

PART 2A OF FORM ADV: FIRM BROCHURE

Clarity Capital KCPS Ltd.

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This brochure provides information about the qualifications and business practices of Clarity Capital KCPS Ltd. If you have any questions about the contents of this brochure, please contact Adi Birk, our General Counsel and Chief Compliance Officer, either by telephone at +972-3-777-9000 or by email at adi@claritycap.com. 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 Capital KCPS Ltd. is a Registered Investment Adviser. Registration as an investment advisor reflects only that a firm has registered with the SEC and does not imply a certain level of skill or training.

Additional information about Clarity Capital KCPS Ltd. is available on the SEC's website at <http://www.adviserinfo.sec.gov>. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 160662.

Item 2 – Material Changes

This item discusses only material changes made since the submission of Clarity Capital KCPS Ltd's Form ADV Part 2A dated March 31, 2016, as follows:

- The cover page has been revised to reflect the contact information of our current Chief Compliance Officer.
- Item 10 has been revised to include additional disclosure regarding our affiliated entities.

Other non-material changes have been incorporated into this Form ADV Part 2A that are not discussed under this Item. As such, we encourage you to read this Form ADV Part 2A in its entirety.

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Item 4 –Advisory Business

The Firm

Clarity Capital KCPS Ltd., a limited company established under the laws of Israel (“KCPS Clarity”), is a portfolio manager licensed with the Israeli Securities Authority and an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) that began conducting business in 2007. KCPS Clarity is majority-owned by its parent company, KCPS Clarity Capital Group Ltd., a limited company established under the laws of Israel (“KCPS Clarity Group.”), which owns 90.00% of the issued and outstanding equity interests of KCPS Clarity and Mr. Eran Peleg, who owns 10.00% of the issued and outstanding equity interests of KCPS Clarity. Other than KCPS Clarity Group, no person owns 25.00% or more of KCPS Clarity or its parent company’s outstanding equity interests. Neither KCPS Clarity nor its parent company is publicly owned or traded.

Types of Investment Services

KCPS Clarity provides continuous investment management services on both a discretionary and non-discretionary basis to a diverse array of separate account clients, including high net worth individuals and institutions.

KCPS Clarity offers investment services¹ to its clients in respect of a variety of asset classes, including equities, fixed income investments and alternative investments. The scope of its investment services and specific investment guidelines and limitations are tailored for each client on an individual basis, as described below. From time to time, KCPS Clarity may contract with sub-advisors to provide certain portfolio management services for clients. In the event a sub-advisor is responsible for managing a client’s assets, the client will be notified by KCPS Clarity.

In addition, KCPS Clarity has an investment services agreement with its affiliate, Clarity Diversified Alternatives Portfolio Management Ltd. (“CDAP”), through which KCPS Clarity provides non-discretionary research advice and due diligence regarding alternative investment vehicles.

Tailored Portfolio Management and Investment Restrictions

KCPS Clarity tailors individual strategic asset allocations to fit each client’s needs through the following steps:

- *Risk Assessment & Establishment of Objectives:* KCPS Clarity gains a thorough understanding of each client’s needs through an upfront Client-Assessment process and through extensive dialogue between client and investment manager. A client’s risk

¹ The term “investment services” refers to “investment advice” as defined under the U.S. Investment Advisers Act of 1940, as amended and to “portfolio manage” and “investment marketing” as defined under Israeli Law.

tolerance is then assessed and long-term wealth objectives are determined. Assets are always held in the client's name at various unaffiliated custodians.

- *Mandate Definition & Implementation:* Client's strategic asset allocation is determined and implemented by a KCPS Clarity portfolio manager. Asset classes included are: equities, fixed income, and alternative investments. Because some types of investments involve certain additional degrees of risk, such investments will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.
- *Ongoing Client Interaction & Reporting:* Client's portfolio is managed on an on-going basis and monthly reports are provided.

Clients may impose restrictions on investing in certain types of securities or investment products. Any such restrictions or limitations will be set forth in the investment services contract agreed to between the client and KCPS Clarity.

Wrap Fee Programs

KCPS Clarity does not offer or participate in any wrap fee programs.

Client Assets Under Management

As of December 31, 2016 KCPS Clarity's regulatory assets under managed totaled approximately USD 481,269,000. Approximately USD 375,017,000 is managed on a discretionary basis and USD 106,252,000 on a non-discretionary basis.

Item 5 – Fees and Compensation

KCPS Clarity charges its clients a management fee pursuant to a written investment advisory agreement with each client specifying the exact amount of such fees and the manner in which they will be charged. Management fees usually are charged based upon a percentage of assets the client has supervised by KCPS Clarity. The standard management fee generally charged to clients is 1.00% per annum, nevertheless a minority of our clients (discretionary and non-discretionary) are paying a fixed amount of money as determined in their client agreement

KCPS Clarity is entitled to a certain percentage of CDAP's revenues as a compensation for its non-discretionary research advice and due diligence regarding alternative investment vehicles.

Limited Negotiability of Management Fees

Although KCPS Clarity has established the aforementioned fees, it retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client relationship, assets to be placed under management, anticipated future additional assets, related

accounts, portfolio style, account composition, frequency and types of reports, and other factors. The specific annual fee schedule will be identified in the investment services contract between KCPS Clarity and each client. Discounts, not generally available to our clients, may be offered to family members and associated persons of our firm and its affiliates.

Our fees are billed either monthly or quarterly, in arrears, (as indicated in the client's investment management agreement) and is based on the market value of the applicable account at the end of the relevant period. Fees will be debited via the Client's custodian from the applicable client account. In situations where a client's custodian may not permit direct debiting, KCPS Clarity will bill the client directly for any management fees. Client accounts initiated or terminated during a fee period will be charged a prorated fee. Upon termination of any account any earned, unpaid fees will be due and payable.

Termination of the Investment Services Relationship

A client may generally terminate its investment services contract with KCPS Clarity at any time, for any reason, upon written notice to KCPS Clarity. KCPS Clarity may generally terminate an investment services contract with a client upon written notice to the client.

Additional Fees and Expenses

In addition to management fees charged by KCPS Clarity, described above, clients are also responsible for any management fees and other fees and expenses charged by sub-advisers, custodians, funds (including the underlying fund's management and performance fees, if any) and imposed by brokers or dealers relating to the client's account, including, without limitation, any transaction charges imposed by brokers or dealers in connection with transactions effected by KCPS Clarity, a sub-advisor or other independent investment manager for the client's account, all as applicable. KCPS Clarity's clients pay commissions for trades in their accounts.

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

In almost all circumstances, KCPS Clarity does not charge clients a performance-based fee. However, KCPS has a few clients which are charged a performance based fee. In addition, to the extent KCPS invests client accounts in an underlying fund, that underlying fund may or may not charge performance fees.

As stated in the "Fees and Compensation" above, a few clients are charged a performance based fee. In this unique circumstance, performance compensation may give rise to certain conflicts of interest that have the potential to motivate KCPS Clarity to favor its performance-based account client over other clients. For example, performance-based compensation, in periods it is earned, maybe significantly higher than the asset-based fees paid on traditional accounts.

Clarity has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent conflicts from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients

KCPS Clarity generally provides investment services to the following types of clients:

- High net worth individuals
- Endowments and foundations
- Charitable organizations
- Institutional clients
- Trusts
- Family offices

KCPS Clarity typically requires a minimum investment of \$1,000,000 in connection with opening a new account. Occasionally, investments of less than \$1,000,000 are accepted by KCPS Clarity from “friends and family” and other investors, as determined by KCPS Clarity in its discretion. Prospective clients should refer to the terms of KCPS Clarity’s investment services contract for additional qualification requirements.

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

Methods of Analysis and Investment Strategy

KCPS Clarity utilizes a top-down approach to wealth management. Typically, KCPS Clarity’s investment services relates specifically to one or more of the following four asset categories: (i) diversified multi-asset portfolios which generally include equities; (ii) fixed-income; (iii) alternative investments; and (iv) cash. KCPS Clarity’s investment process involves determining overall “strategic” and “tactical” asset allocation guidelines in respect of each client.

Upon contracting with a new client for investment services, KCPS Clarity will work with such client to determine strategic allocation guidelines based on risk/reward objectives and applicable investment constraints. KCPS Clarity’s investment committee, comprised of key officers and directors of KCPS Clarity and KCPS Clarity Group (the “Investment Committee”), to determine tactical guidelines applicable to all clients, based on the Investment Committee’s macroeconomic view of relevant markets. Once KCPS Clarity has determined tactical allocation guidelines, the Investment Committee will “tilt” clients’ portfolios into certain asset categories or classes based on its analysis. Currently, the following individuals serve as members of the Investment Committee: Mr. Tal Keinan (Chairman at KCPS Clarity Capital Group and a director at KCPS Clarity), Mr. David Steinhardt (Co-President at KCPS Clarity Capital Group), Mr. Laurence Schreiber (Co-President at KCPS Clarity Capital Group), Mr. Eran Peleg (CEO, Chief

Investment Officer and a director at KCPS Clarity) and Mr. Jonathan Silber (Managing Director at KCPS Clarity).

KCPS Clarity generally employs the following methods for specific security and manager/fund selection within three primary asset categories:

- **Equities**

- Equity Tactical Tilt: The Investment Committee will determine tactical tilts based on macroeconomic views.
- Identify Relevant Theme: In view of the macroeconomic environment, equity analysts will determine relevant themes.
- Establish Screening Criteria: KCPS Clarity will develop criteria that will position companies to succeed given current themes.
- Select Companies/Funds for Evaluation: KCPS Clarity will seek to determine sectors that are best positioned to fit these themes.
- Company Specific Research: KCPS Clarity will review company presentations and regulatory filings, and access leading analyst research. KCPS Clarity may contact specific companies and/or use affiliate networks to access the view of expert investors familiar with relevant companies.
- Risk Management: KCPS Clarity will evaluate expected risk/reward of specific portfolio holdings, as well as correlations to other equity holdings and to the overall portfolio. KCPS Clarity will seek to effect portfolio diversification across sectors and geographic regions.
- Invest: KCPS Clarity will seek to acquire securities and other investment instruments to best express desired portfolio themes.

- **Fixed Income**

- Fixed-Income Tactical Tilt: The Investment Committee will determine tactical tilts based on macroeconomic views.
- Identify Relevant Bond Sectors: KCPS Clarity will perform internal analysis to choose sectors based on the macroeconomic environment (e.g. government, corporate, convertibles, high-yield, etc.).
- Select Investment Method: KCPS Clarity will assess bond sectors and determine investment method on a case-by-case basis, i.e., ascertain whether a niche manager may offer better access/diversification.

- *Bond Picking*: KCPS Clarity will screen bonds with a focus on rating, yield-to-maturity, duration, and spread over the yield of the parallel government bond compared to peers.
- *Analysis of Company*: KCPS Clarity will review company presentations and financial statements, examine leading analyst research, and hold discussions with analysts covering applicable companies.
- *Risk Management*: KCPS Clarity will evaluate expected risk/reward of proposed bond allocations. KCPS Clarity will also evaluate correlations to other bonds in the portfolio, as well as to other portfolio assets. KCPS Clarity will consider bond yield in the context of the applicable currency's yield curve.
- *Invest*: KCPS Clarity will invest directly in investment-grade credit, and gain exposure to high-yield and convertible bonds via funds that have passed a strict due diligence process. KCPS Clarity will seek to acquire fixed-income securities to best express desired portfolio themes.
- **Alternative Investments**
 - *Alternatives Tactical Tilt*: The Investment Committee will determine tactical tilts based on macroeconomic views.
 - *Identify Relevant Strategies*: In view of the macroeconomic environment, market cycle, and strategy correlations, KCPS Clarity will perform proprietary analysis on the effect on profitability of fund strategies.
 - *Perform External Market Research*: KCPS Clarity will seek to initiate contacts with academics and market practitioners all over the world, as well as financial industry reports.
 - *Identify Funds for Evaluation*: KCPS Clarity will seek to identify funds via affiliate networks, institutional relationships and databases. KCPS Clarity will seek managers with good performance, low volatility and low correlation to other asset classes.
 - *Screening of Single Managers*: KCPS Clarity will meet with managers to verify strong management skills, strong risk management approach, and strict operational/compliance policies. KCPS Clarity will seek to understand the real ability of managers to deliver alpha.
 - *Risk Management*: KCPS Clarity will consider unique hedge fund risks, including operational, leverage and transparency risks.
 - *Invest*: KCPS Clarity will seek to acquire interests in funds to best express desired portfolio themes.

Summary of Material Risks

Investing in any security entails risk of loss. Prices of securities react to the business and financial condition of the company that issued them as well as macroeconomic factors. Prices of a security may rise and fall based on changes in the business or financial condition of the issuing company, changes in management and the potential for merger and acquisitions.

KCPS Clarity may recommend or introduce to clients alternative investments in private fund vehicles and separate accounts managed by other investment managers. Clients should be aware that investments in such products may carry additional risks relating to the particular investment strategies employed by other investment managers in connection with such alternative investments.

Investing in securities involves risk of loss that clients should be prepared to bear. There is no "risk free" investment. Investors face the following investment risks, which KCPS Clarity attempts to minimize through prudent portfolio diversification:

- **Interest-rate Risk:** Changes in interest rates may cause investment prices to fluctuate. For example, when interest rates rise for new bonds, the market value of lower yielding older bonds can decline.
- **Market Risk:** The price of any security may drop in reaction to tangible and intangible events and conditions. This type of risk is associated with external factors such as political, economic and social conditions. These events can result in market declines, even though the underlying security is financially unchanged.
- **Inflation Risk:** When any type of inflation is present the monetary value in the future will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the portfolio based currency against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many buyers are available on short notice or if it is a standardized product. For example, Treasury Bills are highly liquid, while individual real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations decreases its profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9 – Disciplinary Information

Neither KCPS Clarity nor any of its management persons have reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Two persons who serve on the KCPS Clarity Investment Committee are registered representatives of an unaffiliated broker-dealer. Neither KCPS Clarity nor any of its management persons has registered as, or has a pending application to register as, a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities

KCPS Clarity is majority-owned by its parent company, KCPS Clarity Capital Group Ltd., which also has several other investment management subsidiaries, each of which is an affiliate of KCPS Clarity. Details regarding these subsidiaries and their relationship with KCPS Clarity are as follows:

- KCPS Capital Management Ltd. (“KCPS-CM”), an Israeli limited company based in Tel-Aviv, Israel, provides investment management services to a variety of clients, including individuals and institutions. Additionally, KCPS-CM serves as the investment manager and general partner of private fund vehicles. KCPS-CM is registered as an investment adviser with the SEC (SEC # 801-108918).
- CDAP, a Delaware corporation based in New York, New York, serves as the investment manager of private fund vehicles and provides discretionary investment management services to such. CDAP may also provide investment management services to individuals and institutions through separate accounts. KCPS Clarity provides research and due diligence services to CDAP. CDAP is registered as an investment adviser with the SEC (SEC #801-107107).
- Clarity Diversified Alternatives Portfolio Holdings LP (“CDAP-GP COMPANY”), a Delaware limited partnership based in New York, New York, serves as the general partner of Clarity Diversified Alternatives Portfolio Holdings LP, a Delaware partnership based in New York, New York which is the general partner of and holds management shares of private fund vehicles.
- Centus Partners Management LLC – (“Consensus”), a Delaware limited liability company is based in New York and Tel Aviv and is 50% owned by the general partner of CDAP-GP. Centus is registered as an investment adviser with the SEC (SEC # 801-110-195).

None of KCPS-CM, or KCPS-PE (together with KCPS Clarity, collectively, the “KCPS Affiliates”), Consentus, CDAP or CDAP-GP COMPANY has registered as, or has a pending application to register as, a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities. However, certain employees are registered representatives of an unaffiliated broker-dealer.

In providing advisory services to its clients, KCPS Clarity may enter into consultancy agreements with affiliated third parties with respect to the provision of administration, research, analysis and monitoring services by or for KCPS Clarity. Specifically, KCPS Clarity has entered into a Consultancy Agreement with CDAP pursuant to which KCPS Clarity will provide CDAP with various administrative services relating to underlying funds managed by CDAP, including investment research, analysis and market related services and monitoring of existing investments.

In addition, KCPS Clarity may recommend to its Clients investments in alternative vehicles and private funds (“Affiliated Funds”) managed by its affiliates including CDAP and KCPS-CM. In addition, KCPS Clarity provides non-discretionary investment advice to CDAP regarding investments in these Affiliated Funds. Certain clients or potential clients/investors in Affiliated Funds may gain access to such Affiliated Funds through KCPS Clarity (see below).

Some of KCPS Capital’s supervised persons serve as dual officers, employees or investment committee members of one or more other KCPS Affiliates. In addition, the chief investment officer of KCPS Capital also serves on the investment committee of CDAP. When KCPS Capital and our related persons concurrently manage client accounts/investment products, and particularly when dual officers/employees/investment committee members are involved, this presents certain conflicts, as described below.

Management of client accounts by affiliated investment advisers could give rise to a variety of potential and actual conflicts of interest, including potential front-running in the same security, and material non-public information shared across affiliate investment managers. In addition, because the KCPS Affiliates perform investment advisory services for various clients, one KCPS Affiliate may give advice or take action in the performance of its duties with respect to its clients which differs from the advice given or action taken by another KCPS Affiliate with respect to its clients.

The KCPS Affiliates have taken a number of steps to mitigate these conflicts, including the following:

- The KCPS Affiliates have adopted and abide by the same Code of Ethics
- The KCPS Affiliates share the same Restricted List

In addition, each KCPS Affiliate has its own investment committee that is responsible for making investment decisions on behalf of the entity. Although certain investment committee members overlap between KCPS Affiliates, we believe that conflicts of interest associated with dual committee membership are mitigated because the investments pursued by each KCPS

Affiliate are generally not appropriate for other KCPS Affiliates' clients. In addition, the KCPS Affiliates do not share specific investment recommendations, and each has taken measures to segregate its portfolio management business activities from the other affiliates.

Introductions and Recommendations by Affiliated Adviser

As noted above, KCPS Clarity introduces or recommends the Affiliated Funds to its clients if it determines that the Affiliated Funds are suitable for their risk profiles and investment guidelines. To mitigate conflicts of interest associated with such introductions/recommendations, KCPS Clarity: (i) is not compensated for these introductions, (ii) notifies its clients in writing about its affiliated relationship with the Affiliated Funds and certain conflicts associated with such relationship, and (iii) requires them to acknowledge in writing that they are aware of such relationship and conflicts prior to making investments in the Affiliated Funds. In addition, management fees and performance compensation are waived for KCPS Clarity clients that invest through such an introduction.

Affiliation with Broker Dealer

One or more employees of KCPS Clarity or its affiliates serve as registered representatives of an unaffiliated broker-dealer.

Affiliation with Distribution Service Company

KCPS Capital Group has a majority ownership interest in an Israeli-based distribution service company that represents financial institutions in the Israeli market, providing them with access to non-U.S. institutional investors. The company receives compensation for successful introductions. The types of institutional investors introduced by the distribution service company do not, and are not expected to, overlap with our clients or the clients of the other KCPS Affiliates.

We generally do not engage in cross or principal transactions. If we were to engage in a cross or principal transaction in the future, we would only do so in compliance with the Advisers Act.

KCPS Clarity may recommend other investment advisers to clients from time to time, or engage sub-advisors to assist in managing client portfolios. In such instances, KCPS Clarity does not receive any compensation directly or indirectly from these other advisers or sub-advisors.

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

Code of Ethics Overview

We have adopted a Code of Ethics and Employee Investment Policy (the “Code of Ethics”) which is designed to ensure that we conduct our business in accordance with all applicable laws and regulations and in an ethical and professional manner. The Code of Ethics applies to all of our supervised persons and the employees of the KCPS Affiliates. In addition, we recognize that we have a fiduciary duty to our clients, and that all of our supervised persons must conduct their business on our behalf in a manner that enables us to fulfill this fiduciary duty.

Among other things, the Code of Ethics governs all personal securities transactions by our supervised persons (as further described below), and addresses certain other conflicts of interest. Supervised persons are provided with a copy of the Code of Ethics and are required to sign and acknowledge that they will comply with its provisions.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

We make available to qualified prospective investors the opportunity to invest in the Affiliated Funds. Our related persons and our respective employees may have personal investments in certain Affiliated Funds.

Personal Trading

Supervised persons may not engage in personal securities transactions, except for certain permitted securities, as described in the Code of Ethics. Supervised person trading in certain permitted securities requires the written consent of our Chief Compliance Officer (the “CCO”) (and, in the case of the CCO, the prior written consent of our Chief Executive Officer). In addition, transactions in securities on our Restricted List are prohibited.

Additionally, supervised persons are required to provide the CCO with periodic reporting relating to their trading activity and personal accounts.

Item 12 – Brokerage Practices

KCPS Clarity does not maintain custody of client accounts. Client portfolios are held at various qualified custodians. Generally, trades are executed by the custodian in which the client’s account is managed or by such custodian’s affiliated broker/dealer. KCPS Clarity may make recommendations to clients as to broker/dealers and/or custodians, however, the Client ultimately selects the most appropriate service provider(s).

In making broker/dealer recommendations to clients, KCPS Clarity reviews the relevant service providers ability to obtain best execution (through custodians’ affiliated broker) for its clients, taking into account the following factors: (i) the ability to effect prompt and reliable executions at favorable prices; (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity and stability of the broker/dealer; (iv) the reputation of the broker/dealer; (v) the broker/dealer’s risk

in positioning a block of securities; (vi) efficiency of execution and error resolution; (vii) the quality, comprehensiveness and frequency of available research services considered to be of value; (viii) the competitiveness of commission rates in comparison with other broker/dealers satisfying KCPS Clarity's other selection criteria; and (ix) other circumstances as may apply to a specific client, such as jurisdiction.

KCPS Clarity does not typically recommend broker/dealers for non-discretionary clients.

KCPS Clarity does not take into account client referrals when recommending broker/dealers to clients.

Sub-advisers and managers of underlying funds we recommend will select the broker-dealers, and other financial intermediaries for their trading and other accounts. These managers may benefit from various "soft dollar" arrangements between such managers and financial intermediaries.

On a regular basis, our back-office employees review the commissions paid to brokers.

Research and Other Soft Dollar Benefits

We do not currently have any formal soft dollar arrangements. If we determine to engage in soft dollar transactions, we intend to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended.

Trade Errors

As a fiduciary, we have the responsibility to effect orders correctly, promptly, and in the best interests of our clients. In the event any error occurs in the handling of any client transactions, due to our actions, or inaction, or actions of others, we will assess each trade error on a case-by-case basis.

Allocation of Trades

KCPS Clarity may at times determine that certain securities and investment opportunities, which may be suitable for one client, may also be suitable for other clients whose accounts are managed by KCPS Clarity. If that occurs, and KCPS Clarity is not able to acquire the desired aggregate amount of such securities on terms and conditions which KCPS Clarity deems investable, KCPS Clarity will endeavor to allocate in good faith the limited amount of such securities acquired among the various accounts for which KCPS Clarity considers them to be suitable. KCPS Clarity may make such allocations among the accounts in any manner which it considers to be fair under the circumstances, including but not limited to allocations based on relative account sizes, funds available for investment, diversification considerations, the degree of risk involved in the securities acquired, and the extent to which a position in such securities is consistent with the investment policies and strategies of the various accounts involved.

Aggregation of Orders

KCPS Clarity may aggregate purchase and sale orders of securities held by its clients with similar orders being made simultaneously for other accounts or entities if, in KCPS Clarity's reasonable judgment, such aggregation is reasonably likely to result in an overall economic benefit to such clients based on an evaluation that such clients will be benefited by relatively better purchase or sale prices, lower commission expenses or beneficial timing of transactions, or a combination of these and other factors. Generally, the purchase or sale of securities for KCPS Clarity clients will be effected simultaneously within the same custodian with the purchase or sale of like securities for other accounts or entities. Due to the fact that transactions take place in different custodians/brokers, different prices between different clients may apply. Clients who have directed KCPS Capital to use a particular broker may realize a different price for the same security.

Item 13 – Review of Accounts

KCPS Clarity reviews underlying security positions in client accounts on a regular basis. KCPS Clarity's middle office team reviews client accounts on a daily basis. Additionally, portfolio managers review accounts for which they are responsible on a continuous basis.

During monthly portfolio review meetings, KCPS Clarity's management team reviews each portfolio from a compliance perspective to make sure client accounts follow portfolio and client guidelines. Other factors that may cause a portfolio review include client contributions or distributions, revised client objectives, or changes in law.

Daily and/or monthly statements and confirmations of transactions are provided by the client's broker or custodian with the information made available to KCPS Clarity.

In addition, KCPS Clarity provides monthly or quarterly reports to its clients relating to each account managed by KCPS Clarity.

Item 14 – Client Referrals and Other Compensation

KCPS Clarity has entered into written arrangements with third party marketers for the referral of managed clients to KCPS Clarity. Pursuant to the terms of such arrangements, third party marketers engaged by KCPS Clarity are typically entitled to a percentage of management fees earned by KCPS Clarity on referred assets.

Item 15 – Custody

KCPS Clarity does not have custody of its clients' assets. The assets of KCPS Clarity clients are held by a qualified custodian, which provides periodic account statements to KCPS Clarity.

and/or directly to the client. In turn, KCPS Clarity provides monthly or quarterly reports to its clients relating to each account managed by KCPS Clarity.

Item 16 – Investment Discretion

Clients may engage KCPS Clarity to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. KCPS Clarity also provides non-discretionary investment services to clients.

KCPS Clarity's authority with respect to its discretionary clients includes the ability to do the following without contacting the client:

- Determine securities (including funds, mutual funds and other investment funds) to buy or sell; and/or
- Determine the amount of such securities to buy or sell.

Clients give KCPS Clarity discretionary authority when they sign a discretionary investment services contract with our firm, and may limit this authority by giving KCPS Clarity written instructions. Clients may also change/amend such limitations at any time by providing KCPS Clarity with subsequent written instructions.

Item 17 – Voting Client Securities

KCPS Clarity does not vote proxies on behalf of its account clients. Therefore, although KCPS Clarity may provide investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. KCPS Clarity and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. KCPS Clarity will, however, make tender offer elections for the client.

On rare occasions, if an issue is deemed critical, KCPS Clarity may contact clients and suggest a particular vote.

Item 18 – Financial Information

KCPS Clarity has no additional financial circumstances to report. A balance sheet is not required to be provided because KCPS Clarity does not require or solicit prepayment of more than \$1,200 in fees per client more than six months in advance of services rendered.

Item 19- Requirements for State-Registered Advisers

No applicable.