



March 18, 2024

ITEM 1. COVER PAGE FOR PART 2A OF FORM ADV

FIRM BROCHURE

CLARET ASSET MANAGEMENT CORPORATION

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This brochure provides information about the qualifications and business practices of Claret Asset Management Corporation ("Claret").

If you have any questions about the contents of this brochure, please contact us by telephone at (514) 842-6110 or email: mgravel@claret.ca. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Claret is also available on the SEC's website at www.adviserinfo.sec.gov.

Claret is a registered investment adviser. It should be noted that the word registered does not imply a certain level of skill or training.



ITEM 2. MATERIAL CHANGES

Claret is required to advise you of any material changes to our Firm Brochure (“brochure”) from our last annual update. There have not been no **material** changes since the last annual update as of December 31, 2022.

We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.



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ITEM 4. ADVISORY BUSINESS

A. DESCRIPTION OF OUR ADVISORY FIRM, INCLUDING HOW LONG WE HAVE BEEN IN BUSINESS AND OUR PRINCIPAL OWNER(S)

Claret is a Canadian based portfolio management firm, managing private portfolios mainly for clients in North America. Our firm was founded in 1996. Our principal office is located at 900 de Maisonneuve O., Suite 1900 in Montreal, Quebec, Canada. Claret manages investment on behalf of individuals. Assets under management are approximately \$1.8 billion U.S. dollars as of December 31, 2023.

Through their respective holding companies, William K. Kovalchuk, President, owns 25% of the voting shares, Alain D. Chung, Chairman and Chief Investment Officer, owns 55% of the voting shares and Jean-Paul Giacometti, Vice President, owns 20% of the voting shares.

B. DESCRIPTION OF THE TYPES OF ADVISORY SERVICES WE OFFER

Claret is a single purpose organization which provides investment management services only. We create portfolios consisting of bonds/fixed income securities as well as North American and international equities/stocks. The objective is to add value through security selection. Portfolio volatility or risk is managed by diversification. We do trade in options and derivatives if it is in the clients' best interest. Our style primarily emphasizes buying securities that are trading at low valuations that have sound businesses and strong balance sheets. Further information is available upon request.

C. EXPLANATION OF HOW WE TAILOR OUR SERVICES TO THE INDIVIDUAL NEEDS OF CLIENTS

We spend time to get to know you, our client, to review and discuss your current financial situation. Areas of review will focus on, but are not be limited to, your: (i) goals and objectives; (ii) asset and liabilities; (iii) liquidity needs; (iv) risk tolerance; (v) tax status; (vi) legal constraints (such as being a corporate insider, officer or director) and (vii) other variables relevant to understanding your unique investment circumstances including any unique preferences. This approach is based on the CFA Institute (Chartered Financial Analyst Institute) guidelines to portfolio management. We also spend time explaining our investment style to ensure that your expectations will be met. Together we develop the investment guidelines and establish the asset mix and ranges we will follow when managing your portfolio. This information can be found in our investment policy statement.

All portfolios are managed on a segregated basis, meaning they are managed in the clients' name and securities are held in the clients' accounts. This allows us to respect your wishes



and exclude any securities you may not wish to hold such as securities issued by alcohol or tobacco companies for example. We tailor your portfolio to your wishes using our research methodology. Portfolio management software and accounting software allow us to create a tailored portfolio.

D. WRAP FEE PROGRAMS

Claret does not engage in wrap fee programs. Therefore, this part is not applicable.

E. CLIENT ASSETS MANAGED ON A DISCRETIONARY BASIS

Claret manages portfolios on a discretionary basis which means that you sign a contract which gives us the authority to buy and sell securities within your account(s) without having to first ask your permission to do so. Claret had approximately \$1.8 billion U.S. dollars under management as of December 31, 2023.



ITEM 5. FEES AND COMPENSATION

A. COMPENSATION FOR ADVISORY SERVICES

Claret earns fees for investment management, based on the value of assets under management in your portfolio. Generally, the separately managed discretionary accounts are subject to a management fee of up to 1.25% per annum and billed quarterly in arrears. Fees on larger accounts are charged based on tiers and may be negotiable.

B. PAYMENT OF FEES

Most clients choose to have their custodian pay our fees directly from their account upon receipt of our invoice with the justifying calculation based on the client signed investment policy statement. Some clients choose to be billed directly. We bill quarterly, every three months, in arrears based on the value of the portfolio at the end of the previous quarter.

C. OTHER FEES AND EXPENSES YOU MAY PAY

Claret does not provide custodial services, so you will have to choose a qualified custodian to hold your assets. Several options are available. Traditional custodians or trust companies usually charge a fee based on the value of your portfolio. They may also charge fees for each transaction within the portfolio. The fees are set out in your contract with the custodian you have selected.

Brokerage firms can also provide custody services. They do not generally, charge a fee on the value of your portfolio; instead they make their money from commissions charged on transactions.

You will pay brokerage commission fees whenever we trade in your portfolio. Claret is able to select any broker to use for trading in your account. We are not limited to trading only with your broker. However, if a client selects a brokerage firm that Claret does not have a relationship with, the brokerage firm will charge you fees for transactions regarding custody of your security. These fees are charged on transactions commonly called DAP or RAP (delivery against payment or receipt against payment).

If Claret has a relationship with the broker you choose as custodian, we generally negotiate more favorable commission rates due to our volume of business. Brokerage firms allow Claret to use outside brokers, either to get access to a particular investment or to obtain a better price for you. In these cases, if your broker also acts as your custodian, you will not be charged a DAP or RAP (delivery against payment or receipt against payment) fee to settle the trade within your account. Custodians and brokers may also charge a fee to wire payments to you



or to research information for you (such as printing duplicate tax slips or verifying tax costs). When you hold non-North American securities, the brokerage commission you pay for each transaction will generally be higher.

Other expenses you may pay would include government withholding taxes on income such as dividends. Additional governmental charges, taxes and duties may apply.

D. PAYMENT

The investment management fees on Claret's separately managed client accounts are payable in arrears, using the quarter end market value of the previous quarter. If you terminate the advisory contract with us before the end of the billing period, we will send your custodian an invoice for the portion of the fees payable from your account from the agreed upon date of termination. You are required to inform us of termination. We do not force clients to prepay our fees or pay fees in advance of services.

E. COMPENSATION TO SUPERVISED PERSONS

We do not have compensation arrangements to disclose with respect to supervised persons, i.e. we do not pay commissions or sales charges to any Claret employees.



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

In general, we do not charge performance-based fees as we do not believe it is in the client's best interest. On very rare occasions a client will insist on a fixed base fee, plus a performance fee.

Claret does not have a set performance-based fee schedule but will consider a performance-based fee if approached by a client to consider such an arrangement, provided it is fair and equitable to all parties.

In those instances where Claret has implemented a performance-based fee, client fees are divided into two components. The first component is a base fee, paid by the client regardless of performance. The second component is a fee paid to Claret based on a performance relative to a prescribed benchmark.

Performance based arrangements may also create an incentive for Claret to recommend investments that are more risky or speculative than those that would be recommended under a different fee arrangement.

To mitigate these conflicts, Claret's policies and procedures seek to provide that investment decisions are made in accordance with the fiduciary duties owed to clients and without consideration of Claret pecuniary, investment or other financial interests. All client accounts are monitored on a regular basis to ensure compliance with Claret's policies and procedures.

One of the investment funds managed by Claret is subject to a performance fee of 25% of the amount that the aggregate of the NAV and all distributions made to the partners exceeds an internal rate of return of 6% per annum on capital contribution. However, this fund is not available to U.S. residents.



ITEM 7. TYPES OF CLIENTS

Claret is an investment advisory firm, managing private portfolios mainly for clients in North America.

The minimum for opening an account directly with Claret is generally \$500,000 for separately managed clients. Individuals and entities with smaller accounts may become clients at Claret's discretion.

At Claret, we specialize in handling the needs of individual investors. Our services extend to many types of investment accounts: personal investment account, corporate account, trust account, foundations, registered accounts and more.



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

A. DESCRIPTION OF THE METHODS OF ANALYSIS AND INVESTMENT STRATEGIES AND RISK OF LOSS

Investment strategy at Claret is developed with extensive in-house research. We have a buy and hold investment approach.

We use a number of risk controls in order to reduce volatility (or risk):

- + Emphasis on longer-term trends
- + Fundamentally-based research
- + Diversified portfolios
- + Lower portfolio turnover
- + Quantitative research and filters

In general, we look for companies that can provide strong cash flow growth per share over the long term and have a strong balance sheet. We favor companies and industries with consistent above average cash flow generation. Stocks and corporate bonds which we identify as a prospect or which we own are reviewed based on a combination of fundamental qualitative and quantitative analysis.

The firm relies primarily on internal resources to develop strategy and generate investment ideas.

Our research concentrates on identifying companies possessing three main characteristics.

1. Strong engaged management
2. Sound balance sheets
3. Sustainable cash flows

Once these companies are identified they are purchased at historically lower valuations to improve the potential for future returns. We believe that buying companies at lower historical valuations with strong balance sheets provides for a margin of safety on the downside.

We do buy structured products or asset backed securities for our client's portfolios or funds. In the case of structured products, we are faced with a "made or buy" decision. If it is more beneficial for the client, we will purchase a structured product otherwise we would make it in house.

As with any investment, there is the potential for a loss of capital.



B. DESCRIPTION OF THE RISK INVOLVED IN INVESTING FOR EACH OF OUR STRATEGIES

Investing your money in stocks and bonds involves a risk of loss and potentially a permanent loss of capital. Your account could suffer a loss. Bonds are generally purchased for income and safety but they can also lose value – in the extreme case the companies or the governments which issue bonds may go bankrupt or default on their obligations. It is important that you understand these risks associated with investing in these markets. Our goal is to reduce the volatility or risk within your portfolio, through prudent diversification.

If you would like Claret to manage only a specific portion of your portfolio (example, Canadian or International equities) then our diversification will be limited to these markets.

C. WERE WE TO RECOMMEND A PARTICULAR TYPE OF SECURITY, WE WOULD EXPLAIN THE MATERIAL RISKS INVOLVED

Investment Risks

Investing entails an element of risk.

- + *Credit risk*: Securities issued by entities with a low credit rating are considered to have a higher credit risk.
- + *Interest rate risk*: Changes in interest rates may also affect the value of fixed income and equity securities.
- + *Currency risk*: The value of securities denominated in a currency other than client's currency will be affected by changes in the value of the client's currency in relation to the value of the currency in which the security is denominated.
- + *Equity risk*: Equity securities tend to be more affected by economic and market conditions, interest rates and trends in corporate earnings, and are, consequently, more volatile.
- + *Foreign security risk*: They may be affected by factors such as the absence of timely information, less stringent regulatory or auditing standards and less liquid markets.
- + *Liquidity risk*: Liquidity risk deals with the possibility that the portfolio manager will not be able to convert their client's investments to cash when required.
- + *Specific issuer risk*: Individual securities will vary positively or negatively based on developments related to the company.
- + *Stock market risk*: Market value of many securities tend to move with the overall stock market conditions which, in turn, are directly affected by general economic and market conditions. There is always a risk of loss to the investments of a client.



Option writing:

- + From time to time, as we deem appropriate, and in accordance with the investment mandate for the client, we may also use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligations, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts:
- + A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- + We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.
- + We may use "selling naked puts" meaning we sell put options on stocks we do not own but would like to purchase at a specific price and have the appropriate amount of cash available to buy the stock if required.
- + We may use "stock replacement strategy" for tax purposes. If we need to realize a capital loss, that means selling a share to have a capital loss to reduce the taxes you owe, we may wish to maintain a similar holding until we can buy back the actual stock. We use this to manage your tax bill.
- + We may use a "currency collars" to protect your buying power also called your purchasing power in your currency. The idea came from the Province of Quebec and their sovereignty referendums. The idea is tomorrow you do not want your currency to drop by 25% after a vote to exit from a federation.
- + In no case do we use options as a way of leveraging the portfolio of a separately managed account. Leverage means investing more money than you deposited in the account. This would magnify the gain or loss.



ITEM 9. DISCIPLINARY INFORMATION

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.



ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. WE ARE TO DISCLOSE IF OUR FIRM OR OUR MANAGEMENT PERSONS ARE REGISTERED OR HAVE AN APPLICATION PENDING TO REGISTER, AS A BROKER-DEALER OR A REGISTERED REPRESENTATIVE OF A BROKER-DEALER
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We have nothing to disclose in this regard, as Claret has no corporate affiliations and no intentions to engage in any of the above activities at this time.

- B. WE ARE REQUIRED TO DISCLOSE IF OUR FIRM OR OUR MANAGEMENT PERSONS ARE REGISTERED, OR HAVE AN APPLICATION PENDING TO REGISTER, AS A FUTURES COMMISSIONS MERCHANT, COMMODITY POOL OPERATOR, A COMMODITY TRADING ADVISOR, OR AN ASSOCIATED PERSONS OF THE FOREGOING ENTITIES
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Claret is not currently registered as a commodity pool operator and a commodity trading adviser with the National Futures Association.

- C. WE ARE REQUIRED TO DESCRIBE ANY RELATIONSHIP OR ARRANGEMENT THAT IS MATERIAL TO OUR ADVISORY BUSINESS OR TO OUR CLIENTS
-

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. Investment company or other pooled investment vehicle (including mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading advisor
5. Banking or thrift institution
6. Accountant or accounting firm
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships.

In regard to Item C (2):

We have discretionary authority to purchase or sell units issued by the investment funds we manage (see above) in our Canadian clients' separately managed accounts.

The units of these funds are offered to investors in reliance on exemptions from registration and prospectus requirements of applicable securities legislation. These funds are related to us



because we act as the manager of the portfolios and distribute units of these funds to our Canadian clients.

D. IF WE RECOMMEND OR SELECT OTHER INVESTMENT ADVISERS FOR OUR CLIENTS AND WE RECEIVE COMPENSATION DIRECTLY OR INDIRECTLY FROM THOSE ADVISERS, OR WE HAVE OTHER BUSINESS RELATIONSHIPS WITH THOSE ADVISERS, WE ARE REQUIRED TO DESCRIBE IF THESE PRACTICES CREATE CONFLICT OF INTEREST AND HOW WE ADDRESS THEM

We have nothing to disclose in this regard, as Claret does not recommend other investment advisers.



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

A. CLARET, LIKE ALL REGISTERED ADVISERS, IS REQUIRED TO ADOPT A CODE OF ETHICS IN ACCORDANCE WITH RULE 204A-1 UNDER THE INVESTMENT ADVISERS ACT OF 1940

The rule requires an adviser's code of ethics to set forth standards of conduct expected of advisory personnel and addresses conflicts that could arise in personal trading by advisory personnel. Claret's Code of Ethics stresses the importance of our fiduciary responsibility to our client(s). The Code reinforces our duty to always act in the client's best interests, priority of transactions and specifically requires that all employee trades in certain types of securities be approved in writing.

Claret will promptly provide a copy of our Code of Ethics to any client or prospective client upon request received at info@claret.ca.

Cross Trades

Claret will perform a cross trade only when it complies with its cross trade policies and procedures, when it is not prohibited under the applicable client's investment restrictions or applicable law, and when it believes that it is in the best interests of both the selling account and the buying account. Claret acknowledges its duty to seek best execution for its clients and that the use of cross trades raises potential conflict of interest. To address these and other concerns, Claret's policies require that cross trades be effected at the independent "current market price" of the security, as determined by the applicable custodian and that Claret will execute cross trades only in the best interests of both the selling account and the buying account. Claret will not act as principal or agent or otherwise receive commission or any type of compensation for effecting cross trades.

Trade Error

If Claret is responsible for trading errors in client accounts and the error results in losses, Claret's policy is to reimburse the clients or funds to bring them to the position they would have been in had the error not occurred. Where the errors result in gains, such gains are to be retained by the clients or funds.



- B. IF OUR FIRM OR A RELATED PERSON RECOMMENDS TO CLIENTS, OR BUYS OR SELLS FOR CLIENT ACCOUNTS, SECURITIES IN WHICH OUR FIRM OR A RELATED PERSON HAS A MATERIAL FINANCIAL INTEREST (EXCLUDING AN INTEREST AS A SHAREHOLDER OF AN SEC-REGISTERED, OPEN-END INVESTMENT COMPANY), WE MUST DESCRIBE OUR PRACTICE AND DISCUSS THE CONFLICTS OF INTEREST IT PRESENTS
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Claret and Claret employees are not permitted to purchase or sell securities between their personal account and the client's account. Should Claret or its employees have a direct material financial interest in a security or a company, such security and company will be put on a restricted list.

Claret does act as manager and general partner of seven pooled funds. We only purchase these funds for Canadian clients and rely on an exemption to do so and where suitable. We receive no benefit from these funds other than management fees we invoice directly to our clients in their separately managed accounts and a performance fee in 3700666 Canada Investments Limited Partnership. We have no conflicts of interest to disclose in this regard.

- C. IF OUR FIRM OR A RELATED PERSON INVESTS IN THE SAME SECURITIES (OR RELATED SECURITIES, E.G., WARRANTS, OPTIONS OR FUTURES) THAT OUR FIRM OR A RELATED PERSON RECOMMENDS TO CLIENTS, WE ARE REQUIRED TO DESCRIBE OUR PRACTICE AND DISCUSS THE CONFLICTS OF INTEREST THIS PRESENTS AND GENERALLY HOW WE ADDRESS THE CONFLICTS THAT ARISE IN CONNECTION WITH PERSONAL TRADING
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Please see Item 11A above; we put our clients first and the policies we have in place set forth standards of conduct expected of advisory personnel and address conflicts that could arise in personal trading by advisory personnel. Employees may invest in the same securities we recommend to clients, in fact we encourage this practice, however we do require each such investment to be approved by the compliance team in order to ensure that no conflict exists. We follow the CFA Institute Code of Ethics and Standard of Conduct.

- D. IF OUR FIRM OR A RELATED PERSON RECOMMENDS SECURITIES TO CLIENTS, OR BUYS OR SELLS SECURITIES FOR CLIENT ACCOUNTS, AT OR ABOUT THE SAME TIME THAT WE OR A RELATED PERSON BUYS OR SELLS THE SAME SECURITIES FOR OUR FIRM'S (OR THE RELATED PERSON'S OWN) ACCOUNT, WE ARE REQUIRED TO DESCRIBE OUR PRACTICE AND DISCUSS THE CONFLICTS OF INTEREST. WE ARE ALSO REQUIRED TO DESCRIBE GENERALLY HOW WE ADDRESS CONFLICTS THAT ARISE.
-

Claret may purchase securities for the funds it manages and directly for clients. We do not believe that any conflict of interest would arise from this practice. Employees are required to receive approval for transactions in certain types of securities. Our clients always receive the priority of transactions. Clients come first.



Code of Business Conduct:

Claret will not condone any violation of the law or any unethical business dealing by any employee.

Employees must not use their positions, or knowledge gained through their employment with Claret, for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between Claret's clients' interests and their personal interests.



ITEM 12. BROKERAGE PRACTICES

A. DESCRIPTION OF THE FACTORS THAT WE CONSIDER IN SELECTING OR RECOMMENDING BROKER DEALERS FOR CLIENT TRANSACTIONS AND DETERMINING THE REASONABLENESS OF THEIR COMPENSATION (E.G. COMMISSIONS)

It is our duty to minimize transaction costs and to try to obtain “Best Execution” when we select brokers to execute trades on behalf of your account.

In order of importance, the criteria for broker selection are as follows:

Primary Importance:

1. The quality of trade execution by the broker,
2. The quality and efficiency of portfolio administration and trading desk functions, such as trade settlement etc.

Secondary Importance:

3. The frequency of company management visits to Claret’s offices sponsored by the broker.
4. The quality of the broker’s research material.
5. The frequency of analyst visits by a broker.

Portfolio managers and the trading team monitor commissions and the competitiveness of trading costs. While not usual practice, Claret may from time to time pay higher commissions than those obtainable from other brokers.

We often use electronic trading platforms to sell a basket of securities for a client’s account to cover overdrafts in client accounts as this is often the least expensive way for us to trade a group of shares.

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1. RESEARCH AND OTHER SOFT DOLLAR BENEFITS. IF WE RECEIVE RESEARCH OR OTHER PRODUCTS OR SERVICES OTHER THAN EXECUTION FROM A BROKER-DEALER OR A THIRD PARTY IN CONNECTION WITH CLIENT SECURITIES TRANSACTIONS (“SOFT DOLLAR BENEFITS”), WE ARE REQUIRED TO DISCLOSE OUR PRACTICES AND DISCUSS THE CONFLICTS OF INTERESTS THEY CREATE. PLEASE NOTE THAT WE MUST DISCLOSE ALL SOFT DOLLAR BENEFITS WE RECEIVE, INCLUDING, IN THE CASE OF RESEARCH, BOTH PROPRIETARY RESEARCH (*CREATED OR DEVELOPED BY THE BROKER-DEALER) AND RESEARCH CREATED OR DEVELOPED BY A THIRD PARTY.
-

Claret does not engage in soft dollaring.



- a. EXPLANATION OF WHEN WE USE CLIENT BROKERAGE COMMISSIONS (OR MARKUPS OR MARKDOWNS) TO OBTAIN RESEARCH OR OTHER PRODUCTS OR SERVICES, AND HOW WE RECEIVE A BENEFIT BECAUSE OUR FIRM DOES NOT HAVE TO PRODUCE OR PAY FOR THE RESEARCH, PRODUCTS OR SERVICES
-

Claret does not engage in this practice.

- b. INCENTIVE TO SELECT OR RECOMMEND A BROKER-DEALER BASED ON OUR INTEREST IN RECEIVING THE RESEARCH OR OTHER PRODUCTS OR SERVICES, RATHER THAN ON OUR CLIENT'S INTEREST IN RECEIVING BEST EXECUTION
-

We have examined the potential conflict of interest and believe that our commission expenses are used in the best interest of our clients.

- c. CAUSING CLIENTS TO PAY COMMISSIONS (OR MARKUPS OR MARKDOWNS) HIGHER THAN THOSE CHARGED BY OTHER BROKER-DEALERS IN RETURN FOR SOFT DOLLAR BENEFITS (KNOWN AS PAYING-UP)
-

We do not engage in soft dollaring.

- d. DISCLOSING WHETHER WE USE SOFT DOLLAR BENEFITS TO SERVICE ALL OF OUR CLIENTS' ACCOUNTS OR ONLY THOSE THAT PAID FOR THE BENEFITS. DISCLOSING WHETHER WE SEEK TO ALLOCATE SOFT DOLLAR BENEFITS TO CLIENT ACCOUNTS PROPORTIONATELY TO THE SOFT DOLLAR CREDITS THE ACCOUNTS GENERATE.
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Not applicable.

- e. DESCRIPTION OF THE TYPES OF PRODUCTS AND SERVICES THAT WE AND ANY OF OUR RELATED PERSONS ACQUIRED WITH CLIENT BROKERAGE COMMISSIONS (OR MARKUPS OR MARKDOWNS) WITHIN OUR LAST FISCAL YEAR.
-

Not applicable.

- f. EXPLAINING THE PROCEDURES WE USED DURING OUR LAST FISCAL YEAR TO DIRECT CLIENT TRANSACTIONS TO A PARTICULAR BROKER-DEALER IN RETURN FOR SOFT DOLLAR BENEFITS WE RECEIVED.
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Not applicable.



2. BROKERAGE FOR CLIENT REFERRALS.

- a. DISCLOSING THAT WE MAY HAVE INCENTIVE TO SELECT OR RECOMMEND A BROKER-DEALER BASED ON OUR INTEREST IN RECEIVING CLIENT REFERRALS, RATHER THAN ON OUR CLIENTS' INTEREST IN RECEIVING MOST FAVORABLE EXECUTION
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Claret does not engage in this practice.

- b. EXPLAINING THE PROCEDURES WE USED DURING OUR LAST FISCAL YEAR TO DIRECT CLIENT TRANSACTIONS TO A PARTICULAR BROKER-DEALER IN RETURN FOR CLIENT REFERRALS
-

Claret does not engage in this practice.

3. DIRECTED BROKERAGE.

- a. DESCRIPTION OF OUR PRACTICE OR POLICY FOR ROUTINELY RECOMMENDING, REQUESTING OR REQUIRING A CLIENT TO DIRECT US TO EXECUTE TRANSACTIONS THROUGH A SPECIFIC BROKER-DEALER. EXPLAINING THAT NOT ALL ADVISERS REQUIRE CLIENTS TO DIRECT BROKERAGE. DESCRIPTION OF THE RELATIONSHIP WITH THE BROKER-DEALER. EXPLAINING THAT BY DIRECTING BROKERAGE WE MAY BE UNABLE TO ACHIEVE MOST FAVORABLE EXECUTION OF CLIENT TRANSACTIONS, AND THAT THIS PRACTICE MAY COST THE CLIENT MORE MONEY.
-

Claret does not engage in this practice.

- b. DESCRIPTION OF OUR PRACTICE FOR PERMITTING A CLIENT TO DIRECT US TO EXECUTE TRANSACTIONS THROUGH A SPECIFIC BROKER-DEALER. EXPLAINING THAT BY DIRECTING BROKERAGE WE MAY BE UNABLE TO ACHIEVE MOST FAVORABLE EXECUTION OF CLIENT TRANSACTIONS, AND THAT THIS PRACTICE MAY COST CLIENT MORE MONEY.
-

Claret does not engage in this practice.

- B. DISCUSSING WHETHER AND UNDER WHAT CONDITIONS WE AGGREGATE THE PURCHASE OR SALE OF SECURITIES FOR VARIOUS CLIENT ACCOUNTS.
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We do purchase securities as bulk trades. This means every client purchases the same security at the same cost base.



ITEM 13. REVIEW OF ACCOUNTS

A. INDICATING WHETHER WE PERIODICALLY REVIEW CLIENT ACCOUNTS OR FINANCIAL PLANS. DESCRIBING FREQUENCY AND NATURE OF THE REVIEW, AND THE TITLES OF THE SUPERVISED PERSONS WHO CONDUCT THE REVIEW.

Claret periodically reviews the portfolios and provides quarterly written reports to clients regarding their accounts.

Portfolios are reviewed on a monthly basis by the appropriate portfolio manager and or account administrator and reconciled with the custodial statements.

B. IF THE CLIENT ACCOUNTS ARE REVIEWED ON OTHER THAN A PERIODIC BASIS, DESCRIBE THE FACTORS THAT TRIGGER A REVIEW.

Not applicable. Claret reviews clients' portfolios on a regular basis.

C. DESCRIBING THE CONTENT AND INDICATING THE FREQUENCY OF REGULAR REPORTS WE PROVIDE TO CLIENTS REGARDING THEIR ACCOUNTS. STATE WHETHER THESE REPORTS ARE WRITTEN.

Each quarter Claret prepares a written report which addresses the following: Portfolio valuation, distribution of assets, transactions during the quarter and portfolio performance.

Claret encourages clients to schedule regular investment meetings so that all parties maintain a full understanding of changing requirements. Communication is vital to the effective management of assets. Communications are usually held semi-annually after the first year.



ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

- A. IF SOMEONE WHO IS NOT A CLIENT PROVIDES AN ECONOMIC BENEFIT TO US FOR PROVIDING INVESTMENT ADVICE OR OTHER ADVISORY SERVICES TO OUR CLIENTS, GENERALLY DESCRIBE THE ARRANGEMENT, EXPLAIN THE CONFLICTS OF INTEREST, AND DESCRIBE HOW YOU ADDRESS THE CONFLICTS OF INTEREST.
-

Not applicable. Please see Item 14.B below for referral arrangements.

- B. IF WE OR A RELATED PERSON DIRECTLY OR INDIRECTLY COMPENSATE ANY PERSON FOR CLIENT REFERRALS, DESCRIBE THE ARRANGEMENT AND THE COMPENSATION.
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Claret has very few referral arrangements. When a client is referred to Claret the terms of the referral arrangement are set out in a written agreement between Claret and the referring party. Written disclosure of the referral arrangement is then provided to the client. This disclosure includes the names of the parties involved, the terms of the agreement, whether any conflicts of interest result from the relationship between the parties to the agreement, details of the referral fee etc. The client signs the written disclosure as acknowledgement of the arrangement, including the amount of the fee.



ITEM 15. CUSTODY

Claret does not have custody of separately managed client funds. Each client has their own custodian and enters into a separate agreement with a custodian of their choosing.

Each client receives an account statement from their custodian at least on a quarterly basis and from Claret on a quarterly basis. A client is asked to carefully review and compare those statements.

In the case of Claret's pooled funds, Claret may be deemed to have "custody" of the funds, within the meaning of Rule 206(4)-2, as we exercise control over the funds to the extent permitted by the pooled funds' investment objectives and constraints. No U.S. clients are permitted to invest in our pooled funds.



ITEM 16. INVESTMENT DISCRETION

Claret manages client portfolios on a discretionary basis. This means we have the authority to buy and sell securities within your account(s) without first asking for your permission. Our investment policy statements and other documents (collectively, the “account opening documents”) spell out the extent of our relationship. They also describe the asset allocation ranges that we are permitted to work within.

When we purchase and sell securities we believe we are selecting investments which suit your needs and respect your investment objectives and constraints. Much of the information we base our decisions on is contained in the account opening documents our clients sign during the account opening process. Many of the questions we are legally obligated to ask. Additional information is always welcome.

Your asset allocation guidelines, risk tolerance and income requirements may be developed in concert with your financial consultant, tax advisor, lawyer or accountant. It is important to read and understand these account opening documents as they serve as the basis for managing your portfolio. They will also describe any limitations you make wish to impose on your portfolio.



ITEM 17. VOTING CLIENT SECURITIES

- A. DESCRIBE THE VOTING POLICIES AND PROCEDURES AND WHETHER (AND, IF SO, HOW) OUR CLIENTS CAN DIRECT OUR VOTE IN A PARTICULAR SOLICITATION. DESCRIBE HOW WE ADDRESS CONFLICTS OF INTEREST BETWEEN US AND OUR CLIENTS WITH RESPECT TO VOTING THEIR SECURITIES. DESCRIBE HOW CLIENTS MAY OBTAIN INFORMATION FROM US ABOUT HOW WE VOTED THEIR SECURITIES. EXPLAIN TO CLIENTS THAT THEY MAY OBTAIN A COPY OF OUR PROXY VOTING POLICIES AND PROCEDURES UPON REQUEST.
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It is the responsibility of the custodian of each client's assets to forward all proxy material to Claret.

Claret assesses each proxy resolution and management's recommendations.

In practice, proxy forms for clients are sent directly by their custodians.

Claret follows the principle that the vote must be in the best long-term economic interest of clients.

While Claret makes all proxy voting decisions internally, Claret uses Broadridge to provide administrative proxy related services.

Clients can choose to directly vote their shares. They must inform us of this request in writing and specify the company shares that they wish to vote.

Clients may obtain a copy of how we voted their securities.

Clients may obtain a copy of our voting policy.

- B. DISCLOSE THE FACT THAT WE DO NOT HAVE AUTHORITY TO VOTE. EXPLAIN WHETHER CLIENTS WILL RECEIVE THEIR PROXIES OR OTHER SOLICITATIONS DIRECTLY FROM THEIR CUSTODIAN OR A TRANSFER AGENT OR FROM US, AND DISCUSS WHETHER (AND, IF SO, HOW) CLIENTS CAN CONTACT YOU WITH QUESTIONS ABOUT A PARTICULAR SOLICITATION.
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Not applicable. Claret has the authority to vote their securities and exercises this authority.



ITEM 18. FINANCIAL INFORMATION

We have nothing to disclose in this regard.



ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

A. IDENTIFY EACH OF OUR PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS, AND DESCRIBE THEIR FORMAL EDUCATION AND BUSINESS BACKGROUND.

The following individuals are principal executive officers and management persons: Alain D. Chung, Monique E.M. Gravel, William K. Kovalchuk, Jean-Paul Giacometti and Brian Kwok. Information regarding their formal education and business background is provided in their respective brochure supplements.

B. DESCRIBE ANY BUSINESS IN WHICH WE ARE ACTIVELY ENGAGED (OTHER THAN GIVING INVESTMENT ADVICE) AND THE APPROXIMATE AMOUNT OF TIME SPENT ON THAT BUSINESS.

Not applicable. We are not engaged in other business activities. All “outside business activities” of supervised persons are generally philanthropic in nature.

C. DESCRIPTION OF PERFORMANCE-BASED FEES.

Please see Item 6.

D. DISCIPLINARY INFORMATION.

Not applicable. No management person has been involved in any arbitration claims or held liable in any civil, self-regulatory organization, or administrative proceeding.

E. RELATIONSHIP TO ISSUERS OF SECURITIES

No management person has any relationship or arrangement with any issuer of securities that is not listed in Item 10.