

## CLariTy Managed Account & Analytics Platform LLC

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This Brochure provides information about the qualifications and business practices of CLariTy Managed Account & Analytics Platform LLC (“**CLariTy**”). If you have any questions about the contents of this Brochure, please contact us at 914-307-7000. 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.

CLariTy is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. Additional information about CLariTy also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This is CLarITy's initial narrative Brochure prepared in accordance with the new Part 2A of Form ADV. There are no material changes to report in this initial Item 2.

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#### Item 4 – Advisory Business

CLarITy Managed Account & Analytics Platform LLC (“**CLarITy**”) was established in April 2009 and has been a registered investment adviser with the SEC since May 2009. CLarITy is owned by Kenmar Holdings Inc., a Delaware corporation which is owned equally by Marc S. Goodman and Kenneth A. Shewer. CLarITy is part of The Kenmar Group of companies which was founded in 1983 and through its affiliated companies provides an array of innovative solutions for global institutional investors including a broad range of hedge fund of funds, managed futures funds and hybrid products using overlay, swap-based or other innovative structures, as well as private label products.

CLarITy serves as investment manager for CLarITy Managers (Offshore) SPC Limited (“**CLarITy Managers**”) and its segregated portfolios (each, a “**CLarITy Fund**” and collectively, the “**CLarITy Funds**”). Each CLarITy Fund invests in a separately managed account (“**Managed Account**”) that is managed by an unrelated third-party investment manager (each, a “**Manager**”).

In addition to its advisory business, CLarITy serves as the managing member of CTA Choice Fund LLC (“**CTA Choice**” collectively with CLarITy Managers, “**CLarITy Managed Account Platform**”), a Delaware limited liability company organized in multiple series (each, a “**CTA Choice Fund**”). Each CTA Choice Fund in turn invests in a managed account that is managed by an unrelated third-party alternative investment manager where trading is generally limited to global futures, forward contracts, currencies, commodities, swaps and/or other derivative instruments..

The CLarITy Managed Account Platform is a managed account and analytics platform that gives institutional and large private investors clear, transparent access to Managers through managed accounts along with a comprehensive set of reports and risk analytics. The Managed Account for each CLarITy Fund is generally managed in accordance with the same investment guidelines as the Manager’s own fund and/or other managed accounts managed by the Manager. Thus the performance of the CLarITy Fund is designed to approximate the performance of the Manager’s fund and/or other managed accounts. Investors in the CLarITy Funds may benefit from independent valuation, reporting, risk monitoring and liquidity. The CLarITy Funds may offer investors more frequent liquidity than a Manager’s own fund.

As the investment manager to the CLarITy Managed Account Platform, CLarITy is responsible for overseeing the operation and administration of CLarITy Managers and the CLarITy Funds and for oversight of the Managers, including (i) negotiating all agreements, including service agreements and investment management agreements; (ii) performing

initial and ongoing due diligence on the Managers; and (iii) monitoring the trading and performance of the Managers for compliance with each Manager's trading and risk management policies; and (iv) where appropriate, terminating a Manager. CLariTy may engage the services of its affiliates to perform these functions.

New Managers may be added to the CLariTy Managed Account Platform at the request of CLariTy's affiliates and/or institutional investors on the CLariTy Managed Account Platform; however, such Managers must undergo CLariTy's due diligence and be approved by CLariTy's Investment Committee.

CLariTy does not serve in the capacity of asset allocator on behalf of investors in the CLariTy Managed Account Platform. Investors may themselves allocate their assets among the Managers or, in the case where an investor requires such asset allocation services, Kenmar Global Investment Management LLC ("**KGIM LLC**"), an affiliate of CLariTy, may be engaged to serve as the investment adviser and asset allocator. For additional information about KGIM LLC, please see Item 10 below and KGIM LLC's Form ADV Part 2A.

Certain advisory clients and/or private investment funds or pools (collectively, "**Private Funds**") managed by affiliates of CLariTy may invest in CLariTy Managers and one or more CLariTy Funds, as well as in CTA Choice and the CTA Choice Funds.

The Managed Accounts may invest, at the discretion of the applicable Manager for each Managed Account, in a wide and substantially unrestricted variety of securities and other financial instruments including (a) any and all securities, whether listed, unlisted, publicly traded or privately-offered, including by not limited to (i) equity securities (such as common stock, preferred stock, and convertible securities), (ii) debt securities (such as corporate bonds, government or government agency debt obligations, debentures and any other evidence of indebtedness such as money market obligations and certificates of deposit), (iii) groups of securities, exchange-traded funds and indices, (iv) warrants, rights, options or privileges on any of the foregoing; (b) commodities, futures contracts, forward contracts, foreign exchange commitments, swap contracts, spot (cash) commodities and other items, options on the foregoing, any rights pertaining to the foregoing contracts, instruments or investments throughout the world, and securities approved by the U.S. Commodity and Futures Trading Commission ("**CFTC**") for investment of customer funds; (c) interests of other entities engaged in trading the items enumerated in (a) and (b) above; and (d) any other investment or transaction that a Manager deems to be consistent with the objectives of such Manager's trading methods, regardless of whether such interest is traded on an exchange, market or otherwise and regardless of where in the world such interest is traded or located (collectively, "**Investment Interests**"). The Investment Interests in which each Managed Account may invest (through the CLariTy Funds ) are

found in the CLariTy Managers' offering memorandum, each CLariTy Fund's Supplement and related documents (collectively, "**Offering Documents**").

Please see Item 8 below for a brief discussion of CLariTy's current investment strategies (collectively, the "**Strategies**"). Important information regarding an investment in CLariTy Managers, including information about the Managers responsible for making the trading and investment decisions for the Managed Accounts, the specific investment strategies and policies of each, fees and expenses, risk factors and other material terms, are set forth in the Offering Documents.

As of March 1, 2011 CLariTy serves as the investment manager for CLariTy Managers with approximately \$19.2 million of assets under management and serves as managing member of CTA Choice with approximately \$882.1 million of assets under management.

### **Item 5 – Fees and Compensation**

CLariTy generally receives a fee for overseeing the operation and administration of CLariTy Managers and the CLariTy Funds and for oversight of the Managers, including (i) negotiating all agreements, including service agreements and investment management agreements; (ii) performing initial and ongoing due diligence on the Managers; (iii) monitoring the trading and performance of the Managers for compliance with each Manager's trading and risk management policies; and (iv) where appropriate, terminating a Manager. (the "**Administrative Services Fee**").

CLariTy does not have a standardized fee schedule, but its Administrative Services Fee is generally between 0% - 0.50% of assets invested per annum, but it could be higher depending upon the level of additional services requested among other things, the total assets the Shareholder has invested in the CLariTy Managers and other investment funds managed by CLariTy and/or its affiliates. This fee may differ among different investors in the CLariTy Funds. The Administrative Services Fee is paid monthly. Fees charged in arrears will be prorated, and those charged in advance will be refunded for any partial period.

CLariTy receives no performance-based fee.

The Administrative Services Fee paid to CLariTy is deducted from the CLariTy Funds' assets. The CLariTy Funds also pay certain other fees and expenses such as brokerage and other transaction fees, legal, administrative, offering and audit fees. The CLariTy Funds also pay each Manager a management fee and an incentive fee. All such fees and expenses and other important information regarding an investment in the CLariTy Funds are more fully set forth in the Offering Documents.

Certain Private Funds managed by affiliates of CLarITy may invest in the CLarITy Managed Account Platform and such Private Funds will bear their prorata share of the fees and expenses of such CLarITy Funds and/or Managed Accounts detailed above, including the administrative services fee paid to CLarITy. The details of the fees and expenses paid by the Private Funds are more fully set forth in the Offering Documents.

The Board of Directors of CLarITy Managers generally may terminate CLarITy's advisory services at any time without penalty upon prior written notice (generally 30 days). Similarly, CLarITy generally may terminate the agreement between the CLarITy Fund and the respective Manager at any time without penalty. Generally, an investor in a CLarITy Fund may redeem some or all of his investment as of the close of business as of the 15<sup>th</sup> calendar day (or, if such day is not a business day, the next business day) and last business day of each month subject to the terms for withdrawals or redemptions which are more fully disclosed in the Offering Documents.

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

CLarITy does not receive performance-based fees.

#### **Item 7 – Types of Clients**

CLarITy serves as investment manager for CLarITy Managers and its CLarITy Funds. CLarITy Managers has minimum investment requirements and certain eligibility standards for investors, which are set forth in CLarITy Manager's Offering Documents.

In its discretion, CLarITy may in the future enter into side letter arrangements with certain investors in certain CLarITy Funds ("**Side Letter Investors**") without the consent of, or notification to other investors, whereby CLarITy and a Side Letter Investor have agreed (or may agree in the future) to vary the Side Letter Investor's investment terms from those made available to other investors in CLarITy Funds, including but not limited to (1) the greater availability to the Side Letter Investor of certain information, disclosures and/or reports (including personnel or other changes to CLarITy or the CLarITy Fund, or portfolio holdings and other information concerning the CLarITy Fund's investments or the Side Letter Investor's investment), (2) the timing of the delivery to the Side Letter Investor of such information or other CLarITy Fund information, disclosures and/or reports, and (3) certain other investment terms, including but not limited to reduced fees to be charged to a Side Letter Investor (management and/or incentive), shorter notice periods for redemption, more frequent dates for redemptions, redemption payouts, and/or timing for subscriptions. As a result, certain Side Letter Investors may be able to act (i.e., request redemptions) on such additional information that other investors do not receive. Granting

more favorable liquidity terms to certain investors may have a material adverse effect on investors not receiving such terms. A CLarITy Fund also may issue additional classes that are subject to such different terms and conditions which are similar or the same as a side letter arrangement.

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

### ***Methods of Analysis***

In evaluating Managers, CLarITy (either directly or through its affiliates) does extensive manager due diligence, applying a “bottom up” approach. CLarITy conducts thorough quantitative and qualitative analysis, including an evaluation of the risks assumed by each manager and strategy, in order to fully understand the strengths and weaknesses of the individual investment strategies and performance of each manager. CLarITy also performs full operational due diligence on each Manager’s infrastructure, middle-office and back-office, which includes onsite visits, background checks on the principals, audit reviews, legal review of all relevant documents and confirmation that specific trade and operating procedures are documented and followed in practice. The process is designed to ensure that Kenmar has accumulated, comprehended and documented the relevant information about the manager.

CLarITy generally chooses Managers for the CLarITy Funds that seek to exploit a broad array of investment opportunities worldwide. CLarITy seeks experienced, high quality Managers that, in the opinion of CLarITy, offer the potential for superior risk-adjusted returns within the context of the current market environment. Investors in the CLarITy Managed Account Platform may also request that CLarITy hire specific managers in which they would like to invest. CLarITy may do so, but only after completing its normal due diligence on the Manager and subject to approval of the Manager by the Investment Committee.

KGIM LLC, acting as the asset allocator for CLarITy Managed Account Platform when hired in such capacity by an investor in the CLarITy Managed Account Platform, allocates client assets in accordance with the specific investment objectives set forth by the investor. See Items 4 above and 10 below.

### ***Investment Strategies***

Currently, CLarITy employs two investment strategies (each a “**Strategy**” and collectively, “**Strategies**”) as described briefly below. CLarITy may add, modify and/or remove Strategies at any time pursuant to the Offering Documents.



The objective of the first Strategy is long-term capital appreciation through trading in equity securities of gold and precious-metal companies, (ii) generation of returns not correlated to most traditional asset classes, and (iii) protection of invested capital from declining value of fiat currencies due to inflation, official debasement or sovereign default. This Strategy generally favors emerging producers and will generally hold relatively concentrated, long-biased positions in exchange-traded liquid securities.

The objective of the second Strategy is capital appreciation over multiple market cycles through a systematically selected portfolio of publicly traded equity securities of companies in the energy industry, with a particular focus on domestic companies engaged in the exploration and production of oil and gas and other natural resources. The Strategy invests in a diversified portfolio of both long and short positions to take advantage of the considerable opportunities offered by relative disparities in the market valuations of equity securities of various exploration and production companies, while attempting to mitigate much of the risk associated with investing in an industry sensitive to commodity price swings. The Strategy may invest in a wide variety of securities and other financial instrument transactions, including stocks, bonds and options. The Strategy will use leverage (margin) as and when it deems it advisable; provided that the total amount of margin debt for which the Strategy may be obligated at any time will not exceed 25% of the total fair market value of the Strategy's assets at such time.

In addition to CLariTy Managers, the CLariTy Managed Account Platform includes CTA Choice. The overall objective of CTA Choice is to provide investors with (i) access to multiple Managers, each through a CTA Choice Fund that owns a Managed Account, the assets of which are traded by the respective Manager, (ii) the efficiency of a limited liability company infrastructure managed by CLariTy, and (iii) preservation of certain characteristics of a leveraged futures account, such as notional funding. Each CTA Choice Fund has its own clearly-defined investment objectives and strategies that are implemented by a Manager selected by CLariTy, affiliates of CLariTy and/or by investors in CTA Choice. In all cases the Managers undergo CLariTy's rigorous due diligence and be approved by CLariTy's Investment Committee. The CTA Choice Strategy is intended to take advantage of investment opportunities in commodities, futures, forward contracts, currencies, swaps and/or other derivative instruments. The assets and liabilities of each CTA Choice Fund are structured to be segregated from the assets and liabilities of the other CTA Choice Funds and of CTA Choice generally.

CLariTy may add, modify and/or remove Strategies at any time pursuant to the Offering Documents.

## ***Risk of Loss***

Investing in securities involves risk of loss that clients should be prepared to bear.

An investment in CLariTy Managers involves a high degree of risk and may not be suitable for all investors. CLariTy Managers is speculative and investors may lose all or a substantial portion of their investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of such an investment. An investment in CLariTy Managers should be discretionary capital set aside strictly for speculative purposes.

CLariTy Managers and its CLariTy Funds are unregistered funds or pools that may invest and trade in many different markets, strategies and Investment Interests (including securities, commodity interests and derivatives) and are NOT subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. Similarly, they may also invest and trade in a wide variety of investment instruments and are similarly unregistered and NOT subject to the same regulatory requirements as mutual funds. They are they are not guaranteed by the FDIC or by any bank and they may lose value.

CLariTy Managers and its CLariTy Funds are illiquid investments and may be subject to significant restrictions regarding transfers. There is no secondary market for an investment in CLariTy Managers and its CLariTy Funds and none is expected to develop.

The Offering Documents are not reviewed or approved by federal or state regulators.

The CLariTy Funds may have substantial fees and expenses, which may offset trading profits. CLariTy Funds also may use leverage, execute a substantial portion of trades on foreign exchanges and trade commodity interests. The risk of loss from such activities is substantial and may increase the volatility of performance.

There is no guarantee that The CLariTy Funds will achieve their goals, objectives, or targeted returns.

CLariTy and its principals, officers and supervised persons will devote such time as they deem necessary for the management of the CLariTy Managers and its CLariTy Funds. However, CLariTy and its principals, officers and supervised persons will be involved, from time to time, with other related investment management activities and consequently will not devote all of their time specifically to any one client. However, this may be mitigated by the fact that CLariTy employs a broad group of investment and administrative

professionals who will devote time and attention to the business and affairs of CLarITy and its clients as they, in their discretion, deem reasonably necessary.

The Managers may at certain times hold a few, relatively large positions (in relation to their assets), with the result that a loss in any position could have a material adverse impact on the CLarITy Funds' assets.

The Manager of each CLarITy Fund has the overall responsibility for making investment and trading decisions. Therefore, the CLarITy Fund will be relying almost exclusively on the judgment and ability of its Manager. No assurance can be given that the advice of a Manager will result in profitable trades for its Strategy or that the applicable Strategy will not incur substantial losses.

To achieve a Strategy's investment objective, its Manager will trade Investment Interests. Investment Interests are speculative and may involve substantial risk of loss. The prices of Investment Interests are highly volatile and market movements are difficult to predict. Supply and demand for Investment Interests change rapidly and are affected by a variety of factors, including interest rates, rates of inflation and general trends in the overall economy or particular industrial or other economic sectors. Government actions, especially those of the Federal Reserve Board and other Central Banks, have a profound effect on interest rates that, in turn, affect the price of Investment Interests. In addition, there are a variety of other factors that are inherently difficult to predict, such as domestic and international political developments, governmental trade and fiscal policies, monetary and exchange control programs, currency devaluations and revaluations, emotions of the marketplace, patterns of trade and war or other military conflict. None of these factors can be controlled by a Manager.

The Managers may also manage other accounts (including other funds, related and unrelated, as well as accounts in which the Managers may have an interest) which may employ different or similar trading strategies, and which together with accounts already being managed could increase the level of competition for the same trades, including the priorities of order entry. These factors could make it costly or impossible to take or liquidate a position in a particular Investment Interest.

Trading decisions made by each Manager may be based on the judgment of one or a limited number of key individuals (each, a "**Key-Man**"). If any Key-Man were to die or become incapacitated or otherwise terminate his relationship with a Manager, such event could have a material adverse effect on the applicable CLarITy Fund and its performance.

General economic and business conditions may affect a Manager's activities. Unexpected volatility or illiquidity in the markets in which CLarITy Funds, directly or indirectly, hold

positions could impair the CLarITy Fund's ability to carry out its business or cause it to incur losses. Moreover, although there can be no assurance that they will, certain Managers trade profitably during periods when major price movements occur. Such movements generally occur in any given market only infrequently, and during periods of static or "whipsaw" markets it is unlikely that those Managers will achieve profits for a CLarITy Fund.

Managers may employ various risk reduction strategies designed to minimize the risk of their trading positions. A substantial risk remains, nonetheless, that such strategies will not always be possible to implement and even when possible will not always be effective in limiting losses. If a Manager analyzes market conditions incorrectly, or employs a risk reduction strategy that does not correlate well with a Manager's investments, such risk reduction techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. These risk reduction techniques may also increase the volatility of a CLarITy Fund and/or result in a loss if the counterparty to the transaction does not perform as promised.

Substantially all trading in commodities and futures has as its basis a contract to purchase or sell a specified quantity of a particular asset for delivery at a specified time, although certain Investment Interests, such as market index futures contracts, may be settled only in cash based on the value of the underlying composite index. Futures trading involves trading in contracts for future delivery of standardized, rather than specific, lots of particular assets.

Futures prices are highly volatile. Price movements for the futures contracts that the Managers may trade are influenced by, among other things, changing supply and demand relationships, government, trade, fiscal, and economic events, and changes in interest rates. Governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly.

The CFTC has jurisdiction to establish, or cause exchanges to establish, position limits with respect to all commodities traded on exchanges located in the U.S. and may do so, and any exchange may impose limits on positions on that exchange. No such limits presently exist in the forward contract market or on certain non-U.S. exchanges. Insofar as such limits do exist, all commodity accounts owned, held, controlled or managed by a Manager and its principals and affiliates may be combined (that is, aggregated) for position limit purposes.

U.S. commodity exchanges may limit fluctuations in futures contracts prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." In addition, even if futures prices have not moved the daily limit, a Manager may not be able

to execute futures trades at favorable prices if little trading in such contracts is taking place (a “thin” market).

Futures are typically traded on “margin.” The “margin” is the amount of escrow or performance bond deposit that a CTA Choice Fund will have to make and maintain with its futures commission merchants (futures brokers) to secure its future obligation to close out open positions. The initial margin requirements may be satisfied by the deposit of cash (or, in some U.S. markets, certain U.S. Government obligations). The open positions must be “marked to market” daily, requiring additional margin deposits if the position reflects a loss that reduces a CTA Choice Fund’s equity below the level required to be maintained and permitting release of a portion of the deposit if the position reflects a gain that results in excess margin equity. The level of margin that must be maintained for a given position is sometimes subject to increase, requiring additional cash outlays. In the futures markets, margin deposits are typically low relative to the value of the futures contracts purchased or sold. Such low margin deposits are indicative of the fact that any futures contract trading typically is accompanied by a high degree of leverage. Because margin requirements normally range upward from as little as 2% or less of the total value of the contract, a comparatively small commitment of cash or its equivalent may permit trading in futures contracts of substantially great value. As a result, price fluctuations may result in a contract profit or loss that is disproportionate to the amount of funds deposited as margin. Such a profit or loss may materialize suddenly, since the prices of futures frequently fluctuate rapidly and over wide ranges, reflecting both supply and demand changes and changes in market sentiment.

Depending upon the amount of assets managed overall by a Manager, it may be difficult or impossible for the Manager to take or liquidate a position in a particular commodity, method or strategy.

Important information regarding an investment in CLariTy Managers and the CLariTy Funds, including the specific investment strategies and techniques employed by the Manager to each CLariTy Fund and the risks associated with each Strategy, as well as other material terms, are more fully set forth in the Offering Documents.

Important information regarding an investment in CTA Choice and the CTA Choice Funds, including the specific investment strategies and techniques employed by the manager to each CTA Choice Fund and the risks associated with each Strategy, as well as other material terms, are more fully set forth in the CTA Choice Private Placement Memorandum, each CTA Choice Fund’s Supplement and related documents.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CLarITy or the integrity of CLarITy's management. CLarITy has never had any legal or disciplinary events to report.

## Item 10 – Other Financial Industry Activities and Affiliations

CLarITy Managed Account & Analytics Platform LLC ("**CLarITy**"), is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "**Advisers Act**") with the U.S. Securities and Exchange Commission ("**SEC**") and as a commodity pool operator and commodity trading advisor under the Commodity Exchange Act ("**CEA**") with the CFTC and is a member of the National Futures Association ("**NFA**"). As of March 1, 2011, the following members of CLarITy's management are registered as Associated Persons ("**APs**") of CLarITy with the NFA: Esther E. Goodman, Marc S. Goodman, Joanne Rosenthal and Kenneth A. Shewer.

CLarITy is part of The Kenmar Group of companies; three of CLarITy's affiliates are described below:

KGIM LLC, an affiliate of CLarITy, is registered as an investment adviser under the Advisers Act with the SEC and as a commodity pool operator and commodity trading advisor under the CEA with the CFTC and is a member of the NFA. As of March 1, 2011 KGIM serves as investment manager with approximately \$607.9 million of discretionary assets under management. KGIM LLC also serves as commodity pool operator for a private commodity pool with approximately \$11.9 million of discretionary assets under management, and as an asset allocator with approximately \$400.8 million of discretionary assets under management. As of March 1, 2011, the following members of CLarITy's management are registered as APs of KGIM LLC with the NFA: Esther E. Goodman, Marc S. Goodman, Joanne Rosenthal and Kenneth A. Shewer.

Kenmar Preferred Investments Corp. ("**Kenmar Preferred**"), an affiliate of CLarITy, is registered as an investment adviser under the Advisers Act with the SEC and as a commodity pool operator and commodity trading advisor under the CEA with the CFTC and is a member of the NFA. As of March 1, 2011, Kenmar Preferred serves as discretionary investment manager for a number of Private Funds with approximately \$43.1 million of discretionary assets and approximately \$166.6 million of non-discretionary assets under management and serves as commodity pool operator for private commodity pools ("**Pools**") with approximately \$194.6 million of assets under management. As of March 1, 2011, the following members of CLarITy's management are registered as APs of Kenmar

Preferred with the NFA: Esther E. Goodman, Marc S. Goodman, Joanne Rosenthal and Kenneth A. Shewer.

Kenmar Securities Inc. (“**KSEC**”), an affiliate of CLariTy, is a broker-dealer registered with the SEC, and is a member of the Financial Industry Regulatory Authority (“**FINRA**”). KSEC is also registered as an introducing broker under the CEA with the CFTC and is a member of the NFA. As of March 1, 2011, the following members of CLariTy’s management are registered as APs with the NFA: Esther E. Goodman, Marc S. Goodman and Kenneth A. Shewer. Similarly, the following members of CLariTy’s management are registered as Registered Representatives of KSEC with FINRA: Esther E. Goodman, Maureen Howley, James Purnell, Joanne Rosenthal and David Spohr.

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

CLariTy strives to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. As such, CLariTy has adopted a Code of Professional Conduct (“**Code**”) which describes CLariTy’s high standard of business conduct, and fiduciary duty to its clients. The Code of Professional Conduct includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All Employees must acknowledge the terms of the Code annually, or as amended.

CLariTy’s principals, officers, supervised persons and related accounts (“**Employees**”) are permitted to maintain personal trading accounts provided that such accounts are disclosed to CLariTy and are held at designated brokerage firms. However, Employees that wish to maintain any existing brokerage account(s), or open any new brokerage account(s), at a non-designated brokerage firm may be permitted to do so provided that they pre-clear the request in writing and pay any costs associated with maintaining said account(s) at a non-designated brokerage firm.

Any personal trading by Employees must be consistent with applicable law and with the Code. Subject to compliance with applicable laws, rules and regulations and the Code, Employees may buy, sell or hold for their own personal trading accounts securities, including Portfolio Funds that CLariTy also may buy, sell or hold for its clients. Employee investments in Portfolio Funds are permissible subject to compliance with the Code, pre-approval, and a determination that no conflict of interest exists.

The Code contains policies and procedures that, among other things:



- prohibit Employees from taking personal advantage of opportunities belonging to clients;
- prohibit trading on the basis of material nonpublic information;
- generally prohibit personal trading by Employees during business hours;
- require pre-clearance of any private placements (including investments in hedge funds, fund-of-funds, private equity funds, venture capital funds and other unregistered pooled investment vehicles) and “new issues”;
- require initial and annual reports of securities holdings by Employees, as well as copies of monthly and/or quarterly account statements and trade confirmations; and
- Prohibit trading by Employees of securities of any issuers on CLariTy’s restricted issuer list.

Subject to satisfying this policy and applicable laws, Employees of CLariTy and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for CLariTy’s clients. The Code is designed to assure that the personal securities transactions, activities and interests of the Employees of CLariTy will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing Employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of CLariTy’s clients. Employee trading and identified brokerage accounts are also continually monitored under the Code via Compliance11, an internet-based compliance monitoring application, and to reasonably prevent conflicts of interest between CLariTy and its clients.

CLariTy’s Code also addresses misappropriation of material nonpublic or proprietary information (*e.g.*, insider trading) and outside business activities. CLariTy’s insider trading prohibitions (i) apply to all Employees, (ii) extend to activities within and outside their duties as Employees of CLariTy, and (iii) apply to Investment Interest-related information that is internal to CLariTy. Employees are permitted to engage in limited outside business activities provided these activities do not create an actual or potential conflict of interest due to the amount of time spent on such activities and the investment-related nature of certain activities.

Investors or prospective investors may request a copy of the Code by contacting CLariTy’s Investor Services at (914) 307-7000.



## **Item 12 – Brokerage Practices**

CLarITy serves as investment manager for CLarITy Managers and the CLarITy Funds. As such, CLarITy selects the clearing brokers for the CLarITy Funds. Limitations on CLarITy's authority are guided by, among other things, (i) its responsibility to act as a fiduciary when handling clients' accounts, (ii) the investment strategies and objectives of CLarITy Managers and the CLarITy Funds, and (iii) with respect to CLarITy Managers and the CLarITy Funds, the CLarITy Managers and the CLarITy Funds' Offering Documents

### ***Clearing Brokers***

CLarITy will generally select the clearing brokers through which all transactions in each Managed Account will be cleared and settled. Clearing brokers that a CLarITy Fund will utilize directly and which have custody of such CLarITy Fund's cash (including subscription proceeds) and investments will meet the definition of "Qualified Custodian" under amended Rule 206(4)-2 under the Advisers Act. Investments and cash (including subscription proceeds) held by such Clearing brokers will be maintained in a custodial account in the name of CLarITy Managers on behalf of and for the account of each CLarITy Fund.

As more fully described below for the Managers' selection of executing brokers, in selecting clearing brokers for Managed Accounts, CLarITy will not adhere to any rigid formulas in making their selection but will weigh a combination of the criteria, including whether the clearing broker will provide investor referrals and if the clearing broker has been recommended by the respective Manager, and will make good faith determination.

CLarITy may replace existing clearing brokers or select additional clearing brokers at any time without notice to the investors. CLarITy will be responsible for monitoring the custody arrangements for the Managed Account held by each CLarITy Fund.

The Offering Documents will typically set forth disclosures relating to the CLarITy's brokerage placement practices.

### ***Executing Brokers***

A Manager will select the executing brokers that will be used to execute the transactions in the relevant Managed Account.. In selecting executing brokers to execute transactions, the Managers need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Also, they are not obligated to (and may not) negotiate "execution only" commission rates. As such, CLarITy Funds may be deemed to be paying for other products and services provided by the executing broker which are included in the

commission rate. In selecting executing brokers, it is expected that Managers may take into account the executing broker's reliability, reputation, financial strength and responsibility, stability, ability to execute trades, block trading and block positioning capabilities, nature and frequency of sales coverage, net price, depth of available services, operations, market making, the availability of stocks to borrow for short trades, willingness to execute related or unrelated difficult transactions in the future, order of call, back office, processing and special execution capabilities, efficiency of execution, error resolution and execution or commission rate.

In selecting securities executing brokers, the Managers also take into account the value of certain products and/or services (whether or not for research purposes, in whole or in part), either provided by a executing broker, or paid for by a executing broker (either by direct or reimbursement payments (in whatever form) or by commissions, mark-ups or credits or by any other means) to be provided by others (collectively, "**Products and Services**"). Products or Services may be in any form (e.g., written, oral or on-line) and may include research products or services and other products and services. A Manager's use of Products and Services may or may not meet the "safe harbor" of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Research may include, among other things, proprietary research from executing brokers, which may be written or oral. Research Products and Services may include, among other things, research concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, data on pricing and availability of securities, non- mass-marketed financial publications, electronic market quotations, performance measurement services, analyses concerning market, economic and financial data, a particular aspect of economics or on the economy in general, statistical information, data on pricing and availability of securities, analyses concerning specific securities, companies, industries or sectors and market, economic and financial studies and forecasts.

In some instances, a Manager seeking to rely on the safe harbor of Section 28(e) may receive a research product or service that may be used for both research and non-research purposes. In such instances, it is expected that the Manager will make a good faith effort to determine the relative proportion of the research used to assist the Manager in carrying out its investment decision-making responsibilities and the relative proportion used for administrative or other non-research purposes. The proportion of the research attributable to assisting the Manager in carrying out its investment decision-making responsibilities is expected to be paid through brokerage commissions generated by client transactions; the proportion attributable to administrative or other non-research purposes is expected to be paid for by the Manager from its own resources. The receipt of "mixed-use" research

products and services and the determination of the appropriate allocation creates a potential conflict of interest between the Manager and its clients, including the CLarITy Funds and Managed Accounts, regarding the executing brokers it selects.

Generally, Managers will not adhere to any rigid formulas in making their selection of executing brokers, but will weigh a combination of the criteria set forth above. In recognition of the value of overall brokerage services provided by an executing broker, Managers may select an executing broker that charges brokerage commissions in excess of that which another executing broker might have charged for effecting the same transaction. In connection therewith, Managers will make a good faith determination that the amount of commission is reasonable in relation to the value of the brokerage services received, viewed in terms of either the specific transaction or CLarITy Fund transactions overall. In exchange for the direction of commission dollars to certain executing brokers, credits may be generated which may be used by the Managers to pay for the Products and Services provided by, or paid by, such executing brokers.

The Offering Documents detail more fully the applicable brokerage placement practices.

### **Item 13 – Review of Accounts**

CLarITy's Investment Committee ("IC") meets periodically. The IC's responsibilities include: (i) preparing (either directly or through its affiliated companies) all due diligence of its prospective managers and approving of the Managers; (ii) reviewing (either directly or through its affiliated companies) each CLarITy Fund on an ongoing basis with respect to such fund's policies, guidelines, strategies and operations; (iii) reviewing the performance and/or trading of each Manager; (iv) performing (either directly or through its affiliated companies) ongoing due diligence of the Managers; and, (iv) where appropriate, terminating a Manager.

Investors in the CLarITy Funds are provided with (i) monthly or twice monthly statements (depending upon the liquidity terms of each CLarITy Fund) prepared by the CLarITy Funds' independent fund administrator and (ii) audited fiscal year-end financial statements. Investors in the CTA Choice Funds are also provided with (i) monthly or twice monthly statements (depending upon the liquidity terms of each CLarITy Fund) prepared by the CLarITy Funds' independent fund administrator and (ii) audited fiscal year-end financial statements.

Investors in CLarITy Managers or CTA Choice may also receive other periodic reports concerning such investment(s) as CLarITy determines to be appropriate.

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

CLarITy may compensate third parties for referring investors, at no additional cost to the CLarITy Managed Account Platform or to the investors. Referral fees are generally a percentage of the Administrative Services Fee earned by CLarITy. As applicable, such referral arrangements will conform to Rule 206(4)-3 under the Advisers Act.

## **Item 15 – Custody**

CLarITy does not have custody of any client's funds or securities. Notwithstanding the foregoing, audited financial statements are furnished annually to all investors in CLarITy Managers and its Clarity Funds.

## **Item 16 – Investment Discretion**

CLarITy has the authority to determine, without obtaining specific client consent, the securities to be bought or sold; the amount of securities to be bought or sold; the broker or dealer to be used; and the commission rates paid. Such authority is generally established through the Offering Documents and through investment management and other agreements. Nonetheless, CLarITy generally delegates the aforementioned authorities to the selected Managers. Limitations on CLarITy's authority are guided by, among other things, (i) its responsibility to act as a fiduciary when handling clients' accounts, (ii) the investment strategies and objectives of the CLarITy Funds, and (iii) with respect to the CLarITy Funds, the Offering Documents.

CLarITy oversees the operation and administration of CLarITy Managers and the CLarITy Funds and oversees the Managers, including (i) negotiating all agreements, including service agreements and investment management agreements; (ii) performing initial and ongoing due diligence on the Managers; (iii) monitoring the trading and performance of the Managers for compliance with each Manager's trading and risk management policies; (iv) and, where appropriate, terminating a Manager, in which case the Clarity Fund managed by the terminated Manager is closed. CLarITy may engage the services of its affiliates to perform these functions.

In all cases, the limited discretion exercised by CLarITy is in a manner consistent with the stated investment objectives for the particular CLarITy Fund as set forth in the Offering Documents.

## **Item 17 – Voting Client Securities**

Due to the nature of CLarITy's advisory business, CLarITy does not expect to exercise discretion to vote proxies on behalf of CLarITy Managed Account Platform. Nonetheless, CLarITy has adopted Proxy Voting Policies and Procedures.

If CLarITy is ever in the position to vote a proxy, each proxy proposal will be reviewed on a case-by-case basis by CLarITy's IC. CLarITy will generally support proposals aimed at effectuating standard and necessary aspects of business operations, which will not typically have a significant effect on the value of the investment, such as name changes, elections of directors, etc. CLarITy's IC will communicate in writing its decision(s) relative to each proxy to CLarITy's Director of Fund Administration, who will effectuate the actual proxy vote.

A copy of CLarITy's proxy voting procedures, as well as a record of all proxy decisions and any documentation maintained with respect to proxy votes, is available by contacting CLarITy's Investor Services at (914) 307-7000.

## **Item 18 – Financial Information**

CLarITy has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.