

# Disclosure Brochure

March 2013

## **Clarity Investments + Planning LLC**

*a Registered Investment Adviser*

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## **Item 2. Material Changes**

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This Item discusses only the material changes that have occurred since Clarity's last annual update dated March 22, 2012. Clarity does not have any material changes to disclose in this Item.

## Item 3. Table of Contents

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## Item 4. Advisory Business

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Founded in December 2008 by principals Michael Goodman and Antonia Clearwaters, Clarity brings objective, high-quality financial advice (including investment management and financial planning) to a broad range of clientele, regardless of their existing wealth. As further discussed in response to Item 8, Clarity investment philosophy is based on principles of asset allocation, diversification, and minimizing expenses.

Prior to engaging Clarity to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with the firm setting forth the terms and conditions under which Clarity renders its services (collectively the “*Agreement*”).

As of December 31, 2011, Clarity had \$31,803,752 of assets under management, all of which were managed on a discretionary basis.

This Disclosure Brochure describes the business of Clarity. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Clarity’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Clarity’s behalf and is subject to Clarity’s supervision or control.

### Financial Planning and Consulting Services

Clarity may provide its clients with a broad range of comprehensive financial planning and consulting services. These services include retirement planning, cash flow projections, education savings, and debt management, but may also address additional areas tailored to the specific needs of clients.

In performing its services, Clarity is not 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 financial planning or consulting engagement or to 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. Clients are advised that it remains their responsibility to promptly notify Clarity if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Clarity’s previous recommendations and/or services.

## **Item 5. Fees and Compensation**

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### **Investment Management Services**

Clients can engage Clarity to manage all or a portion of their assets on a discretionary basis. All ongoing investment management clients are offered one (1) hour of complementary financial planning each year.

Clarity primarily allocates clients' investment management assets among mutual funds, and to a lesser extent among exchange-traded funds ("ETFs") and exchange-traded notes ("ETNs"), Clarity also provides advice about any type of investment held in clients' portfolios.

Clarity tailors its advisory services to the individual needs of clients. Clarity consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs (which may include the development of a financial plan). Clarity ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Clarity if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Clarity's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Clarity's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Clarity offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Financial Planning and Consulting Fees**

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Clarity may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$400 to \$4,000 on a fixed fee basis and/or from \$200 to \$350 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages Clarity for additional investment advisory services, Clarity may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Clarity to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Clarity setting forth the terms and conditions of the engagement. Generally, Clarity requires the entire financial planning fee payable upon entering the written agreement. The balance (if any) is generally due upon delivery of the financial plan or

completion of the agreed upon services.

**Investment Management Fee**

Clarity provides investment management services for 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 are incurred by the client. Clarity does not, however, receive any portion of these commissions, fees, and costs.

Clarity’s annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Clarity on the last day of the previous quarter. The annual fee varies depending upon the market value of the assets under management.

| PORTFOLIO VALUE         | BASE FEE* |
|-------------------------|-----------|
| Up to \$500,000         | 1.00%     |
| \$500,001 - \$1,000,000 | 0.80%     |
| Above \$1,000,000       | 0.60%     |

\* Minimum Annual Fee - \$1,000

Clarity, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

**Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), Clarity generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services (“Fidelity”) for investment management accounts.

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 include, but are not limited to, Fidelity, any other broker-dealer recommended by Clarity, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “Financial Institutions”).

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses),

deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Clarity's fee.

Clarity's Agreement and the separate agreement with any Financial Institutions may authorize Clarity to debit the client's account for the amount of Clarity's fee and to directly remit that management fee to Clarity. Any Financial Institutions 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 management fees paid directly to Clarity. Alternatively, clients may elect to have Clarity send an invoice for payment.

### **Fees for Management During Partial Quarters of Service**

For the initial period of investment management services, the fees are 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 fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Clarity's right to terminate an account. 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. 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 the withdrawal of assets may impair the achievement of a client's investment objectives. 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.

If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$50,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

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Clarity does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.



## Item 7. Types of Clients

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Clarity provides its services to individuals and pension and profit sharing plans.

### **Minimum Fee**

As a condition for starting and maintaining a relationship, Clarity generally imposes a minimum annual fee of \$1000. This minimum fee may have the effect of making Clarity's service impractical for clients, particularly those with portfolios less than \$100,000 under Clarity's management. Clarity, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

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

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### **Methods of Analysis**

Clarity applies a largely academic approach to portfolio management, meaning that its investment principles are founded in academic, fundamental-based research rather than short-term trends and market-related hype. Studying the returns, volatility and correlations of asset classes is one way Clarity's portfolios are comprised. Reviewing the composition, tax effects, costs and operations of the potential investment vehicles is also part of this process. This is done using professional and public databases, attending industry conferences, reading journals and interacting with other investment professionals.

### **Investment Strategies**

Clarity's investment strategy is premised around the development of a portfolio that is both designed to achieve a client's desired rate of return and sensitive to a client's individual risk tolerance.

It is Clarity's view that the overwhelming determinant of success of an investment strategy tends to be less related to the securities that are bought and sold, and more akin to how capital is allocated among various asset classes. Clarity does not advocate market timing or tactical asset allocation, and attempts to avoid investment decisions based on short-term market changes.

As such, the firm employs a range of model portfolio composites containing a mix of asset classes. In most cases, the Clarity utilizes mutual funds to effectuate its strategy, but may also do so through the use of ETFs or ETNs. For equity allocations, the firm primarily invests in vehicles that employ passive management strategies, while fixed income allocations are generally specific to a narrow range of maturity terms and credit quality.

Clarity also strives to account for its clients' individual tax implications, based on information provided by the client, and endeavors to rebalance portfolios at least annually or otherwise as it sees fit.

### **Risks of Loss**

#### *Mutual Funds*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. As such, a fund investor may incur substantial tax liabilities even when the fund underperforms. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker

acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Market Risks*

The profitability of a significant portion of Clarity's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Clarity will be able to predict those price movements accurately.

#### *Management through Similarly Managed Accounts*

Clarity manages 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"). In so doing, Clarity buys, sells, exchanges and/or transfers shares of mutual funds based upon the investment strategy. Clarity's management using the investment strategy complies 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.

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. For example, various mutual funds may limit the ability of Clarity to buy, sell, exchange or transfer securities consistent with its investment strategy. As further discussed in response to Item 12B (below), Clarity allocates investment opportunities among its clients on a fair and equitable basis.

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

## **Item 9. Disciplinary Information**

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Clarity is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Clarity does not have any required disclosures to this Item.

## Item 10. Other Financial Industry Activities and Affiliations

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Clarity is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Clarity has described such relationships and arrangements below.

### **Related Investment Adviser**

Clarity is under common control with its affiliated SEC registered investment adviser, Wealthstream Advisors, LLC ("*Wealthstream*") (CRD No. 129428). Certain principals and *Supervised Persons* of Clarity also serve in the same or similar capacity for *Wealthstream*. Clarity's principal place of business is the same as that of *Wealthstream*. Clarity may refer current or prospective clients to *Wealthstream* for investment management services.

### **Subadvisory Relationship**

Clarity may act as a subadvisor for the management of client assets for Newman Financial Planning ("Newman"), an unaffiliated investment adviser. Through this relationship, Newman may delegate a portion of its clients' assets to Clarity for investment management services. There is no difference with how Clarity manages assets for clients of Newman and its own investment management clients. As such, Clarity does not believe this poses any conflict of interest for its clients.

### **Receipt of Insurance Commissions**

Certain of Clarity's *Supervised Persons*, in their individual capacities, are licensed insurance agents with various insurance companies. Clarity does not, however, permit its *Supervised Persons* to sell insurance to its clients.

## Item 11. Code of Ethics

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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 of the Investment Advisers Act of 1940 (the “Advisers Act”), its *Code of Ethics* contains 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 public offerings and limited offerings.

Unless specifically permitted in Clarity’s *Code of Ethics*, none of 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 Person*) 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.

Clients and prospective clients may contact Clarity to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

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As discussed above, in Item 5, Clarity generally recommends that clients utilize the brokerage and clearing services of *Fidelity*.

Factors which Clarity considers in recommending *Fidelity* or any other broker-dealer to 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. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Clarity's clients comply with Clarity's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Clarity determines that the commissions are 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 *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Clarity seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Clarity periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Clarity in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Clarity will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* 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's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Clarity decides to purchase or sell the same securities for several clients at approximately the same time. Clarity may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Clarity's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders

been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Clarity's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Clarity determines to aggregate client orders for the purchase or sale of securities, including securities in which Clarity's *Supervised Persons* may invest, Clarity generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Clarity does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Clarity determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Clarity may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

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 Clarity'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 because Clarity does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

Clarity may receive from *Fidelity*, 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 support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). 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 Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## Item 13. Review of Accounts

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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 financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of Clarity’s investment adviser representatives. 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 contacts 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 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. Clients should compare the account statements they receive from their custodian with those they receive from Clarity.

Those clients to whom Clarity provides financial planning and/or consulting services will receive reports from Clarity summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Clarity.

## **Item 14. Client Referrals and Other Compensation**

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Clarity is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services.

Clarity may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

In addition, Clarity is required to disclose any direct or indirect compensation that it provides for client referrals. Clarity does not provide compensation for client referrals.

## Item 15. Custody

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Clarity's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Clarity through such *Financial Institution* to debit the client's account for the amount of Clarity's fee and to directly remit that management fee to Clarity in accordance with applicable custody rules.

The *Financial Institutions* 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 management fees paid directly to Clarity. In addition, as discussed in Item 13, Clarity also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Clarity.

## Item 16. Investment Discretion

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Clarity is given the authority to exercise discretion on behalf of clients. Clarity is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Clarity is given this authority through a power-of-attorney included in the agreement between Clarity and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Clarity takes discretion over the following activities:

- ☐ The securities to be purchased or sold;
- ☐ The amount of securities to be purchased or sold; and
- ☐ When transactions are made.

## Item 17. Voting Client Securities

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Clarity is required to disclose if it accepts authority to vote client securities. Clarity does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

## **Item 18. Financial Information**

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Clarity does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Clarity is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Clarity has no disclosures pursuant to this Item.