

INTRODUCTION

Clarity Capital KCPS Ltd. (“we,” “us,” or “our”) is registered with the Securities and Exchange Commission as an investment adviser.

Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

RELATIONSHIPS AND SERVICES

What investment services and advice can you provide me?

We offer investment advisory services¹ to retail investors (primarily high net worth individuals) and other clients. Specifically, we provide portfolio management services regarding various asset classes, including equities, fixed income investments and alternative investments, including private funds managed by our related persons (“Affiliated Funds”). Our investment guidelines and limitations are tailored based on your needs. You may impose restrictions on investing in certain types of securities or investment products. If we manage your assets on a non-discretionary basis, you will make the ultimate decision regarding the purchase or sale of your investments. From time to time, we may contract with sub-advisers to provide advisory services. We typically require a \$3,000,000 minimum investment for new accounts, but sometimes accept lesser amounts. We perform regular reviews of client accounts, including: (i) daily reviews by our middle office team, (ii) regular reviews by portfolio managers, and (iii) monthly portfolio/client guidelines reviews by our management team. Reviews may also be triggered by other events.

Additional information about our advisory services is located in Items 4, 8 and 13 of our [Firm Brochure](#).

Conversation Starters. Ask your financial professional...

- ❖ *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- ❖ *How will you choose investments to recommend to me?*
- ❖ *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

FEES, COSTS, CONFLICTS, AND STANDARD OF CONDUCT

What fees will I pay?

We charge management fees, which are based on a percentage of your assets that we supervise. However, some clients pay a fixed fee instead. Fees are billed either monthly or quarterly and are prorated for partial periods. Certain eligible clients are also charged an annual performance-based fee. Because asset-based fees are based the amount of assets in your account, we have an incentive to encourage you to increase your assets in order to increase our fees. Further, performance-based fees create: (i) a theoretical incentive for us to recommend riskier/more speculative investments and (ii) a potential for us to favor performance-based accounts over other accounts. We have adopted policies that are designed to mitigate these conflicts and to treat client accounts fairly.

You are also responsible for paying fees (*e.g.*, management fees) and expenses charged by sub-advisers, custodians and funds. You will also bear trade commissions, as well as charges imposed by brokers or dealers (*e.g.*, transaction charges) or sub-advisers/investment managers for your account.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

¹ “Investment advisory services” also refers to “portfolio manage” and “investment marketing” as defined under Israeli Law.

Additional information about our fees is located in Items 5 and 6 of our [Firm Brochure](#).

Conversation Starters. Ask your financial professional...

- ❖ *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what that means.

- We introduce Affiliated Funds to clients if we determine that such funds are suitable for them. Such introductions could pose a conflict of interest if we or our affiliates were to receive compensation for them. However, we are not compensated for such referrals and the Affiliated Funds usually waive their fees for clients that invest through such introductions.
- We provide non-discretionary advice to certain clients regarding an investment in a private fund managed by a third-party manager. We or our related persons receive a portion of the fees our clients would have otherwise been charged directly from such manager with respect to their investments in such private fund. This creates an incentive for us to recommend investments in such private fund in order to continue to receive such advisory fees.

To mitigate the potential conflicts described above, we notify relevant clients about our relationships with the Affiliated Funds or the above-referenced third-party manager, as the case may be, and such clients must acknowledge and approve the potential associated conflicts in writing.

Conversation Starters. Ask your financial professional...

- ❖ *How might your conflicts of interest affect me, and how will you address them?*

Additional information about our conflicts of interest is located in Items 6, 10, 11 and 12 of our [Firm Brochure](#).

How do your financial professionals make money?

Our financial professionals are paid a base salary and a discretionary bonus that is generally based on our firm's performance. Certain financial professionals are also compensated, in part, based on the amount of client assets they obtain for the firm. In addition, certain financial professionals are also eligible to receive a percentage of the fees earned by us. Additionally, when financial professionals introduce non-clients to Affiliated Funds, they are entitled to a portion of fees charged by such funds' managers.

DISCIPLINARY HISTORY

Do you or your financial professionals have legal or disciplinary history?

No. Please visit Investor.gov/CRS for a free and simple search tool to research us and our financial professionals.

Conversation Starters. Ask your financial professional...

- ❖ *As a financial professional, do you have any disciplinary history? For what type of conduct?*

ADDITIONAL INFORMATION

You can find additional information about our advisory services in our current [Form ADV filing](#) or by e-mailing us at adi@claritycap.com. For up-to-date information about us or to request an updated copy of this relationship summary, please contact us at +972-3-777-9000.

Conversation Starters. Ask your financial professional...

- ❖ *Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns with how this person is treating me?*