

## ITEM 1. INTRODUCTION

Claret Asset Management Corporation (“Claret”, “we”, “our”) is a registered investment adviser with the Securities Exchange Commission (“SEC”). Claret is an independent asset management firm located in Canada specialized in managing private portfolios mainly for clients in North America. Brokerage and investment advisory services and fees differ so it is important for retail investors (“you”, “your”) to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Our Form ADV Part 2 can be found at <https://adviserinfo.sec.gov/firm/summary/110453>.

## ITEM 2. WHAT INVESTMENT SERVICES AND ADVICE CAN YOU PROVIDE ME?

Managing your investments to achieve your financial goals can be complicated. Our clients are wealthy individuals, professionals and business owners who either do not have the interest, knowledge or time to manage their investment portfolio. We specialize in providing discretionary portfolio management services to high net worth clients through segregated fully managed accounts, i.e., building, managing and monitoring the investment portfolio in accordance with the guidelines established under an investment policy statement (“IPS”) with a discretionary mandate (i.e., the ability to make decisions to buy and sell securities in your account without your permission for individual transactions but following your IPS). We also serve corporations, trusts, estate, institutions, pension funds and non-profit organizations.

We work with each client to establish an IPS that documents their specific investment objectives and long term strategic asset allocation after taking into consideration their financial or other unique circumstances, risk profile, time horizon and investment knowledge. We create portfolios consisting of bonds/fixed income securities as well as North American and international equities. The objective is to add value through security selection. Our style primarily emphasizes buying securities that are trading at low valuations that have sound businesses and strong balance sheets. We monitor your portfolio on a monthly basis or when circumstances require. We may also achieve your investment objectives through our proprietary investment funds (“Claret Funds”), which are generally not available to non-Canadian investors.

We require you to sign a written investment management agreement, which authorizes us to manage investments on your behalf. You may cancel the investment management agreement at any time. The minimum for opening an account directly with us is generally \$500,000 for separately managed clients but it can be waived at our discretion.

*Given my financial situation, should I choose an investment advisory service? Why or why not?*

*How will you choose investments to recommend to me?*

*What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

[Please refer to Item 4, Item 7 and Item 16 of our Form ADV Part 2.](#)

## ITEM 3. WHAT FEES WILL I PAY?

You will pay an investment management fee of up to 1.25% per annum, billed quarterly in arrears, based on the value of your portfolio at the end of the previous quarter. Fees on large accounts are charged based on tiers and may be negotiable. We do not charge additional fees to open, operate or maintain an account. You will also pay certain fees and costs charged by your custodian and a broker who executes the transactions in your account(s). There may also be embedded fees in the investment products, such as investment funds (including Claret Funds), exchange traded funds, equity linked notes, or other structured products, held in your account. [Please see Item 5 of the Form ADV Part 2.](#)

The more assets there are in a retail investor’s advisory account, the more a retail investor will pay in fees, and we may therefore have an incentive to encourage the retail investor to increase the assets in his or her accounts. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

*Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*



## SEC FORM ADV, PART 3 CLIENT RELATIONSHIP SUMMARY

### What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflict of interest do you have?

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

*How might your conflicts of interest affect me, and how will you address them?*

Possible Conflict of Interest	How do we address them
We manage accounts of multiple clients and Claret Funds. In the case of limited Investment opportunities, this mean we may not be able to allocate the optimal amount of such investment opportunities to your account(s).	We have in place a fairness policy in allocating investment opportunities based on suitability in a fair and reasonable way.
We may enter into a referral arrangement from time to time with a third-party referrer. This means that the referrer has an incentive to direct your accounts to us so that he can receive a referral fee from us.	The details of a referral arrangement, if any, including the parties to the arrangement, the manner in which the fee for referral services is calculated and the referrer to whom it is paid, will be disclosed to you.
While carrying out our mandate, our employees may personally purchase or sell securities of issuers that its clients hold in their portfolios. This means that an employee may trade ahead of our clients.	These transactions are subject to our employee trading policies which require that all trades in non-exempt securities are reviewed and approved by the compliance team. If any proposed trades could potentially create a conflict with the clients, the clients' interest will take priority.

[For a complete description of our conflicts of interest and how we manage them, please refer to our Form ADV Part 2.](#)

### How do your financial professionals make money?

Our portfolio managers are usually paid a base salary plus a distribution or bonus based on their assets under management ("AUM") achieved or the fees generated from their AUM. Our other employees are paid a salary and a performance-based bonus. Their compensation arrangement can create a conflict of interest as a significant portion of their compensation is, directly or indirectly, tied to the AUM.

### ITEM 4. DO YOU OR YOUR FINANCIAL PROFESSIONAL HAVE A LEGAL OR DISCIPLINARY HISTORY?

Pursuant to RSA 421-b under New Hampshire law, an SEC-registered investment adviser with a single client resident in the State of New Hampshire is deemed to be transacting business in the state and is generally required to make a notice filing with the state. The firm has had a single client in New Hampshire since 2016 but did not notice file with the state until March 2019, when it became aware of the state's filing requirements. On July 15, 2019, Claret entered a consent order with the Bureau of Securities Regulation, Department of State, State of New Hampshire. Under the consent order, the firm has agreed to pay an administrative fine of \$2,500, to pay the notice filings fees for the period covering 2016 through 2018, and to cease and desist from any violations of RSA-421-b.

[Investor.gov/CRS](https://www.investor.gov/CRS) provides a free and simple search tool to research us and our financial professionals.

*As a financial professional, do you have any disciplinary history? For what type of conduct?*

### ITEM 5. ADDITIONAL INFORMATION

*Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?*

For up-to-date information or request a current copy of this Client Relationship Summary, please contact us at [info@claret.ca](mailto:info@claret.ca) or at 888-842-6110. You may also visit our website at <https://claret.ca/>

If you are an existing client, please contact your portfolio manager for any questions on your account(s). If you have any questions or concerns on your portfolio manager, you may reach out to our compliance officer at [compliance@claret.ca](mailto:compliance@claret.ca).

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