



## Clarity Managed Account & Analytics Platform, LLC

### Form ADV Part 2A

*As of May 31, 2016*

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 212-596-3480. 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).

KENMAR OLYMPIA, LLC  
680 Fifth Avenue, Suite 1901  
New York, NY 10019  
212-596-3480

## Item 2: Material Changes

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On March 31, 2016 Clarity Managed Account & Analytics Platform, LLC moved to 680 Fifth Avenue, Suite 1901, New York, NY 10019. The mailing address remains the same at 610 Fifth Avenue # 5537, PO Box 5537, New York, NY 10185

AUM is updated in Item 4.

Clarity may serve as asset allocator on behalf of investors in the Clarity Managed Account & Analytics Platform assuming certain responsibilities previously performed by Kenmar Global Investment Management, LLC ("KGIM") which was de-registered as an RIA on December 31, 2015.

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## Item 4: Advisory Business

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Clarity Managed Account & Analytics Platform, LLC was originally established in April 2009 and converted to Clarity Managed Account & Analytics Platform, L.P. in July 2012. In March 2014, it converted to Clarity Managed Account & Analytics Platform, LLC ("**Clarity**"). Upon such conversion to a limited liability company, Clarity became the wholly owned subsidiary of Kenmar Olympia, LLC, a Delaware limited liability company directly owned by C-Gaia, Inc. and Bustan Trust.

On March 20, 2014, Kenmar Olympia, LLC purchased the outstanding limited partnership interests of Clarity from Kenmar Group Inc. and Kenmar Olympia Group, LP.

Clarity manages investments across a broad range of products and services including a proprietary managed account platform ("**Clarity Managed Account Platform**") which provides customized solutions (both in pooled vehicles and segregated managed accounts, "**Clarity Funds**");

In addition to its advisory business, Clarity serves as the managing member of CTA Choice Fund LLC ("CTA Choice"), 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 ("**Managed Account**") that is managed by an unrelated third-party alternative investment manager (each, a "**Manager**") where trading is generally limited to global futures, options, forward contracts, currencies, commodities, swaps and/or other derivative instruments, but may offer other investment strategies from time to time.

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. Each Clarity Fund is generally managed in accordance with the same investment guidelines as the Manager's own flagship 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.

Clarity is responsible for overseeing the operation and administration of 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 and or third parties to perform these functions.

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

Clarity and Kenmar Preferred Investments, LLC ("Kenmar Preferred"), an affiliate of Clarity, may serve as asset allocator and/or investment advisor on behalf of investors in the Clarity Managed Account Platform and/or investors may themselves allocate their assets among the Clarity Funds. For additional information on Kenmar Preferred please see Item 10 below or Kenmar Preferred'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 one or more Clarity sponsored Funds, as well as in CTA Choice.

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. The details of the investments of in which each Managed Account may invest are found in the respective Clarity offering memorandum, Clarity 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 Clarity 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 respective Offering Documents.

As of April 29, 2016, Clarity serves as the investment manager for approximately \$44,296,450 in assets under management.

## Item 5: Fees and Compensation

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Clarity generally receives a fee for overseeing the operation, administration and oversight of the Clarity Funds and 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 generally charges an Administrative Services Fee range of 0.00% to 1.00% of assets invested per annum, but it could be higher depending upon the level of additional services requested and/or the total assets the Shareholder has invested in Clarity investment funds managed by Clarity and/or its affiliates. This fee may differ among different investors and 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.

The Administrative Services Fee paid to Clarity is deducted from the Clarity Fund assets. The Clarity Funds also pay certain other fees and expenses which are also deducted from the Clarity Fund assets such as brokerage, custody, clearing, transaction and give-up fees, withholding taxes, legal, administrative, registration and regulatory costs, operational due diligence costs, regulatory reporting, offering costs, and audit & tax preparation fees. The Clarity Funds also pay each Manager a management fee and/or 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 also bear their pro-rata 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 their respective Offering Documents.

Clarity generally receives no performance-based fees.

Clarity generally may terminate the agreement between a 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 last business day of each month subject to the terms and conditions for withdrawals or redemptions which are more fully disclosed in the Offering Documents.

Certain supervised persons of Clarity may receive a bonus based in part on the assets managed by Clarity and its affiliated advisers (together, "Kenmar"). Such persons are also registered with Kenmar Securities, LLC ("KSEC"), an affiliate of Clarity, and a broker-dealer registered with the U.S. Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). See Item 10 below for additional information about Clarity's affiliates, including KSEC.

This practice may present a conflict of interest as it gives Clarity and/or its supervised persons an incentive to recommend the investment advisory services of Kenmar taking into account the fact that compensation may be received based upon an increase in Kenmar's assets. We do not believe this conflict to be material because, among other things, such supervised persons are not incentivized to sell one investment product over another and thus will generally consult with each prospective investor to select the investment product(s) most appropriate for their specific investment objectives and requirements. Further, the relationship between Clarity and its affiliates is disclosed to Clients and investors.

In addition, Clarity has in place fee sharing arrangements, generally between 0.00% and 1.00% with certain Managers on the platform where a percentage of the Manager's fees may be shared with Kenmar Securities, LLC or 3<sup>rd</sup> party referral agents for the purpose of identifying qualified investors for the Manager's account.

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

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Clarity generally does not receive performance-based fees.

## Item 7: Types of Clients

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Clarity serves as investment manager for the Clarity Funds and interests are available to investors that meet the respective investment eligibility criteria. 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

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### A. Methods of Analysis

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In evaluating Managers, Clarity (either directly or through its affiliates) performs manager due diligence, applying a “bottom up” approach. Clarity conducts 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 operational due diligence on each Manager’s infrastructure, middle-office and back-office and 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, and comprehended 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 Managers that, in the opinion of Clarity, offer the potential for risk-adjusted returns within the context of the current market environment.

Clarity & KPI, acting as the asset allocator for the Clarity Funds when hired in such capacity by an investor, allocates client assets in accordance with the specific investment objectives set forth by the investor. See Items 4 above and 10 below.

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### B. Investment Strategies

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Currently, Clarity employs one investment strategy (a “**Strategy**”) through a Clarity Fund, as described briefly below. Clarity may add, modify and/or remove Strategies at any time pursuant to the Offering Documents.

Each Clarity 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 all cases the Managers undergo Clarity’s due diligence and has to be approved by Clarity’s Investment Committee. The Clarity Funds are intended to take advantage of investment opportunities in commodities, futures, options, forward contracts, currencies, swaps and/or other derivative instruments.

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

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## C. Risk of Loss

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

An investment in Clarity Funds involves a high degree of risk and may not be suitable for all investors. Clarity Funds are highly 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 Funds should be discretionary capital set aside strictly for speculative purposes.

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 not guaranteed by the FDIC or by any bank and they may lose value.

Clarity Funds are illiquid investments and may be subject to significant restrictions regarding transfers. There is no secondary market for an investment in 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 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 Clarity 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 Clarity 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 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.

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## Item 9: Disciplinary Information

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Clarity does not have any material legal or disciplinary events to disclose with respect to itself or its employees.

## Item 10: Other Financial Industry Activities and Affiliations

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Clarity is registered 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**").

Clarity is part of Kenmar Olympia, LLC; four of Clarity's affiliates are described below:

Kenmar Preferred Investments, LLC ("**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. The following members of Clarity's management and employees are registered as APs of Kenmar Preferred with the NFA: Melissa Cohn, Kenneth A. Shewer.

Kenmar Securities, LLC ("**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. KSEC may solicit potential investors for Private Funds managed by Clarity and receive compensation for such services. Such arrangement could create certain conflicts of interest because KSEC and its employees are not neutral third parties and may be compensated based on their ability to sell interests in the Private Funds. The following members of Clarity's management and employees are registered as APs of KSEC with the NFA: Kenneth A. Shewer, Cecilia Mortimore and Richard Blum.

Olympia Capital Management SA ("**OCM SA**"), an affiliate of Clarity, is a corporation organized under the laws of France. OCM SA is registered as an investment management company with the French financial regulator ("Autorité des Marchés Financiers") and as an investment adviser under the Advisers Act with the SEC. OCM SA provides allocation management services for private investment funds and for French regulated mutual funds.

Olympia Capital Gestion SA ("**OCG SA**"), a subsidiary of OCM SA and an affiliate of Clarity, is a corporation organized under the laws of France. OCG SA is registered as an investment management company with the French financial regulator ("Autorité des Marchés Financiers"). OCG SA provides allocation management services for French regulated mutual funds and for High Net Worth Individuals.

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

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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.

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 that Clarity may buy, sell or hold for its clients. Employee investments in Clarity Funds are permissible subject to compliance with the Code, pre-approval, and a determination that no material 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;
- 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 outside business activities provided these activities do not create an actual or material 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 212-596-3480.

## Item 12: Brokerage Practices

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Clarity serves as investment manager for 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 the Clarity Funds, and (iii) with respect to the Clarity Funds, the Clarity Funds' Offering Documents.

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### A. Clearing Brokers

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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.

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### B. Executing Brokers

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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, co-location 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 an executing broker, or paid for by an 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, 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

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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 statements prepared by the Clarity Funds' independent fund administrator and (ii) audited fiscal year-end financial statements. Investors may also receive other periodic reports concerning such investment(s) as Clarity determines to be appropriate.

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

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Clarity may compensate third parties for referring investors to Clarity Funds. Referral fees are generally a percentage of the Administrative Services Fee earned by Clarity or the fees due to Managers. If interests are acquired through a placement agent retained by Clarity, you should not view such recommendation of such placement agent as being disinterested, as the placement agent will generally be paid out of the fees Clarity receives from the respective Clarity Fund in which you become an investor.

As applicable, such referral arrangements will conform to Rule 206(4)-3 under the Advisers Act.

## Item 15: Custody

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Clarity may be deemed to have custody of client's assets. Applicant complies with Rule 206(4)-2 by providing audited financial statements, which are furnished annually to all investors in the Clarity Funds.

## Item 16: Investment Discretion

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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.

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

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Due to the nature of Clarity's advisory business, Clarity does not expect to exercise discretion to vote proxies on behalf of the Clarity Funds. 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 Investment Committee. 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 Investment Committee will communicate in writing its decision(s) relative to each proxy to Clarity's Chief Operating Officer, 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 212-596-3480.

## Item 18: Financial Information

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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.