage Clarity to provide investment management services, Clarity shall do so on a fee basis. If engaged, Clarity shall charge an annual fee based upon a percentage of the market value of the assets being managed by Clarity. Clarity's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, Clarity shall not receive any portion of these commissions, fees, and costs. In most cases, Clarity's annual fee shall be prorated and charged quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. Any additions or withdrawals made in the account during the quarter will be prorated. In some cases, the fee may be calculated using other methods based on the selected custodian. Clarity will automatically deduct the applicable fees from client's account in accordance with the client's account agreement with the custodian. Clients are typically not billed for services. The annual fee shall vary (between 0.65% and 1.00%) depending upon the market value of the assets under management as follows:

PORTFOLIO VALUE	ANNUAL FEE*
up to \$1,000,000.....	1.00%
Next \$1,500,000.....	0.80%
Over \$2,500,000.....	0.65%

\*Clarity, in its sole discretion, may negotiate to waive its stated account minimum or to reduce/increase any fee.

As a condition for starting and maintaining an investment management relationship, Clarity shall generally impose a minimum portfolio size of \$250,000. Clarity, in its sole discretion, may accept clients with smaller portfolios. Clarity shall only accept clients with less than the minimum portfolio size if, in the sole opinion of Clarity, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Clarity may aggregate the portfolios of family members to meet the minimum portfolio size.

However, Clarity intends to primarily allocate its client's investment management assets, on a discretionary basis among mutual funds in accordance with the investment objectives of the client. Clients are advised that all fees paid to Clarity for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each mutual fund's prospectus) to their shareholders. Clients whose assets are invested in the shares of mutual funds pay both a direct management fee to the investment adviser and an indirect management fee through the mutual fund.

As further discussed in response to Brokerage Practices Page 8, Clarity shall generally recommend that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively referred to as "Fidelity") for investment management accounts. You can contact Fidelity at 800-544-6666 or National Financial Services, LLC at 800-800-6890. Foliofn, Inc. is another brokerage and clearing services that is used by Clarity. You can contact Folio Institutional at 888-485-3456.

Clarity may only implement its investment management recommendations after the client has arranged for and furnished Clarity with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, Fidelity, and any other broker-dealer recommended by Clarity, broker-dealer directed by the client, trust companies, banks, etc. (Collectively referred to herein as the "Financial Institution(s)").

Clarity's Agreement and/or the separate agreement with the Financial Institution(s) may authorize the adviser fee through the Financial Institution(s) to debit the client's account for the amount of Clarity's and to directly remit that management fee to Clarity in accordance with applicable custody rules. The Financial Institution(s) recommended by Clarity have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of the management fees paid

directly to Clarity.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between Clarity and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. Clarity's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate in a timely manner.

Additions may be in cash or securities provided that Clarity reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. Clarity may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Clarity's clients are advised to promptly notify Clarity if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Clarity's management services.

#### **ITEM 6 Performance-Based Fees and Side-By-Side Management**

No Clarity employee receives Performance-Based fees. Advice offered may involve investments in mutual funds. Clients are hereby advised that all fees paid for asset management services are separate and distinct from the fees and expenses charged by mutual funds (described in each mutual fund's prospectus) to their shareholders. Clients whose assets are invested in the shares of mutual funds pay with a direct management fee to the investment adviser and an indirect management fee through the mutual fund.

#### **ITEM 7 Types of Clients**

Clarity provides customized portfolio management to individuals, families, banks, trusts, estates, charitable organizations, corporations, and retirement plans.

#### **ITEM 8 Methods of Analysis, Investment Strategies, and Risk of Loss**

Clarity generally manages client portfolios by allocating portfolio assets among various mutual funds on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy").

Clarity's management using the investment strategy has been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly-managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following features have been specifically included Clarity's management using the investment strategy:

1. Initial Interview - an initial interview is conducted with each client to determine the client's financial circumstances, goals, acceptable levels of risk, any reasonable restrictions on the management of their account, and other relevant circumstances;
2. Individual Treatment - the client's account is managed on the basis of the client's financial circumstances and investment objectives;
3. Consultation - an Advisory Affiliate of Clarity knowledgeable about the client's account shall be reasonably available to consult with the client relative to the status and management of their account;
4. Notice of Transactions - the client shall receive notice of all transactions in their account as if they had maintained a similar account outside of the program;
5. Quarterly Statement – At least quarterly, the client shall be provided with a statement containing a description of all activity in their account;
6. Ability to Impose Restrictions - the client shall have the ability to impose reasonable restrictions on the management of their account, including the ability to instruct Clarity not to purchase certain securities or types of securities;
7. No Pooling - the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;
8. Separate Account - a separate account is maintained for the client with the custodian; and
9. Ownership - each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

In addition to the foregoing, clients may, in writing, place reasonable limitations upon Clarity's discretionary authority. The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Clarity's clients may be limited. In order to meet its fiduciary duties to all of its clients, Clarity will endeavor to allocate investment opportunities among its clients on a fair and equitable basis.

The client may make additions to and withdrawals from the account at any time, subject to Clarity's right to terminate an account. Clients may withdraw account assets on notice to Clarity, subject to the usual and customary securities settlement procedures. However, Clarity designs its portfolios as long-term investments and asset withdrawals may impair the achievement of a client's investment objectives.

Each client should review the mutual fund prospectus for the specific risks related to each fund that is held in the client's account.

#### **ITEM 9 Disciplinary Information**

There are no legal or disciplinary events that are related to the Adviser's business or the integrity of Adviser's management.

#### **ITEM 10 Other Financial Industry Activities and Affiliations**

No Clarity employee has a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser. Clarity does not have a pending application to register as a broker-dealer, a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

While Clarity may provide limited consulting services, as discussed in Advisory Business Page 4, Clarity does not typically provide financial planning services. Rather, to the extent that a client requires financial planning services, Clarity, if requested, will recommend the services of RPG, an Iowa registered investment adviser (CRD#133102). The financial planning services shall be rendered independent of Clarity pursuant to a separate agreement between the client and RPG. Clarity shall not receive any of the fees charged by RPG, referral or otherwise. Specifically, certain of the investment adviser representatives of Clarity are also principals of RPG. Clarity is a related person to Clarity Capital Management, Inc., an SEC registered investment adviser and manager of Clarity Fund, Inc.

#### **ITEM 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Clarity and persons associated with Clarity ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Clarity's policies and procedures. Clarity has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A-1 of the Advisers Act, its Code of Ethics and Policies and Procedures Manual contain written policies reasonably designed to prevent the unlawful use of material non-public information by Clarity or any of its associated persons. The Code of Ethics also requires that certain of Clarity's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial copy public offerings or private placements. Clients may contact Clarity, 515-252-7489, to request a copy of its Code of Ethics.

In accordance with the policies and procedures stated within Clarity's Code of Ethics, Clarity's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Persons) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Clarity's clients.

When Clarity is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Clarity is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more

mutual funds.

#### **ITEM 12 Brokerage Practices**

Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by Fidelity or any other designated broker-dealer are exclusive of and in addition to Clarity's fee. Factors which Clarity considers in recommending Fidelity or any other broker-dealer, to its clients include their respective financial strength, reputation, execution, pricing, research, and service. Fidelity enables Clarity to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. Fidelity, Inc. allows Clarity to transact in investment portfolios of individual stocks and ETFs at a fixed cost. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealers. The commissions paid by Clarity's clients shall comply with Clarity's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Clarity determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Clarity will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests Clarity to arrange for the execution of securities brokerage transactions for the client's account, Clarity shall direct such transactions through broker-dealers that Clarity reasonably believes will provide best execution. Clarity shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

The client may direct Clarity in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Clarity will not seek better execution services or prices from other broker-dealer or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by Clarity (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Clarity may decline a client's request to direct brokerage if, in Clarity sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Clarity in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

Clarity may receive from Fidelity or any other broker-dealer, without cost to Clarity, computer software and related systems support, which allow Clarity to better monitor client accounts maintained at Fidelity. Clarity may receive the software and related support without cost because Clarity renders investment management services to clients that maintain assets at Fidelity. The software and related systems support may benefit Clarity, but not its clients directly. In fulfilling its duties to its clients, Clarity endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Clarity's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Clarity's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Clarity may receive the following benefits from Fidelity through the Fidelity Registered Investment Advisory Group, or any other broker-dealer: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisory Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to client accounts; and access to an electronic communication network for client order entry and account information.

In the event of trading errors caused by Clarity employees, it is Clarity's policy to make its clients whole, communicate errors to its clients, and to document errors in its trade error file. Gains arising out of errors will be retained in client accounts while losses will be reimbursed by Clarity to the client. Losses to non-qualified

accounts are reimbursed immediately upon discovery via a transfer from Clarity account to the client, while losses to qualified accounts are reimbursed through an offset of management fees at the next due date for payment of such fees.

On occasions when Clarity deems the purchase and sale of a security to be in the best interests of more than one of its clients, Clarity may aggregate multiple contemporaneous client purchases or sell orders into a block order for execution. Executed orders are allocated among participating accounts according to each account's pre-determined participation in the transaction.

Clients' accounts for which orders are aggregated receive the averaged price of such transaction, which could be higher or lower than the price that would otherwise be paid by a client absent the aggregation. Any transaction costs incurred in the transaction will be shared pro rata based on each client's level of participation in the transaction.

Clarity does not regularly purchase initial public offerings for its clients and does not intend to change that practice.

#### **ITEM 13 Review of Accounts**

For those clients to whom Clarity provides investment management services, Clarity monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Clarity provides consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by the President and Chief Investment Officer of Clarity, Bradley R. Peyton and/or by investment adviser representatives under his supervision. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Clarity and to keep Clarity informed of any changes thereto. Clarity shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Clarity provides investment advisory services will also receive a written report from Clarity that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Those clients to whom Clarity provides consulting services will receive reports from Clarity summarizing its analysis and conclusion as requested by the client or otherwise agreed to in writing by Clarity.

#### **ITEM 14 Client Referrals and Other Compensation**

If a client is introduced to Clarity by either an unaffiliated or an affiliate solicitor, Clarity may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Adviser Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Clarity's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Clarity by an unaffiliated solicitor, the solicitor shall provide the client with a copy of Clarity's written disclosure statement which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Clarity (which may include RPG) shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Clarity's written disclosure statement at the time of the solicitation.

#### **ITEM 15 Custody**

Adviser does **not** have custody of any client funds. Adviser does send account statements to its clients and urges its clients to compare the account statements they receive from the qualified custodian with those that they receive from the adviser.

#### **ITEM 16 Investment Discretion**

There is limited trading authority to Clarity over the client's account(s). Clarity may determine the type of securities to be bought or sold as well as the amount. The client signs a limited power of attorney to allow such trading by Clarity. (See Advisory Business Page 4) In addition to the foregoing, clients may, in writing, place reasonable limitations upon Clarity's discretionary authority. The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Clarity's clients may be limited. In order to meet its fiduciary duties to all of its clients, Clarity will endeavor to

allocate investment opportunities among its clients on a fair and equitable basis.

Neither Clarity nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of Clarity shall not be considered an assignment.

**ITEM 17 Voting Client Securities**

Clarity has adopted and implemented proxy voting policies and guidelines to ensure that Clarity, as fiduciary, votes any proxy or other beneficial interest in an equity security over which Clarity has discretionary proxy voting authority prudently and solely in the best interest of advisory clients and their beneficiaries considering all relevant factors and without undue influence from individuals or groups who may have an economic interest in the outcome of a proxy vote. If the client requests information regarding the voting of proxies or wants a copy of the proxy voting policy and guidelines, the client should contact Clarity at 515-252-7489.

**ITEM 18 Financial Information**

Clarity does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Clarity does not have any adverse financial information to disclose.

A copy of Clarity's privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), shall be provided to each client prior to or contemporaneously with the execution of the Agreement. Any client who has not received a copy of Clarity's written disclosure statement at least forty-eight (48) hours prior to executing the Agreement shall have five (5) business days subsequent to executing the agreement to terminate Clarity's services without penalty.

**Bradley R. Peyton**  
**Clarity Asset Management, Inc.**  
2001 Westown Parkway, Suite 110  
West Des Moines, IA 50265  
Telephone: 515-252-7489

**Website: [www.investmentclarity.com](http://www.investmentclarity.com)**



**March 31, 2011**

This brochure supplement provides information about Bradley R. Peyton that supplements the Clarity Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mary Pitcher, Chief Compliance Officer, at 515-252-7489 or [www.investmentclarity.com](http://www.investmentclarity.com) if you did not receive Clarity Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Clarity Asset Management, Inc.'s also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2 Educational Background and Business Experience****Bradley R. Peyton, JD**

Born 1956

Post-Secondary Education:

University of Iowa – 1984, JD, Law

Iowa State University – 1979, BS, Farm Operations

Recent Business Background:

Clarity Asset Management, Inc, President &amp; Chief Executive Officer, 09/1997 – Present

Clarity Capital Management, Inc, President &amp; Chief Executive Officer, 02/2008 – Present

Clarity Fund, Inc, President &amp; Chairman of the Board, 06/2010 – Present

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Mary Pitcher, Chief Compliance Officer, is responsible for monitoring the activities of Clarity's supervised persons. Ms. Pitcher's telephone number is 515-252-7489. Ms. Pitcher reviews all written client performance materials and newsletters prior to use. The Compliance Committee, which includes all Clarity employees, meets quarterly to review compliance requirements. The Investment Committee, which includes the CEO and the Portfolio Manager, meets quarterly to discuss investment strategies and market conditions. All employees also receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

Steven J. Larson, Chief Compliance Officer of Resource Planning Group Inc., is responsible for monitoring the activities of RPG's supervised persons. Mr. Larson's telephone number is 515-233-3152. Mr. Larson prepares and reviews prior to use the written client performance materials and newsletters. Prior to client meetings, Mr. Larson and Mr. Erickson review the client's objectives, review notes from prior meetings and add items to the action plan. Both Mr. Larson and Mr. Erickson use a dictation log that is maintained electronically. The Clarity performance report is used to review the client's individual performance during a client meeting. All employees receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Sayer P. Martin**  
**Clarity Asset Management, Inc.**  
2001 Westown Parkway, Suite 110  
West Des Moines, IA 50265  
Telephone: 515-252-7489

**Website: [www.investmentclarity.com](http://www.investmentclarity.com)**



**March 31, 2011**

This brochure supplement provides information about Sayer P. Martin that supplements the Clarity Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mary Pitcher, Chief Compliance Officer, at 515-252-7489 or [www.investmentclarity.com](http://www.investmentclarity.com) if you did not receive Clarity Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Clarity Asset Management, Inc.'s also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2 Educational Background and Business Experience****Sayer P. Martin, CFA**

Born 1981

Post-Secondary Education:

Creighton University – 2003, BSBA, Finance

Recent Business Background:

Clarity Asset Management, Inc, Portfolio Manager, 06/2005 – Present

Clarity Capital Management, Inc, Vice President, 02/2008 – Present

Clarity Fund, Inc, Vice President & Portfolio Manager, 06/2010 – Present

Mr. Martin earned the Chartered Financial Analyst (CFA) designation in 2009. According to the CFA Institute, to be awarded the CFA charter one must have four years of qualified investment experience, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The disciplines of study include financial statement analysis, economics, ethics, equity analysis, fixed income analysis, portfolio management, behavioral finance, derivatives, and statistics. The CFA Institute describes the CFA designation as follows: "First introduced in 1963, the Chartered Financial Analyst designation, or CFA charter, has become the most respected and recognized investment credential in the world."

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Mary Pitcher, Chief Compliance Officer, is responsible for monitoring the activities of Clarity's supervised persons. Ms. Pitcher's telephone number is 515-252-7489. Ms. Pitcher reviews all written client performance materials and newsletters prior to use. The Compliance Committee, which includes all Clarity employees, meets quarterly to review compliance requirements. The Investment Committee, which includes the CEO and the Portfolio Manager, meets quarterly to discuss investment strategies and market conditions. All employees also receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

Steven J. Larson, Chief Compliance Officer of Resource Planning Group Inc., is responsible for monitoring the activities of RPG's supervised persons. Mr. Larson's telephone number is 515-233-3152. Mr. Larson prepares and reviews prior to use the written client performance materials and newsletters. Prior to client meetings, Mr. Larson and Mr. Erickson review the client's objectives, review notes from prior meetings and add items to the action plan. Both Mr. Larson and Mr. Erickson use a dictation log that is maintained electronically. The Clarity performance report is used to review the client's individual performance during a client meeting. All employees receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Debra A. Conlon**  
**Clarity Asset Management, Inc.**  
2001 Westown Parkway, Suite 110  
West Des Moines, IA 50265  
Telephone: 515-252-7489

**Website:** [www.investmentclarity.com](http://www.investmentclarity.com)



**March 31, 2011**

This brochure supplement provides information about Debra A. Conlon that supplements the Clarity Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mary Pitcher, Chief Compliance Officer, at 515-252-7489 or [www.investmentclarity.com](http://www.investmentclarity.com) if you did not receive Clarity Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Clarity Asset Management, Inc.'s also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2 Educational Background and Business Experience****Debra A. Conlon**

Born 1962

Post-Secondary Education:

Iowa State University – 1985, BBA, Accounting

Recent Business Background:

Clarity Asset Management, Inc, Chief Operations &amp; Chief Financial Officer, 04/1999 – Present

Clarity Capital Management, Inc, Chief Financial Officer, 02/2008 – Present

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Mary Pitcher, Chief Compliance Officer, is responsible for monitoring the activities of Clarity's supervised persons. Ms. Pitcher's telephone number is 515-252-7489. Ms. Pitcher reviews all written client performance materials and newsletters prior to use. The Compliance Committee, which includes all Clarity employees, meets quarterly to review compliance requirements. The Investment Committee, which includes the CEO and the Portfolio Manager, meets quarterly to discuss investment strategies and market conditions. All employees also receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

Steven J. Larson, Chief Compliance Officer of Resource Planning Group Inc., is responsible for monitoring the activities of RPG's supervised persons. Mr. Larson's telephone number is 515-233-3152. Mr. Larson prepares and reviews prior to use the written client performance materials and newsletters. Prior to client meetings, Mr. Larson and Mr. Erickson review the client's objectives, review notes from prior meetings and add items to the action plan. Both Mr. Larson and Mr. Erickson use a dictation log that is maintained electronically. The Clarity Asset Management, Inc. ("Clarity") performance report is used to review the client's individual performance during a client meeting. All employees receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Mary Pitcher**  
**Clarity Asset Management, Inc.**  
2001 Westown Parkway, Suite 110  
West Des Moines, IA 50265  
Telephone: 515-252-7489

**Website: [www.investmentclarity.com](http://www.investmentclarity.com)**



**March 31, 2011**

This brochure supplement provides information about Mary Pitcher that supplements the Clarity Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mary Pitcher, Chief Compliance Officer, at 515-252-7489 or [www.investmentclarity.com](http://www.investmentclarity.com) if you did not receive Clarity Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Clarity Asset Management, Inc.'s also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**ITEM 2 Educational Background and Business Experience****Mary Pitcher**

Born 1962

Post-Secondary Education:

University of Iowa – 1984, BBA, Finance

Recent Business Background:

Clarity Asset Management, Inc, Chief Compliance Officer, 01/2007 – Present

Clarity Capital Management, Inc, Chief Compliance Officer, 02/2008 – Present

Clarity Fund, Inc, Chief Compliance Officer, 06/2010 – Present

Compliance Resources, Inc., President, 01/2007 – Present

Bankers Trust Company, N.A., Compliance Officer, 01/2004 – 01/2007

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Mary Pitcher, Chief Compliance Officer, is responsible for monitoring the activities of Clarity's supervised persons. Ms. Pitcher's telephone number is 515-252-7489. Ms. Pitcher reviews all written client performance materials and newsletters prior to use. The Compliance Committee, which includes all Clarity employees, meets quarterly to review compliance requirements. The Investment Committee, which includes the CEO and the Portfolio Manager, meets quarterly to discuss investment strategies and market conditions. All employees also receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

Steven J. Larson, Chief Compliance Officer of Resource Planning Group Inc., is responsible for monitoring the activities of RPG's supervised persons. Mr. Larson's telephone number is 515-233-3152. Mr. Larson prepares and reviews prior to use the written client performance materials and newsletters. Prior to client meetings, Mr. Larson and Mr. Erickson review the client's objectives, review notes from prior meetings and add items to the action plan. Both Mr. Larson and Mr. Erickson use a dictation log that is maintained electronically. The Clarity performance report is used to review the client's individual performance during a client meeting. All employees receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Donald L. Erickson**  
**Resource Planning Group, Inc.**  
**415 S. Duff Avenue, Suite B**  
**Ames, Iowa 50010**  
**Telephone: 515-233-3152**

**Website: N/A**

**March 31, 2011**

**This brochure supplement provides information about Donald L. Erickson that supplements the Clarity Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mary Pitcher, Chief Compliance Officer, at 515-252-7489 if you did not receive Clarity Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Clarity Asset Management, Inc.'s also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 Educational Background and Business Experience**

Donald L. Erickson

Born 1957

Education after High School:

- Colorado State University, 1975-1976
- Iowa State University, 1977-1979, graduated 1979 B.S. in Industrial Ed.
- Chartered Life Underwriter, Oct. 1987
- Chartered Financial Consultant, Oct. 1987

Business Background – preceding 5 years:

- Resource Planning Group, Inc., July 1986 – Present, financial planning services, owner
- Clarity Asset Management, Inc., June 1999 – Present, investment advisory services, associated person

A Chartered Financial Consultant (ChFC) is the financial planning designation for the insurance industry awarded by the American College of Bryn Mawr. ChFCs must meet experience requirements and pass exams covering finance and investing. They must have at least three years of experience in the financial industry, and have studied and passed an examination on the fundamentals of financial planning, including income tax, insurance, investment and estate planning. The ChFC designation must be renewed every two years and complete a minimum of 30 hours of continuing education. For more information on the ChFC designation and a ChFC informational brochure, go to [www.ChFCHighestStandard.com](http://www.ChFCHighestStandard.com) or [www.TheAmericanCollege.edu/chfc](http://www.TheAmericanCollege.edu/chfc).

A Chartered Life Underwriter (CLU) is a designation granted by the American College in Bryn Mawr, Pennsylvania to individuals who have completed training in life insurance and personal insurance planning. To obtain the designation, individuals have to complete advanced courses and exams in several topics including insurance, investments, taxation, employee benefits, estate planning, accounting, management and economics. The CLU designation must be renewed every two years and complete a minimum of 30 hours of continuing education. For more information on the CLU designation and a CLU informational brochure, go to [www.CLUHighestStandard.com](http://www.CLUHighestStandard.com) or [www.TheAmericanCollege.edu/clu](http://www.TheAmericanCollege.edu/clu).

## **ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

## **ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

## **ITEM 5 Additional Compensation**

None.

## **ITEM 6 Supervision**

Mary Pitcher, Chief Compliance Officer, is responsible for monitoring the activities of Clarity's supervised persons. Ms. Pitcher's telephone number is 515-252-7489. Ms. Pitcher reviews all written client performance materials and newsletters prior to use. The Compliance Committee, which includes all Clarity employees, meets quarterly to review compliance requirements. The Investment Committee, which includes the CEO and the Portfolio Manager, meets quarterly to discuss investment strategies and market conditions. All employees also receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

Steven J. Larson, Chief Compliance Officer of Resource Planning Group Inc., is responsible for monitoring the activities of RPG's supervised persons. Mr. Larson's telephone number is 515-233-3152. Mr. Larson prepares and reviews prior to use the written client performance materials and newsletters. Prior to client meetings, Mr. Larson and Mr. Erickson review the client's objectives, review notes from prior meetings and add items to the action plan. Both Mr. Larson and Mr. Erickson use a dictation log that is maintained electronically. The Clarity performance report is used to review the client's individual performance during a client meeting. All employees receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Steven J. Larson**  
**Resource Planning Group, Inc.**  
**415 S. Duff Avenue, Suite B**  
**Ames, Iowa 50010**  
**Telephone: 515-233-3152**

**Website: N/A**

**March 31, 2011**

**This brochure supplement provides information about Steven J. Larson that supplements the Clarity Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mary Pitcher, Chief Compliance Officer, at 515-252-7489 if you did not receive Clarity Asset Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Clarity Asset Management, Inc.'s also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**ITEM 2 Educational Background and Business Experience**

Steven J. Larson

Born 1953

Education after High School:

- Iowa State University, 1971-1975, graduated 1975 B.S. in Industrial Admin.
- Uniform Investment Advisor, Series 65, Feb. 2001
- Chartered Mutual Fund Counselor, Mar., 2004

Business Background – preceding 5 years:

- Resource Planning Group, Inc., Jan. 2000 – Present, financial planning services, admin. assist.
- Clarity Asset Management, Inc., Jan. 2000 – Present, investment advisory services, associated person

The Chartered Mutual Fund Counselor (CMFC) designation is granted by the College for Financial Planning in collaboration with the Investment Company Institute (ICI) and is the only industry-recognized mutual fund designation. This designation requires a thorough knowledge of mutual funds and their various uses as investment vehicles. To obtain the designation, individuals must successfully complete a course of study in open and closed-end mutual funds, risk and return assessment, asset allocation, mutual fund selection for a client, retirement planning, and ethics and professional conduct. They must also comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. The designation must be renewed every two years by completing 16 hours of continuing education and reaffirming the Code of Ethics. For more information on the CMFC designation, go to the College for Financial Planning website, [www.cffp.edu](http://www.cffp.edu).

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

The above listed supervised person does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**ITEM 5 Additional Compensation**

None.

**ITEM 6 Supervision**

Mary Pitcher, Chief Compliance Officer, is responsible for monitoring the activities of Clarity's supervised persons. Ms. Pitcher's telephone number is 515-252-7489. Ms. Pitcher reviews all written client performance materials and newsletters prior to use. The Compliance Committee, which includes all Clarity employees, meets quarterly to review compliance requirements. The Investment Committee, which includes the CEO and the Portfolio Manager, meets quarterly to discuss investment strategies and market conditions. All employees also receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

Steven J. Larson, Chief Compliance Officer of Resource Planning Group Inc., is responsible for monitoring the activities of RPG's supervised persons. Mr. Larson's telephone number is 515-233-3152. Mr. Larson prepares and reviews prior to use the written client performance materials and newsletters. Prior to client meetings, Mr. Larson and Mr. Erickson review the client's objectives, review notes from prior meetings and add items to the action plan. Both Mr. Larson and Mr. Erickson use a dictation log that is maintained electronically. The Clarity performance report is used to review the client's individual performance during a client meeting. All employees receive Clarity's Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.