



## **Clarity Asset Management, Inc.**

### **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 15, 2023**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Clarity Asset Management, Inc. (“Clarity” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact the Advisor at 515-233-3152.

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

Additional information about Clarity and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 115699.

**Clarity Asset Management, Inc.**  
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**Phone: 515-233-3152 \* Fax: 515-233-1979**  
<http://www.investmentclarity.com>

## Item 2 – Material Changes

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

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

### Material Changes

There are no material changes in this brochure from the last annual updating amendment on February 2022 of Clarity Asset Management Inc. Material changes relate to Clarity Asset Management Inc's policies, practices or conflicts of interests.

### Future Changes

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

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 115699. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at 515-233-3152.

### Item 3 – Table of Contents

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<b>Item 1 – Cover Page .....</b>	<b>1</b>
<b>Item 2 – Material Changes .....</b>	<b>2</b>
<b>Item 3 – Table of Contents.....</b>	<b>3</b>
<b>Item 4 – Advisory Services.....</b>	<b>4</b>
A. Firm Information.....	4
B. Advisory Services Offered .....	4
C. Client Account Management.....	5
D. Wrap Fee Programs .....	5
E. Assets Under Management .....	5
<b>Item 5 – Fees and Compensation .....</b>	<b>5</b>
A. Fees for Advisory Services .....	5
B. Fee Billing .....	6
C. Other Fees and Expenses.....	6
D. Advance Payment of Fees and Termination .....	7
E. Compensation for Sales of Securities .....	7
<b>Item 6 – Performance-Based Fees and Side-By-Side Management.....</b>	<b>7</b>
<b>Item 7 – Types of Clients .....</b>	<b>7</b>
<b>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>7</b>
A. Methods of Analysis.....	7
B. Risk of Loss .....	8
<b>Item 9 – Disciplinary Information.....</b>	<b>8</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations .....</b>	<b>9</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>9</b>
A. Code of Ethics .....	9
B. Personal Trading with Material Interest.....	9
C. Personal Trading in Same Securities as Clients .....	9
D. Personal Trading at Same Time as Client .....	9
<b>Item 12 – Brokerage Practices .....</b>	<b>9</b>
A. Recommendation of Custodian[s].....	9
B. Aggregating and Allocating Trades .....	10
<b>Item 13 – Review of Accounts.....</b>	<b>10</b>
A. Frequency of Reviews .....	10
B. Causes for Reviews .....	10
C. Review Reports .....	10
<b>Item 14 – Client Referrals and Other Compensation .....</b>	<b>10</b>
A. Compensation Received by Clarity .....	10
B. Client Referrals from Solicitors.....	11
<b>Item 15 – Custody.....</b>	<b>11</b>
<b>Item 16 – Investment Discretion .....</b>	<b>11</b>
<b>Item 17 – Voting Client Securities .....</b>	<b>11</b>
<b>Item 18 – Financial Information.....</b>	<b>11</b>
<b>Privacy Policy .....</b>	<b>12</b>

## **Item 4 – Advisory Services**

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### **A. Firm Information**

Clarity Asset Management, Inc. ("Clarity" or the "Advisor") is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The Advisor is organized as a Corporation under the laws of the State of Iowa. Clarity was founded in 1998 and is primarily owned by Donald L. Erickson, ChFC® (President and Chief Executive Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Clarity.

### **B. Advisory Services Offered**

Clarity offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, charitable organizations, and corporations (each referred to as a "Client").

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

#### Financial Planning Services

Clarity provides a variety of financial planning and consulting services to Clients. Clients may elect to receive services in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence, or alter retirement savings, establish education savings and charitable giving programs. Clarity may also refer Clients to an accountant, attorney, or other specialists, as appropriate for their unique situation. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for investment management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. In such instances, the Advisor will document and demonstrate the added value to the Client, based on historical data, for securing the management services and investment strategies recommended by the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction[s] through the Advisor.

#### Investment Management Services

Clarity may provide customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Clarity works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to select a strategy. Strategies consist of diversified mutual funds, exchange-traded funds ("ETFs"), and/or individual stocks to achieve the Client's investment goals. The Advisor may use other types of investments to achieve the Client's goals. The Advisor may retain certain legacy investments based on portfolio fit.

Clarity's investment strategies are primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions.

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Clarity will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor. As described in Item 12 – Brokerage Practices, the Advisor may recommend that Client's place their assets with a particular Custodian to custody its assets, for the Advisor to manage. If certain accounts are not placed with the recommended Custodian, the Advisor may also provide advisory services on those Client accounts.

Clarity evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Clarity may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

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

#### Educational Seminars/Workshops

Clarity provides periodic educational seminars and workshops to clients and the general public free of charge.

### **C. Client Account Management**

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

- Establishing an Investment Strategy – Clarity, in connection with the Client, will develop a strategy designed to achieve the Client's stated investment goals and objectives.
- Asset Allocation – Clarity will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation, and tolerance for risk for each Client.
- Portfolio Construction – Clarity will select securities to fulfill the Asset Allocation plan for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Clarity will provide investment management and ongoing oversight of the Client's investment portfolio.

### **D. Wrap Fee Programs**

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

### **E. Assets Under Management**

As of December 31, 2022, Clarity manages \$190,988,982.80 in Client assets, all of which are managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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

### **A. Fees for Advisory Services**

#### Financial Planning Services

Clarity offers financial planning services for up to \$500. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total costs

will be determined prior to engaging for these services. For Clients that engage with the Advisor to provide financial planning services, the Advisor may waive any fees related to the financial planning services if the Client engages the Advisor for investment management services.

#### Investment Management Services

Investment advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
Up to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.65%
Over \$2,000,000	0.35%

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees are negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Clarity will be independently valued by the Custodian. Clarity will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### **B. Fee Billing**

##### Financial Planning Services

Financial planning fees are invoiced by the Advisor and are due upon completion of the agreed upon deliverable[s].

##### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. Fees are calculated in arrears by multiplying the quarterly fee rate (annual fee rate divided the number of days in the year multiplied by the number of days in the quarter) by the total assets under management at the close of a calendar quarter (March 31, June 30, September 30, and December 31). Proration adjustments will be made to this calculation taking into account any contributions or withdrawals occurring during the quarter. Such calculation will be based on the lowest applicable tier rate (see fee schedule above) at the close of the calendar quarter and for only the days of the quarter during which the investment management services have been rendered. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Clarity directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Clarity, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian, as applicable. The Advisor's recommended Custodian does not charge securities transaction fees for most ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. The Custodian sometimes charges for mutual funds with the lowest expense ratio and possibly for other types of investments. The fees charged by Clarity are separate and distinct from these custodial and execution fees.

In addition, all fees paid to Clarity for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described

in each fund's prospectus and are identified as an "audited expense ratio" fee of the particular fund which, in effect, reduces the fund's reported total return. The fee is generally used to cover the cost of operations of the fund, such as management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Clarity, but may be required to purchase more expensive share classes where such purchases are made through retail account platforms. Clients would also not receive the services provided by Clarity which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Clarity to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **D. Advance Payment of Fees and Termination**

##### Financial Planning Services

Clarity is compensated for its services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning engagement, at any time, by providing advance notice to the other party. The Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

##### Investment Management Services

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

#### **E. Compensation for Sales of Securities**

Clarity does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

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

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

#### **Item 7 – Types of Clients**

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Clarity offers investment advisory services to individuals, high net worth individuals, families, trusts, estates, charitable organizations, and corporations. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Clarity generally requires a minimum relationship size of \$250,000, which may be reduced or waived at the sole discretion of the Advisor.

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

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##### **A. Methods of Analysis**

Clarity primarily employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from Clarity are derived from numerous sources, including financial media companies, third-party



research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

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

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

## **B. Risk of Loss**

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

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

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

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

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

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory, or disciplinary events involving Clarity or any of its management persons.** Clarity values the trust Clients place in the Advisor. The Advisor encourages you to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 115699.



## **Item 10 – Other Financial Industry Activities and Affiliations**

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The sole business of Clarity and its Supervised Persons is to provide advisory services to its Clients. Neither Clarity nor its advisory personnel are involved in other financial or investment related activities. Clarity does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

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### **A. Code of Ethics**

Clarity has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Clarity ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. Clarity and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Clarity's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at 515-233-3152. In addition, Clarity abides to the Codes of Ethics of all professional designations of Supervised Persons.

### **B. Personal Trading with Material Interest**

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

### **C. Personal Trading in Same Securities as Clients**

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

### **D. Personal Trading at Same Time as Client**

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

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Custodians/broker-dealers will be recommended based on Clarity's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a client on terms that are the most favorable to the client under the circumstances. The client will not necessarily pay the lowest commission or commission equivalent, and Clarity may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of

Clarity. Clarity will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

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

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

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

**3. Directed Brokerage** - Clarity will require clients to use a specific broker-dealer to execute transactions.

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Clarity will execute its transactions through the Custodian as authorized by the Client. Clarity may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

### **Item 13 – Review of Accounts**

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#### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by the Chief Investment Officer and Advisory Persons of Clarity. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

#### **B. Causes for Reviews**

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

#### **C. Review Reports**

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

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

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#### **A. Compensation Received by Clarity**

##### Participation in Institutional Advisor Platform

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<http://www.investmentclarity.com>

Clarity has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to Fidelity's Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

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

#### **B. Client Referrals from Solicitors**

Clarity does not engage paid solicitors for Client referrals.

#### **Item 15 – Custody**

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Clarity does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements.

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

#### **Item 16 – Investment Discretion**

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

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

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Clarity does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

#### **Item 18 – Financial Information**

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

## Privacy Policy

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Effective: **February 20, 2023**

### Our Commitment to You

Clarity Asset Management, Inc. ("Clarity" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Clarity (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Clarity does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Clarity does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Clarity or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Clarity does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at 515-233-3152.