

# Clarity Asset Management, Inc.

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**Effective Date: April 21, 2016**

This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Clarity Asset Management, Inc. (“Clarity” or the “Advisor”) If you have any questions about the content of this disclosure brochure, please contact us at 515-233-3152 or [www.investmentclarity.com](http://www.investmentclarity.com). The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Clarity is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Clarity also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Clarity’s CRD number is 115699.

## **Summary of Material Changes**

There have been no material changes to this Disclosure Brochure since the last distribution to Clients.

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

Clarity Asset Management, Inc. ("Clarity" or the "Advisor") has been operating as a registered investment advisor since 1998. Clarity's current owners, Don Erickson, Steve Larson, and Deb Conlon, each own at least 25% of the Advisor's shares. Each has been active in finance areas since 1986, 1975, and 1999, respectively. The Advisor provides customized portfolio management to individuals, families, trusts, estates, charitable organizations, corporations, and retirement plans. The Advisor offers its services on a fee basis based upon assets under management. Prior to engaging the Advisor to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Advisor setting forth the terms and conditions under which the Advisor shall render its services (collectively the "Agreement").

The Advisor'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 the Advisor'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 traded without regard to a client's individual tax ramifications. Certain investment opportunities that become available to the Advisor's clients may be limited. In order to meet its fiduciary duties to all of its clients, the Advisor will endeavor to allocate investment opportunities among its clients on a fair and equitable basis.

The Advisor also may render advisory services on client accounts that are not held with the Advisor's recommended custodian. The Advisor either directs or recommends the allocation of client assets among the various investment options applicable to that client's investment goals. Clients may also provide portfolio management restrictions, such as assets that they want to maintain regardless of the Advisor's recommendation. Should a Client want to impose such a restriction on a portion of their assets being managed by the Advisor, Client needs to communicate such restriction to the Advisor.

The Advisor provides financial planning or other consulting services to clients. Clients engaging the Advisor for financial planning services may continue their engagement with the Advisor through its separate advisory services. The Advisor may provide certain of its clients with consulting services (which may include non-investment related matters). The Advisor may or may not charge a fee for these services. Any of the Advisor's consulting fees are negotiable and may vary depending upon the consulting services.

Where the Advisor charges a fee for consulting services, the client will generally be required to enter into a written agreement with the Advisor setting forth the terms and conditions of the engagement and describing the scope of the services to be provided. Either party may terminate the agreement by written notice to the other. 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, the Advisor 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. The Advisor may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if the Advisor recommends its own services. The client is under no obligation to act upon any of the recommendations made by the Advisor under a consulting engagement and/or engage the services of any such recommended professional, including the Advisor itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of the Advisor's recommendations. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Advisor if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the Advisor's previous recommendations and/or services.

#### **Types of Investments**

The Advisor typically provides investment advice on mutual fund shares, ETFs (exchange-traded funds) and exchange listed securities. The Advisor may also provide investment advice on, 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 basis by the Advisor. Discretion means the trading activity within the Client's account(s) may be entered by the Advisor 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 the Advisor. In most cases, discretion will be utilized. As of December 31, 2015, all of the Advisor's clients are managed on a discretionary basis that totals \$124,672,979. The Client will receive confirmations and statements showing all trading activity in the account(s).

#### **ITEM 5 Fees and Compensation**

The Advisor'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, the Advisor shall not receive any portion of these commissions, fees, and costs.

##### Assets Under Management Fees

This includes asset management, financial planning, and online access to the Wealth Portal:

PORTFOLIO VALUE	ANNUAL FEE*
\$0 to \$1,000,000.....	1.00%
\$1,000,001 to \$2,000,000.....	0.65%
Over \$2,000,000 .....	0.35%

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

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

Fees are calculated by multiplying the annual fee rate by the total assets under management for a calendar quarter, taking into account any contributions or withdrawals occurring during the quarter on a pro rated basis. After the close of any calendar quarter for which advisory fees have been earned, the Advisor will send by regular U.S. mail or email an itemized statement of computation of fees. The Advisor will automatically deduct the applicable fees from Client's account in accordance with the Client's account agreement with the Custodian. It is the Client's responsibility to verify the calculation of fees and to notify the Company promptly of any errors in computation. Upon notice to the Advisor of any errors in computation of fees, the Advisor shall promptly refund to Client any excess fees collected in error. Advice offered by the Advisor may involve investments in mutual funds or ETFs. Clients are hereby advised that all fees paid to the Advisor for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or ETFs (described in each prospectus) to their shareholders. Clients whose assets are invested in the shares of mutual funds or ETFs and similar investment products pay both a direct management fee to the investment advisor and an indirect management fee through the product.

As further discussed in response to Brokerage Practices Page 8, the Advisor 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.

The Advisor may only implement its investment management recommendations after the client has arranged for and furnished the Advisor 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 the Advisor, broker-dealer directed by the client, trust companies, banks, etc. (Collectively referred to herein as the "Financial Institution(s)").

The Advisor's Agreement and/or the separate agreement with the Financial Institution(s) may authorize the advisor fee through the Financial Institution(s) to debit the client's account for the amount of the Advisor's fee and to directly remit that management fee to the Advisor in accordance with applicable custody rules. The Financial Institution(s) recommended by the Advisor 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 the Advisor.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between the Advisor and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. The Advisor'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 the Advisor reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. The Advisor 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 or ETF level (i.e. contingent deferred sales charge) and/or tax ramifications.

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

If a financial plan is created for a client, the financial planning fee is quoted at \$500 or less and is billed in arrears. Most financial plans are completed within six months. For clients that engage with the Advisor to provide financial planning services, the Advisor may waive any fees related to the financial planning services if the client engages the Advisor for advisory services. The Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Meetings with and services provided by other professionals required for implementation are billed separately by those professionals.

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

Neither the Advisor, nor its Supervised Persons, receives Performance-Based fees. Advice offered may involve investments in mutual funds or ETFs. 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 or ETFs (described in each fund's prospectus) to their shareholders. Clients whose assets are invested in the shares of mutual funds or ETFs pay with a direct management fee to the investment advisor and an indirect management fee through the mutual fund or ETF.

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

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

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

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

The Advisor'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 in the Advisor'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 the Advisor 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 the Advisor 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 the Advisor'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 traded without regard to a client's individual tax ramifications. Certain investment opportunities that become available to the Advisor's clients may be limited. In order to meet its fiduciary duties to all of its clients, the Advisor 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 the Advisor's right to terminate an account. Clients may withdraw account assets on notice to the Advisor, subject to the usual and customary securities settlement procedures. However, the Advisor 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 or ETF 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 Advisor's business or the integrity of the Advisor's management.

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

No Advisor 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 advisor. The Advisor does not have a pending application to register as a broker-dealer, a futures commission merchant, a commodity pool operator, or a commodity trading advisor.

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

The Advisor and persons associated with the Advisor ("Supervised Persons") are permitted to buy or sell securities that it also recommends to clients consistent with the Advisor's policies and procedures. The Advisor has adopted a code of ethics that sets forth the standards of conduct expected of its Supervised Persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A-1 of the Advisors Act, the Advisor's Code of Ethics and Policies and Procedures Manual contain written policies reasonably designed to prevent the unlawful use of material non-public information by the Advisor or any of its Supervised Persons. The Code of Ethics also requires that certain of the Advisor's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval to trade certain securities. Clients may contact the Advisor, 515-233-3152, to request a copy of its Code of Ethics.

In accordance with the policies and procedures stated within the Advisor's Code of Ethics, the Advisor'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 the Advisor's clients.

When the Advisor 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 the Advisor 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**

The Advisor has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides the Advisor with "institutional platform services". The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist the Advisor in managing and administering clients' accounts include software and other technology that (i) provide access

to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. The Advisor is independently operated and owned and is not affiliated with Fidelity.

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 the Advisor's fee. Factors which the Advisor 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 the Advisor to obtain many mutual funds or ETFs 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 broker-dealers. The commissions paid by the Advisor's clients shall comply with the Advisor'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 the Advisor 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 the Advisor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests the Advisor to arrange for the execution of securities brokerage transactions for the client's account, the Advisor shall direct such transactions through broker-dealers that the Advisor reasonably believes will provide best execution. The Advisor 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 the Advisor 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 the Advisor 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 the Advisor (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, the Advisor may decline a client's request to direct brokerage if, in the Advisor's 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 the Advisor in its investment decision-making process. Such research generally will be used to service all of the Advisor'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.

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

Additionally, the Advisor 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.



As such, the Advisor does not believe this relationship rises to the level of a "soft dollar" relationship. The Advisor does not participate in soft dollar programs sponsored or offered by any broker-dealer.

In the event of trading errors caused by the Advisor's employees, it is the Advisor's policy to make its clients whole, communicate errors to its clients, and to document errors in its trade error file. For equity positions, gains arising out of errors will be retained in client accounts while losses will be reimbursed by the Advisor to the client. Losses to non-qualified accounts are reimbursed immediately upon discovery via a transfer from the Advisor's 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 the Advisor deems the purchase and sale of a security or ETF to be in the best interests of more than one of its clients, the Advisor 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.

The Advisor 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 the Advisor provides investment management services, the Advisor monitors those portfolios as part of an ongoing process while regular account reviews are conducted on generally a quarterly basis. For those clients to whom the Advisor provides consulting services for a fee, reviews are conducted on an "as needed" basis. Such reviews are conducted by the Chief Investment Officer and/or by investment advisor representatives under his supervision. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Advisor and to keep the Advisor informed of any changes thereto. The Advisor 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 the Advisor provides investment advisory services will also receive a report from the Advisor 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 the Advisor provides consulting services will receive reports from the Advisor summarizing its analysis and conclusion as requested by the client.

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

If a client is introduced to the Advisor by either an unaffiliated or an affiliate solicitor, the Advisor may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisors Act and any corresponding state securities law requirements. Any such referrals fee shall be paid solely from the Advisor's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to the Advisor by an unaffiliated solicitor, the solicitor shall provide the client with a copy of the Advisor's written disclosure statement which meets the requirements of Rule 204-3 of the Advisors 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 the Advisor 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 the Advisor's written disclosure statement at the time of the solicitation.

#### **ITEM 15 Custody**

The Advisor does **not** have custody of any client funds, except for the authorized deduction of the Advisor's fees. The Advisor 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 Advisor. The Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**ITEM 16 Investment Discretion**

There is limited trading authority to the Advisor over the client's account(s). The Advisor 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 the Advisor. (See Advisory Business Page 4) In addition to the foregoing, clients may, in writing, place reasonable limitations upon the Advisor'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 the Advisor's clients may be limited. In order to meet its fiduciary duties to all of its clients, the Advisor will endeavor to allocate investment opportunities among its clients on a fair and equitable basis.

Neither the Advisor 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 the Advisor shall not be considered an assignment.

**ITEM 17 Voting Client Securities**

The Advisor does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

**ITEM 18 Financial Information**

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

A copy of the Advisor's privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the Investment Advisors Act of 1940, as amended ("Advisors Act"), shall be provided to each client prior to or contemporaneously with the execution of the Agreement and annually thereafter.

**Donald L. Erickson**  
**Clarity Asset Management, Inc.**  
**2117 Philadelphia Street, Suite 100**  
**Ames, Iowa 50010**  
**Telephone: 515-233-3152**

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

**CRD Number: 1296053**

**April 21, 2016**

**This brochure supplement provides information about Donald L. Erickson that supplements the Clarity Asset Management, Inc. (“Clarity”) disclosure brochure. You should have received a copy of Clarity’s disclosure brochure. Please contact Julie Siegel, Chief Compliance Officer, at 515-233-3152 if you did not receive Clarity’s disclosure brochure or if you have any questions about the contents of this brochure supplement.**

**Additional information about Clarity Asset Management, Inc. 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 Science
- Chartered Life Underwriter, Oct. 1987
- Chartered Financial Consultant, Oct. 1987

Recent Business Background:

- Clarity Asset Management, Inc.,
  - Nov 2013 – Present, Principal, President & Chief Executive Officer, Investment Advisor Representative;
  - May 1998 – Nov 2013, Investment Advisor Representative, Associated Person
- Resource Planning Group, Inc.,
  - Nov 2013 – April 2015, Owner
  - July 1986 – Nov 2013, Financial Planner, Owner

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. 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. 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 Mr. Erickson.

**ITEM 4 Other Business Activities**

Mr. Erickson 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 advisor.

**ITEM 5 Additional Compensation**

Mr. Erickson has no additional compensation to disclose.

**ITEM 6 Supervision**

Julie Siegel, Chief Compliance Officer, is responsible for monitoring the activities of the Advisor's supervised persons. Ms. Siegel's telephone number is 515-233-3152. Ms. Siegel reviews all written client performance materials and newsletters prior to use. The Investment Committee quarterly documents investment strategies and market conditions. All employees also receive the Advisor's Compliance Manual – Policies, Procedures and Controls and Code of Ethics and are asked to annually certify to their understanding of the material. The Chief Investment Officer supervises all investment advisor representatives' investment activities.

**Steven J. Larson, CMFC**  
**Clarity Asset Management, Inc.**  
**2117 Philadelphia Street, Suite 100**  
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**Telephone: 515-233-3152**

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

**CRD Number: 4577948**

**April 21, 2016**

**This brochure supplement provides information about Steven J. Larson that supplements the Clarity Asset Management, Inc. (“Clarity”) disclosure brochure. You should have received a copy of Clarity’s disclosure brochure. Please contact Julie Siegel, Chief Compliance Officer, at 515-233-3152 if you did not receive Clarity’s disclosure brochure or if you have any questions about the contents of this brochure supplement.**

**Additional information about Clarity Asset Management, Inc. 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, CMFC

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

Recent Business Background:

- Clarity Asset Management, Inc.,
  - Nov 2013 – Present, Principal, Secretary & Vice President, Chief Investment Officer, and Investment Advisor Representative;
  - April 2001 – Nov 2013, Investment Advisor Representative
- Resource Planning Group, Inc.,
  - Jan 2000 – July 2012, Financial Planner

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 Mr. Larson.

**ITEM 4 Other Business Activities**

Mr. Larson 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 advisor. Mr. Larson is actively involved with a local and global ministry and spends approximately 15-20% of his time on these activities.

**ITEM 5 Additional Compensation**

Mr. Larson has no additional compensation to disclose.

**ITEM 6 Supervision**

Julie Siegel, Chief Compliance Officer, is responsible for monitoring the activities of the Advisor's supervised persons. Ms. Siegel's telephone number is 515-233-3152. Ms. Siegel reviews all written client performance materials and newsletters prior to use. The Investment Committee quarterly documents investment strategies and market conditions. The Chief Investment Officer supervises all investment advisor representatives' investment activities. All employees also receive the Advisor's Compliance Manual – Policies, Procedures and Controls and Code of Ethics and are asked to annually certify to their understanding of the material.

**Debra A. Conlon**  
**Clarity Asset Management, Inc.**  
**2117 Philadelphia Street, Suite 100**  
**Ames, IA 50010**  
**Telephone: 515-233-3152**

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

**CRD Number: 3094812**

**April 21, 2016**

**This brochure supplement provides information about Debra A. Conlon that supplements the Clarity Asset Management, Inc. ("Clarity") disclosure brochure. You should have received a copy of Clarity's disclosure brochure. Please contact Julie Siegel, Chief Compliance Officer, at 515-233-3152 or [www.investmentclarity.com](http://www.investmentclarity.com) if you did not receive Clarity's disclosure brochure or if you have any questions about the contents of this brochure supplement.**

**Additional information about Clarity Asset Management, Inc. 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

Uniform Investment Advisor, Series 65, May 2007

Recent Business Background:

- Clarity Asset Management, Inc.,
  - Nov 2013 – Present, Principal, Treasurer & Vice President, Chief Operations & Chief Financial Officer, and Investment Advisor Representative;
  - May 2007 – Nov 2013, Chief Financial Officer and Investment Advisor Representative;
  - Apr 1999 – May 2007, Chief Financial Officer
- Clarity Capital Management, Inc.,
  - Feb 2008 – July 2013, Chief Financial Officer
- Clarity Fund, Inc.,
  - Sept 2011 – July 2013, Treasurer

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to Ms. Conlon.

**ITEM 4 Other Business Activities**

Ms. Conlon 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 advisor.

**ITEM 5 Additional Compensation**

Ms. Conlon has no additional compensation to disclose.

**ITEM 6 Supervision**

Julie Siegel, Chief Compliance Officer, is responsible for monitoring the activities of the Advisor's supervised persons. Ms. Siegel's telephone number is 515-233-3152. Ms. Siegel reviews all written client performance materials and newsletters prior to use. The Investment Committee quarterly documents investment strategies and market conditions. All employees also receive the Advisor's Compliance Manual – Policies, Procedures and Controls and Code of Ethics and are asked to annually certify to their understanding of the material. The Chief Investment Officer supervises all investment advisor representatives' investment activities.



**Kacy P. Bass**  
**Clarity Asset Management, Inc.**  
**2117 Philadelphia Street, Suite 100**  
**Ames, IA 50010**  
**Telephone: 515-233-3152**

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

**CRD Number: 6460989**

**April 21, 2016**

**This brochure supplement provides information about Kacy P. Bass that supplements the Clarity Asset Management, Inc. ("Clarity") disclosure brochure. You should have received a copy of Clarity's disclosure brochure. Please contact Julie Siegel, Chief Compliance Officer, at 515-233-3152 or [www.investmentclarity.com](http://www.investmentclarity.com) if you did not receive Clarity's disclosure brochure or if you have any questions about the contents of this brochure supplement.**

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

**ITEM 2 Educational Background and Business Experience****Kacy P. Bass**

Born 1991

Post-Secondary Education:

Iowa State University – Master of Family and Consumer Sciences with Family Financial Planning specialization degree, with an expected graduation date of 2017

Trinity International University – BA in Biblical Studies, 2012

Iowa Central Community College – Attended classes

Uniform Investment Advisor, Series 65, March 2015

Recent Business Background:

- Clarity Asset Management, Inc.,
  - March 2015 – Present, Investment Advisor Representative, Client Services Specialist;
  - Jan 2014 – March 2015, Client Services Specialist
- Haverkamp Properties,
  - Jan 2013 – Dec 2013, Resident Manager
- Student,
  - March 2005 - Present

**ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to Mr. Bass.

**ITEM 4 Other Business Activities**

Mr. Bass 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 advisor.

**ITEM 5 Additional Compensation**

Mr. Bass has no additional compensation to disclose.

**ITEM 6 Supervision**

Julie Siegel, Chief Compliance Officer, is responsible for monitoring the activities of the Advisor's supervised persons. Ms. Siegel's telephone number is 515-233-3152. Ms. Siegel reviews all written client performance materials and newsletters prior to use. The Investment Committee quarterly documents investment strategies and market conditions. All employees also receive the Advisor's Compliance Manual – Policies, Procedures and Controls and Code of Ethics and are asked to annually certify to their understanding of the material. The Chief Investment Officer supervises all investment advisor representatives' investment activities.



## **Clarity Asset Management, Inc.**

### **Privacy Policy**

**Effective: April 21, 2016**

**2117 Philadelphia Street, Suite 100  
Ames, IA 50010**

**Telephone: 515-233-3152**

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

## Privacy Policy

### Our Commitment to You

Clarity Asset Management, Inc. ("Clarity" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Clarity (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Clarity does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

**How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Clarity does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Clarity or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Clarity does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy, by contacting us at [515-233-3152](tel:515-233-3152).