

The Clarus Group, Inc.

Form ADV Part 2A – Disclosure Brochure

Effective: March 27, 2024

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of The Clarus Group, Inc. (“The Clarus Group” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact The Clarus Group at (713) 621-3500 or by email at service@claruswealthgroup.com.

The Clarus Group is a registered investment advisor with U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about The Clarus Group to assist you in determining whether to retain the Advisor.

Additional information about The Clarus Group and its Advisory Persons is available on the SEC’s website at www.adviserinfo.sec.gov by searching with the Advisor’s firm name or CRD# 310163.

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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of The Clarus Group.

The Clarus Group believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. The Clarus Group encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with The Clarus Group.

Material Changes

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

Future Changes

From time to time, The Clarus Group may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs.

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 310163. You may also request a copy of this Disclosure Brochure at any time by contacting The Clarus Group at (713) 621-3500 or by email at service@claruswealthgroup.com.

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Item 4 – Advisory Services

A. Firm Information

The Clarus Group, Inc. (“The Clarus Group” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Clarus Group is organized as a Corporation under the laws of the State of Texas. The Clarus Group was founded in July 2020 and became a registered investment advisor in September 2020. The Clarus Group is owned and operated by Rex C. Whiteside (President and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by The Clarus Group.

B. Advisory Services Offered

The Clarus Group offers investment advisory services to: individuals, high net worth individuals, trusts, estates, and businesses each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. The Advisor’s fiduciary commitment is further described in The Clarus Group’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Wealth Management Services

The Clarus Group provides wealth management services for its Clients. These services generally include a broad range of comprehensive financial planning in connection with discretionary investment management of Client portfolios. These services are described below.

Investment Management Services

The Clarus Group provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management services.

The Clarus Group works closely with each Client to determine the Client’s unique investment goals and objectives. The Clarus Group will determine an investment strategy for each Client that will include a combination of the Advisor’s investment models that are based on absolute return, capital preservation, income generation, tax minimization, and cash management strategies. The Clarus Group’s investment models primarily consist of exchange-traded funds (“ETFs”) and mutual funds. The Clarus Group may also utilize individual stocks, bonds, options, alternative investments, structured notes, independent managers, REITs, UITs, and certificates of deposits as part of the investment models. The Clarus Group may retain certain investments based on portfolio fit and/or tax considerations.

The Clarus Group’s investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client or due to market conditions. The Clarus Group will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

The Clarus Group evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. The Clarus Group may recommend, on occasion, redistributing investment allocations to diversify the portfolio. The Clarus Group may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. The Clarus Group may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of

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securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

At no time will The Clarus Group accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

Retirement Accounts – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts ("IRAs"), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. When deemed to be in the Client's best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

Use of Independent Managers – When deemed to be in the Client's best interest, The Clarus Group will recommend to Clients that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively "Independent Managers"). Independent Managers may be sourced directly or accessed through an investment management platform. The Client will be required to enter into a separate agreement with the Independent Manager[s].

The Clarus Group serves as the Client's primary advisor and relationship manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. The Clarus Group will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. The Clarus Group will continue to provide oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties.

The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties.

The Client, prior to entering into an agreement with an Independent Manager, will be provided with the Form ADV Part 2A (or a brochure that makes the appropriate disclosures) of those parties. The Clarus Group does not receive any compensation from these Independent Managers or Investment Platforms, other than The Clarus Group's investment advisory fee (described in Item 5).

Financial Planning Services

The Clarus Group typically provides financial planning services to Clients as part of its overall wealth management services. The Clarus Group may also provide financial planning services on a standalone basis pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals and objectives. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, personal financial planning, estate planning, college planning, capital management, investment consulting, tax planning, and insurance needs.

A financial plan developed for the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or

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revise their investment programs, commence or alter retirement savings, establish education savings or contribute to charitable giving programs.

The Clarus Group, with consent by the Client, will typically coordinate with the Client's existing specialists including an accountant, attorney, and others. The Clarus Group may also refer a Client to a specialist as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For financial consulting engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

Financial Institution Consulting Services

The Clarus Group provides investment consulting services to certain broker/dealers' customers ("Brokerage Customers") who provide written consent requesting to receive the firm's consulting services. Brokerage Customers have entered into a written advisory agreement with The Clarus Group.

C. Client Account Management

Prior to engaging The Clarus Group to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – The Clarus Group, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – The Clarus Group will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Investment Management and Supervision – The Clarus Group will provide investment management and ongoing oversight of the Client's investment portfolio.

D. Wrap Fee Programs

The Clarus Group does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by The Clarus Group.

E. Assets Under Management

As of December 31, 2023, The Clarus Group manages \$797,968,022 in Client assets, all of which is managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into one or more written agreements with the Advisor.

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A. Fees for Advisory Services

Wealth Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter.

Investment advisory fees range from 0.50% to 1.50% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee. The Client's fees will take into consideration the aggregate assets under management with the Advisor. The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor.

All securities held in accounts managed by The Clarus Group will be independently valued by the Custodian. The Clarus Group will not have the authority or responsibility to value portfolio securities. The Advisor's fee is exclusive of, and in addition to, any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C. below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

The Client may make additions or withdrawals from the account[s] at any time, subject to the Advisor's right to terminate an account or the overall relationship. 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[s]. Clients may withdraw account assets on notice to The Clarus Group, subject to the usual and customary securities settlement procedures. However, the Advisor typically designs its investment portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. The Clarus Group may consult the Client about certain implications such transactions. Clients are advised that when such securities are liquidated, they may be subject to securities transaction fees, short-term redemption fees, and/or tax ramifications. If assets in excess of \$100,000 are deposited into or withdrawn from the Client's account[s], the Advisor's fee will be adjusted prior to the next billing period to reflect the fee difference. The Advisor may negotiate a fee that differs from the schedule above for certain account[s] or holdings.

Use of Independent Managers – As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. Independent Managers typically do not offer any fee discounts but may have a breakpoint schedule that will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.50% annually.

Financial Planning Services

The Clarus Group typically offers financial planning services as a component of wealth management services as described above. The Clarus Group also offers its financial planning as a standalone service based on a fixed annual fee ranging up to \$50,000 per year. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total fees will be provided to the Client prior to engaging for these services.

Financial Institution Consulting Services

The Clarus Group receives a consulting fee based on the Assets Under Management from Brokerage Customers who have provided written consent to a broker/dealer to receive the investment consulting service from The

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Clarus Group and have entered into a written advisory contract with The Clarus Group. The consulting fee is calculated from the Assets Under Management as of the end of a calendar quarter period multiplied by the annualized rate up to 75 basis points. The initial fee is paid only after the completion of one full calendar quarter period following the date of the executed agreement with broker/dealers.

B. Fee Billing

Wealth Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by four (4)) to the total assets under management with The Clarus Group at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by The Clarus Group to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Use of Independent Managers – For Client accounts implemented through an Independent Manager, the Client's overall fees will include The Clarus Group's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager. The Independent Manager will assume the responsibility for calculating the Client's fees and deducting all fees from the Client's account[s].

Financial Planning Services

Financial planning fees are paid quarterly in advance of each calendar quarter, pursuant to the terms of the financial planning agreement. The amount due is calculated by applying the annual fee divided by four (4).

Financial Institution Consulting Services

The Clarus Group shall be compensated for its consulting services on or before thirty (30) days past the end of the calendar quarter.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than The Clarus Group, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian, if applicable. The Advisor's recommended custodian does not charge securities transaction fees for ETF and individual stock trades in Client accounts provided that the accounts meet the terms and conditions of the custodian's brokerage requirements. However, the custodian typically charges for mutual funds and other types of investments. The fees charged by The Clarus Group are separate and distinct from these custody and execution fees.

In addition, all fees paid to The Clarus Group for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of The Clarus Group, but would not receive the services provided by The Clarus Group which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by The Clarus Group to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

D. Advance Payment of Fees and Termination

Wealth Management Services

The Clarus Group is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Use of Independent Managers – In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. The Clarus Group will assist the Client with the termination and transition as appropriate.

Financial Planning Services

For stand-alone financial planning engagements, The Clarus Group will require an advance deposit as described above. Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

E. Compensation for Sales of Securities

Insurance Agency Affiliation

Advisory Persons are also licensed as independent insurance professionals. As an independent insurance professional, an Advisory Person will earn commission-based compensation for selling insurance products, including insurance products sold to Clients. Insurance commissions earned by an Advisory Person are separate and in addition to advisory fees. This practice presents a conflict of interest as an Advisory Person, who is also an insurance agent, has an incentive to recommend insurance products to Clients for the purpose of generating commissions rather than solely based on Client needs. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through any Advisory Person affiliated with the Advisor.

Item 6 – Performance-Based Fees and Side-By-Side Management

The Clarus Group does not charge performance-based fees for its investment advisory services. The fees charged by The Clarus Group are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

The Clarus Group does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 – Types of Clients

The Clarus Group offers investment advisory services to individuals, high net worth individuals, trusts, estates, and businesses. The Clarus Group generally does not impose a minimum relationship size.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis

The Clarus Group primarily employs fundamental and cyclical analysis methods in developing investment strategies for its Clients. Research and analysis from The Clarus Group are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others. The Clarus Group also leverages a third party as the Outsourced Chief Investment Officer (“OCIO”). The OCIO is responsible for portfolio analysis and suggestions, recommendations regarding investment strategy and philosophy, and the review of asset allocation, manager selection, and individual holdings. The OCIO does not have any trading authority over asset managed by The Clarus Group, and all inputs from the OCIO are reviewed by The Clarus Group, who is free to implement or disregard the inputs provided.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. This criteria consists generally of ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor’s review process are included below in Item 13 – Review of Accounts.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that the Advisor is recommending. The risks with cyclical analysis are similar to those of technical analysis.

As noted above, The Clarus Group generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. The Clarus Group will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, The Clarus Group may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. The Clarus Group will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor’s review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client’s investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client’s account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client’s account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided

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information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's investment approach:

Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

Bond Risks

Bonds are subject to specific risks, including the following: (1) interest rate risks, i.e. the risk that bond prices will fall if interest rates rise, and vice versa, the risk depends on two things, the bond's time to maturity, and the coupon rate of the bond. (2) reinvestment risk, i.e. the risk that any profit gained must be reinvested at a lower rate than was previously being earned, (3) inflation risk, i.e. the risk that the cost of living and inflation increase at a rate that exceeds the income investment thereby decreasing the investor's rate of return, (4) credit default risk, i.e. the risk associated with purchasing a debt instrument which includes the possibility of the company defaulting on its repayment obligation, (5) rating downgrades, i.e. the risk associated with a rating agency's downgrade of the company's rating which impacts the investor's confidence in the company's ability to repay its debt and (6) Liquidity Risks, i.e. the risk that a bond may not be sold as quickly as there is no readily available market for the bond.

Options Contracts

Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

Structured Notes

Structured notes are securities issued by financial institutions whose returns are based on, among other things, equity indexes, a single equity security, a basket of equity securities, interest rates,

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commodities, and/or foreign currencies. Thus, returns are “linked” to the performance of a reference asset or index. Structured notes have specific risks that include market risk, an issuance price that is likely higher than the fair value of the note on the date of the issuance, liquidity risk, credit risk, call risk, and a complicated payoff structure.

Real Estate Investment Trusts (“REITs”)

Investing in Real Estate Investment Trusts (“REITs”) involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. For Example, equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

Unit Investment Trust (“UIT”)

An investment company that offers a fixed, unmanaged portfolio, generally of stocks and bonds, as redeemable “units” to investors for a specific period of time. It is designed to provide capital appreciation and/or dividend income. UITs can be resold in the secondary market. A UIT may be either a regulated investment corporation (RIC) or a grantor trust. The former is a corporation in which the investors are joint owners; the latter grants investors proportional ownership in the UIT's underlying securities.

Certificates of Deposit (CDs)

Each certificate of deposit (“CD”) is a deposit obligation of a depository institution domiciled in the United States or one of its territories (an “Issuer”), the deposits and accounts of which are insured by the Federal Deposit Insurance Corporation (the “FDIC”) within the limits described below. Each CD constitutes a direct obligation of the Issuer and is not, either directly or indirectly, an obligation of The Clarus Group. The Clarus Group does not guarantee in any way the financial condition of any Issuer or the accuracy of any financial information provided by the Issuer. The CDs of any one Issuer that you may purchase will be eligible for FDIC insurance up to \$250,000 (including principal and accrued interest) for each insurable capacity (e.g., individual, joint, IRA, etc.). For purposes of the \$250,000 federal deposit insurance limit, you must aggregate all deposits that you maintain with the Issuer in the same insurable capacity, including deposits you hold directly with an Issuer and deposits you hold through other intermediaries.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving The Clarus Group or its management persons. The Clarus Group values the trust Clients place in the Advisor. The Clarus Group encourages Clients to perform the requisite due diligence on any advisor or service provider with whom the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 310163.

Item 10 – Other Financial Industry Activities and Affiliations

The Clarus Insurance Group, LLC

The Advisor is affiliated, through common control, with The Clarus Insurance Group, LLC (“CIG”), an insurance company. Clients may be offered to implement insurance products through CIG, where an Advisory Person, through its affiliation with CIG, will benefit from any revenue generated and any subsequent distribution. This practice presents a conflict, where Advisory Persons are incentivized to implement insurance recommendations through CIG. Fees collected from any product implementation do not offset regular advisory fees. Clients are

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under no obligation to implement or purchase any insurance products through CIG. Please see additional disclosure regarding insurance agency affiliations below.

Insurance Agency Affiliations

As noted in Item 5, certain Advisory Persons are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with The Clarus Group. As an insurance professional, an Advisory Person will receive customary commissions and other related revenues from the various insurance companies whose products are sold. An Advisory Person is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by an Advisory Person or the Advisor.

Financial Institution Consulting Services

The Clarus Group has agreement(s) with broker/dealers to provide investment consulting services to Brokerage Customers. Broker/dealers pay compensation to The Clarus Group for providing investment consulting services to Customers. This consulting arrangement does not include assuming discretionary authority over Customers' brokerage accounts or the monitoring of securities. These consulting services offered to Brokerage Customers may include a general review of Brokerage Customers' investment holdings, which may or may not result in The Clarus Group's investment adviser representative making specific securities recommendations or offering general investment advice. Brokerage Customers will execute a written advisory agreement directly with The Clarus Group.

This relationship presents conflicts of interest. Potential conflicts are mitigated by Brokerage Customers consenting to receive investment consulting services from The Clarus Group; by The Clarus Group not accepting or billing for additional compensation on broker/dealers' Assets Under Management beyond the consulting fees disclosed in Item 5 in connection with the investment consulting services; and by The Clarus Group not engaging as, or holding itself out to the public as, a securities broker/dealer. The Clarus Group is not affiliated with any broker/dealer.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

The Clarus Group has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with The Clarus Group ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding The Clarus Group's duties to each Client. The Clarus Group and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of The Clarus Group's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact The Clarus Group at (713) 621-3500 or via email at service@claruswealthgroup.com.

B. Personal Trading with Material Interest

The Clarus Group allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. The Clarus Group does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. The Clarus Group does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

The Clarus Group allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to

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Clients presents a conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by The Clarus Group by conducting a coordinated review of personal accounts and the accounts of the Clients. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

D. Personal Trading at Same Time as Client

While The Clarus Group allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will The Clarus Group, or any Supervised Person of The Clarus Group, transact in any security to the detriment of any Client.**

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

The Clarus Group does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize The Clarus Group to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, The Clarus Group does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where The Clarus Group does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a Custodian not recommended by The Clarus Group. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. The Clarus Group may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and its reputation and/or the location of the Custodian's offices.

The Clarus Group will generally recommend that Clients establish their account[s] at Fidelity Clearing & Custody Solutions and related entities of Fidelity Investments, Inc. (collectively "Fidelity"), a FINRA-registered broker-dealer and member SIPC. The Clarus Group also recommends that Clients establish their accounts at Raymond James & Associates, Inc. (collectively "Raymond James"), a FINRA-registered broker-dealer and member SIPC. Both Fidelity and Raymond James (collectively, "Custodian") will serve as the Client's "qualified custodian". The Clarus Group maintains an institutional relationship with the Custodian, whereby the Advisor receives economic benefits from the Custodian. Please see Item 14 below.

Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **The Clarus Group does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

2. Brokerage Referrals - The Clarus Group does not receive any compensation from any third party in connection with the recommendation for establishing an account.

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3. Directed Brokerage - All Clients are serviced on a “directed brokerage basis”, where The Clarus Group will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). The Clarus Group will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. The Clarus Group will execute its transactions through the Custodian as authorized by the Client.

The Clarus Group may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients’ accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Advisory Persons of The Clarus Group and periodically by Rex C. Whiteside, the Chief Compliance Officer of The Clarus Group. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account[s]. The Client is encouraged to notify The Clarus Group if changes occur in the Client’s personal financial situation that might adversely affect the Client’s investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 – Client Referrals and Other Compensation

A. Compensation Received by The Clarus Group

Participation in Institutional Advisor Platform

As referenced in Item 12 above, the Advisor receives certain economic benefits from the Custodian including support services or products without cost or at a discount. The Advisor’s clients do not pay more for investment transactions effected and/or assets maintained at Custodian as result of this arrangement. There is no corresponding commitment made by the Advisor to Custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the

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above arrangements. The Advisor's Chief Compliance Officer, Rex C. Whiteside, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflicts of interest presented.

Additionally, the Advisor has the following benefits from the Custodian: financing services, receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

B. Compensation for Client Referrals

The Advisor does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client referrals.

Item 15 – Custody

All Clients must place their assets with a “qualified custodian”. Clients are required to engage the Custodian to retain their funds and securities and direct The Clarus Group to utilize that Custodian for the Client's security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by The Clarus Group to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

Item 16 – Investment Discretion

The Clarus Group generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by The Clarus Group. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by The Clarus Group will be in accordance with each Client's investment objectives and goals.

Item 17 – Voting Client Securities

The Clarus Group 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

Neither The Clarus Group, nor its management, have any adverse financial situations that would reasonably impair the ability of The Clarus Group to meet all obligations to its Clients. Neither The Clarus Group, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. The Clarus Group is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.

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Privacy Policy

Effective: March 27, 2024

Our Commitment to You

The Clarus Group, Inc. ("The Clarus Group" 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. The Clarus Group (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.

The Clarus Group 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?

Driver's license number	Date of birth
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, encrypted file storage 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

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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?
Servicing our Clients 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
Marketing Purposes The Clarus Group 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 The Clarus Group or the client has a formal agreement with the financial institution. We will only share information for purposes of servicing your accounts, not for marketing purposes.	No	Not Shared
Authorized Users 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
Information About Former Clients The Clarus Group 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 The Clarus Group at (713) 621-3500 or via email at service@claruswealthgroup.com.