



## Clerkie Advisory LLC

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December, 2020

This Brochure provides information about the qualifications and business practices of Clerkie Advisory LLC. If you have any questions about the contents of this Brochure, or would like to receive the most recent version, please contact us at support@clerkie.io. 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.

Clerkie Advisory LLC is a Registered Investment Adviser with the United States Securities and Exchange Commission. Registration as an Investment Adviser does not imply any level of skill or training. Additional information about Clerkie Advisory LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 4 - Advisory Business Introduction

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Clerkie Advisory LLC, (“Clerkie Advisory”, “we”) is a Registered Investment Adviser (“Adviser”) which offers investment advice and Employer Sponsored Retirement Account (“ESRA”) portfolio management services through a mobile application for our Clients. We are registered through and regulated by the United States Securities and Exchange Commission (“SEC”).

Clerkie Advisory LLC is a wholly owned subsidiary of Henry Labs, Inc, which was founded in 2016 by Guy Assad, who serves as the Chief Executive Officer, Johan Wigstroem, who serves as our Chief Compliance Officer & Gray Hoffman, who serves as our Chief Operating Officer, with the mission of democratizing financial health for individuals & families. Guy Assad, Johan Wigstroem, & Gray Hoffman are our principal owners of Henry Labs, Inc. Henry Labs, Inc is the single-member of Clerkie Advisory LLC.

As part of this mission, Clerkie Advisory provides ESRA portfolio management services to individuals through our mobile application. We are committed to the fiduciary principle of placing the Client’s interests first, and we value long term relationships with our Clients.

### **Services**

We provide mobile-based ESRA portfolio management services designed for individuals who have traditionally managed their own 401(k)s, 403(b)s, 457s and other ESRA(s). Our focus is on helping you create, implement and execute investment portfolios that are designed to build and preserve your wealth during the accumulation phase of your life. As part of our mobile-based service, clients have access to make inquiries to Clerkie via online chat and email.

We provide our portfolio management services on a discretionary basis, which grants us the authority to determine securities to be bought or sold for a client’s account from the choices available in the client’s ESRA, and the amount of securities to be bought or sold for an account.

Trading may be required from time to time to meet initial allocation targets, to allocate deposited cash, and to accommodate withdrawals. Additionally, your account may be rebalanced or reallocated periodically in order to realign with targeted percentages of your initial asset allocation. The timing of rebalancing or reallocation will occur at our discretion. We are not tax or legal professionals and do not give tax or legal advice.

### **Online Employer Sponsored Retirement Account (ESRA) Asset Management Services**

Asset management is the professional management of securities (stocks, bonds, mutual funds, ETF's and other securities) and assets (e.g., real estate) in order to meet your specified investment goals. With our ESRA Asset Management Services, you will use our mobile-based software application to assist you in developing a personalized asset allocation program designed to meet your unique investment objectives. The investments in the portfolio account may include mutual funds, stocks, bonds, etc. depending upon the options available through your employer sponsored 401(k), 403(b), or 457 Plans as well as other employer sponsored Plans. You will input information into the system such as your current age, desired retirement age, etc. Based on the information you input, we will recommend an appropriate asset allocation. Our recommendations and ongoing management are based upon your current age, desired retirement age, and the risk tolerance you have selected. We will place all necessary trades to establish your asset allocation within your ESRA. This allocation will be automatically adjusted as you approach retirement.

Our services will:

- Review your present ESRA account allocation
- Advise on asset selection
- Implement the allocation that you have pre-approved
- Monitor and track assets under our management
- Adjust pre-approved allocation automatically as you approach retirement.

You should update your Account promptly when your financial situation, goals, objectives, or needs change. Should you decide to make a change to your existing allocation, you may do so through the mobile-based allocation and we will make the changes for you in a timely fashion.

**YOU CAN CONTACT YOUR ESRA CUSTODIAN DIRECTLY AT ANY TIME TO IMMEDIATELY CHANGE YOUR INVESTMENT ALLOCATION.**

If you elect to use our services, you will receive a written agreement saved to your account documentation detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure.

Past performance is not indicative of future results. We cannot guarantee the results of any of our recommendations. Choosing which advice to follow is your decision.

## **Item 5 – Fees and Compensation**

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We provide online ESRA Asset Management Services for a fee. Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses your ESRA custodian may charge. You may incur certain charges imposed by custodians, and other third parties. These may include fees charged by managers, custodial fees, short term redemption fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. We do not receive any compensation from these fees. All of these fees are in addition to the fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge.

You could invest in an investment option in your ESRA directly without our services. In that case, you would not receive the services provided by us which are designed, among other things, to assist you in determining which mutual fund(s) or ETFs, and in which combination, are appropriate to your age and years to retirement.

Certain strategies recommended by us may involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from Clients' assets. We do not receive any compensation from these fees. The 12(b)(1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus.

Our Advisory Agreement defines what fees are charged and their frequency. We bill fees in advance on a monthly or annual basis. No increase in our fee shall be effective without prior written notification to you.

### **Online Employer Sponsored Retirement Account (ESRA) Asset Management Fee Schedule**

There is no minimum account size required. Clerkie Advisory reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined solely by Clerkie Advisory. In addition, Clerkie Advisory may reduce or waive its fees for the Accounts of some Clients without notice to, or fee adjustment for, other Clients. We will provide our services for a maximum of \$250 per account per year. Fees are paid monthly or annually, in advance, through credit card, debit card or direct debit from checking or savings account. This fee includes initial reallocation, access to financial advisers, and periodic rebalancing of your account. Clients will sign up for a one year term that automatically renews after the one year anniversary unless either party cancels the Advisory Agreement. Clients may terminate their Clerkie Account at any time including within the initial one year term. All terminations must be communicated through

the mobile-based Account profile that all Clients use to manage their accounts. Any fees that are due, but have not been paid, will be billed to you and are due immediately.

## **Item 6 – Performance Based Fee and Side by Side Management**

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We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a Client.

## **Item 7 – Types of Clients**

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We provide ESRA Asset Management services to individuals who participate in 401(k)s, 403(b)s, 457 Plans and other Employer Sponsored Retirement Accounts. We work with Clients of any age. We have no minimum account opening balance requirement.

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

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Our investment strategy for our ESRA Clients involves the selection of mutual funds and exchange-traded funds (ETFs) for our Clients' portfolio based upon the investment options offered in their employer sponsored retirement plan(s). This is done using various means of research and analysis available through our mobile-based application. We primarily use well-diversified portfolios of an allocation designed to be in line with Client's age and time to retirement given the options available in their ESRA. We attempt to primarily use indexed mutual funds and ETFs when available within the ESRA fund menu.

Our approach does not include frequent trading of securities (i.e. day trading).

**IMPORTANT NOTE: IT IS YOUR RESPONSIBILITY TO PROMPTLY INFORM US VIA YOUR ONLINE ACCOUNT IF YOUR PORTFOLIO ALLOCATION DOES NOT MATCH YOUR RISK TOLERANCE.**

The implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

### **1. Targeted Asset Allocation**

We use asset allocation strategies to suit a range of risk tolerances from conservative to growth-oriented. We will recommend for you a portfolio that reflects a suitable asset allocation, based on your age and time to retirement. You may also shift this initial portfolio recommendation to be more or less aggressive.

If you choose to be more conservative or more aggressive than we believe is appropriate for you, we may suggest you do not hire Clerkie.

The strategic recommended portfolio allocation will change as you approach your desired retirement age. The investment strategies we use to implement any investment advice given to you generally focus on long term purchases.

We screen and select funds and securities to be added to or removed from the portfolio on a regular basis. In order to perform this type of analysis we use supplementary resources that we have access to. Rebalancing review occurs periodically.

### **2. Risks**

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to handle. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of major risks associated with the strategies, products and methodology we offer are listed below:

#### **1. Bond Fund Risk**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- **Call Risk** - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- **Credit Risk** — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By

contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

## 2. Mutual Funds Risk

The following is a list of some general risks associated with investing in mutual funds:

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

## 3. Overall Fund Risk

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.



Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals. While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

#### 4. Stock Fund Risk

Although a stock fund's value can rise and fall quickly over the short term, historically stocks have performed better over the long term than other types of investments — including corporate bonds, government bonds, and treasury securities.

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

#### 5. Advisory Risk

There is no guarantee that Clerkie Advisory' judgment or investment decisions about particular securities or asset classes will necessarily produce the intended results. Clerkie Advisory' judgment may prove to be incorrect, and a Client might not achieve her investment goals. Clerkie Advisory may also make future changes to the advisory services that it provides. In addition, it is possible that Clients or Clerkie Advisory itself may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to Clerkie Advisory' software based financial advisory service. Clerkie Advisory and its representatives are not responsible to any Client for losses.

#### 6. Software Risk

Clerkie Advisory delivers its financial advisory services entirely through software. Consequently, Clerkie Advisory rigorously designs, develops and tests its software extensively before putting such software into production with actual Client accounts and assets and periodically monitors the behaviors of such software after its deployment. Notwithstanding this rigorous design, development, testing and monitoring, it is possible that such software may not always perform exactly as intended or as expected, especially in certain combinations of unusual circumstances. Clerkie Advisory continuously strives to monitor, detect and correct any software that does not perform as expected or as disclosed.

## Item 9 – Disciplinary Information Registered

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Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any information to disclose about Clerkie Advisory or any of our investment advisers. We adhere to high ethical standards for all advisers and associates. We strive to do what is in your best interests.

## Item 10 – Other Financial Industry Activities and Affiliations

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Neither Clerkie Advisory nor any of its investment adviser representatives participate in other business activities or has any outside affiliations at this time other than those disclosed below or in the attached Part 2B Supplement.

### **Broker-Dealer Relationship**

Our firm is not registered as a broker-dealer or as a registered representative of a broker-dealer. We have no affiliation with any broker-dealer. We are independently owned and operated.

### **Futures Relationship**

We have no advisers registered or active in any futures capacity.

### **RIA Relationship**

We have no advisers that have relationships with other Registered Investment Advisers.

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

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### **General Information**

We have adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to you, our Client. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on

the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, and as amended.

### **Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with Clerkie Advisory from having an interest in a Client account or participating in the profits of a Client's account without the approval of the CCO. The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

You may request a copy of the firm's Code of Ethics by contacting Johan Wigstroem, our Chief Compliance Officer, at [support@clerkie.io](mailto:support@clerkie.io).

### **Personal Trading**

We may recommend securities to you that we can also purchase for our own accounts.

We may trade securities in our account that we have recommended to you as long as we do not place order in a manner to disadvantage your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts. Under certain circumstances, exceptions may be made to the policies stated above. Records of such trades, including the reasons for the exceptions, will be maintained with our records as required.

ETFs, mutual funds and/or investment sub-accounts which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value are very widely traded. Therefore, it is highly unlikely that purchases of ETFs, mutual funds and variable insurance products by Clerkie Advisory employees will have an impact on the prices of the funds in which you invest. These types of transactions are not prohibited by our policies and procedures.

We have established the following restrictions in order to ensure our fiduciary responsibilities to you are met and to abide by all Insider Trading regulations:

- No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of Investment Advisory Representative(s) of Clerkie Advisory, unless the information is also available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

- We emphasize your unrestricted right to decline to implement any advice rendered.

### **Privacy Statement**

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

## **Item 12 – Brokerage Practices**

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### **1. Best Execution**

We have an obligation to seek best execution. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, reputation and responsiveness.

For most ESRA asset management Clients, our options to pursue best execution are severely limited. Because of the nature of ESRA accounts, we are limited to effecting transactions solely through your employer-selected broker-dealer or custodian at pre-arranged rates. We will seek competitive commission rates and terms where possible, but we may not obtain the lowest possible commission rates for account transactions.

### **2. Directed Brokerage**

Our ESRA asset management Clients will use the custodian(s) their employer has selected for their 401(k), 403(b), and 457 Plans or other employer sponsored retirement plans. Although you may not have control over broker-dealers or custodians used by your ESRA, you should be aware that by directing us to use your employer-selected broker-dealer or custodian, you may pay higher or lower fees than what is available through other relationships. We cannot negotiate the fees you will pay.

### **3. Trading**

Transactions for each Client account will be effected independently.

## **Item 13 – Review of Accounts**

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## **Reports**

For our ESRA Asset Management Services, your retirement plan sponsor or custodian will provide you with account statements reflecting the transactions occurring in your account and account balances along with confirmations for each securities transaction executed in the account.

We recommend you compare the statements you receive from your retirement plan sponsor or custodian with the information you receive from us. Please immediately notify us of any discrepancies in your ESRA or any concerns you have about the account(s).

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

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In limited cases, we may compensate a third party or a related entity for a Client referral. In such cases, the Client will be provided a disclosure related to this compensation. This type of arrangement will not increase investment management fees paid by our Client. The firm may also sponsor occasional marketing promotions which for example might reward clients with nominal gifts for introducing prospective clients to the firm, or might reward prospective clients with nominal gifts for completing a prospective client account comparison.

## **Item 15 – Custody**

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We do not hold client funds or securities, but instead require that they be held by a third party custodian. We may however have limited control in some instances to trade on your behalf, or to deduct fees from your account. To make trades for clients, we generally access accounts using the client's own account access. You will receive account statements directly from your custodian at least quarterly, which will be sent to the email or postal mailing address you provide, or will be made available on-line. We urge you to carefully review these custodial statements when you receive them.

## **Item 16 – Investment Discretion**

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You will grant us discretionary authority at the beginning of our advisory relationship. This allows us to select the identity and amount of securities to be bought or sold. This information is described in the Advisory Agreement you sign with us which contains a limited power of attorney which gives us a limited scope of authority to act on your behalf with your accounts.

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

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As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory Clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We are authorized to instruct the custodian to forward you copies of all proxies and shareholder communications relating to your account assets.

## **Item 18 – Financial Information**

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Since we have discretionary authority, we are required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our Client. We have not been the subject of any bankruptcy proceedings.

## **APPENDIX I. FORM ADV Part 2B: December, 2020 Brochure Supplements**

Advisor: Johan Wigstroem  
Clerkie Advisory LLC, 619 7<sup>th</sup> St, San Francisco, CA 94103  
Contact: 650-646-9662 or via email at [support@clerkie.io](mailto:support@clerkie.io)

**This brochure supplement provides information about Johan Wigstroem that supplements the Clerkie Advisory LLC., brochure. Please contact Johan Wigstroem at 650-646-9662 or via email at [support@clerkie.io](mailto:support@clerkie.io) if you would like to receive our brochure or if you have any questions about the contents of this supplement.**

**Additional information about Johan Wigstroem is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Educational Background and Business Experience**

Name: Johan Wigstroem

Year of Birth: 1991

Education: Stanford University, Bachelor's degree in Mechanical Engineering, 2015

Business Background (preceding five years):

Clerkie Advisory LLC 10/2017: CCO

Henry Labs, Inc. 06/2016: CTO & CCO

McKinsey & Company, 8/2015 to 4/2016: Business Analyst

Stanford University, 8/2014 to 6/2015: Residential assistant

Stanford University, 1/2014 to 6/2015: Teaching assistant

Ericsson, 7/2014 to 9/2014: Project Management Intern

Stanford University, 8/2011 to 6/2015: Student

## **Additional Information**

Mr. Wigstroem has no disciplinary information to disclose. There are no other compensation arrangements to disclose. Mr. Wigstroem is subject to supervision through the Compliance program in place at Clerkie Advisory.