



INFORMATIONAL MEMORANDUM

TO: Finance and Governance Committee

FROM: Aaron BeMiller, Finance Director

CC: Thomas McLeod, Mayor & Marty Wine, City Administrator

DATE: October 21, 2025

SUBJECT: Investment Advisor Contract

ISSUE

The City Council approved changes made by the finance department to update the City's investment policy.

BACKGROUND

The City Council approved changes made by the finance department to update the City's investment policy. The finance department held five interviews with investment advisors and selected Clearwater Advisors as its preferred vendor based on knowledge, customer service and access to our advisor, investment philosophy and practice, as well as cost.

We are seeking Committee approval for a five-year contract.

FINANCIAL IMPACT

Estimates are that the annual fee for service will be \$15,000 based on \$80M invested through our advisor.

RECOMMENDATION

Approval of contract with Clearwater Advisors and forward to the November 3rd City Council meeting as a consent item.

ATTACHMENTS

- Contract – Redlined
 - Exhibit A – Scope of Work
 - Exhibit B – Fee Language & Agreed Upon Fees
- Clearwater Advisors Brochure



PROFESSIONAL SERVICES AGREEMENT

(Includes consultants, architects, engineers, accountants, and other professional services)

THIS AGREEMENT is entered into between the City of Tukwila, Washington, hereinafter referred to as "the City", and Clearwater Advisors, LLC, hereinafter referred to as "the Consultant", in consideration of the mutual benefits, terms, and conditions hereinafter specified.

1. **Project Designation.** The Consultant is retained by the City to perform _____ services in connection with the project titled _____.
2. **Scope of Services.** The Consultant agrees to perform the services, identified on Exhibit "A" attached hereto, including the provision of all labor, materials, equipment and supplies.
3. **Duration of Agreement; Time for Performance.** This Agreement shall be in full force and effect for a period commencing upon execution and ending _____, unless sooner terminated under the provisions hereinafter specified. Work under this Agreement shall commence upon written notice by the City to the Consultant to proceed. The Consultant shall perform all services and provide all work product required pursuant to this Agreement no later than _____ unless an extension of such time is granted in writing by the City.
4. **Payment.** The Consultant shall be paid by the City for completed work and for services rendered under this Agreement as follows:
 - A. Payment for the work provided by the Consultant shall be made as provided on Exhibit "B" attached hereto, provided that the total amount of payment to the Consultant shall not exceed _____ without express written modification of the Agreement signed by the City.
 - B. The Consultant may submit vouchers to the City once per month during the progress of the work for partial payment for that portion of the project completed to date. Such vouchers will be checked by the City and, upon approval thereof, payment shall be made to the Consultant in the amount approved.
 - C. Final payment of any balance due the Consultant of the total contract price earned will be made promptly upon its ascertainment and verification by the City after the completion of the work under this Agreement and its acceptance by the City.
 - D. Payment as provided in this section shall be full compensation for work performed, services rendered, and for all materials, supplies, equipment and incidentals necessary to complete the work.
 - E. The Consultant's records and accounts pertaining to this Agreement are to be kept available for inspection by representatives of the City and the state of Washington for a period of three (3) years after final payments. Copies shall be made available upon request.

5. **Ownership and Use of Documents.** All documents, drawings, specifications and other materials produced by the Consultant in connection with the services rendered under this Agreement shall be the property of the City whether the project for which they are made is executed or not. The Consultant shall be permitted to retain copies, including reproducible copies, of drawings and specifications for information, reference and use in connection with the Consultant's endeavors. The Consultant shall not be responsible for any use of the said documents, drawings, specifications or other materials by the City on any project other than the project specified in this Agreement.
6. **Compliance with Laws.** The Consultant shall, in performing the services contemplated by this Agreement, faithfully observe and comply with all federal, state, and local laws, ordinances and regulations, applicable to the services rendered under this Agreement.
7. **Indemnification.** The Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

8. **Insurance.** The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. **Minimum Amounts and Scope of Insurance.** Consultant shall obtain insurance of the types and with the limits described below:

1. **Automobile Liability** insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident. Automobile Liability insurance shall cover all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. **Commercial General Liability** insurance with limits no less than \$2,000,000 each occurrence, \$2,000,000 general aggregate. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO endorsement form CG 20 26.
3. **Workers' Compensation** coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability with limits no less than \$2,000,000 per claim and \$2,000,000 policy aggregate limit. Professional Liability insurance shall be appropriate to the Consultant's profession.

- B. **Public Entity Full Availability of Contractor Limits.** If the Contractor maintains higher insurance limits than the minimums shown above, the Public Entity shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Contractor, irrespective of whether such limits maintained by the Contractor are greater than those required by this Contract or whether any certificate of insurance furnished to the Public Entity evidences limits of liability lower than those maintained by the Contractor.
- C. **Other Insurance Provision.** The Consultant's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance with respect to the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not be contributed or combined with it.
- D. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.
- E. **Verification of Coverage.** Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work. Upon request by the City, the Consultant shall furnish certified copies of all required insurance policies, including endorsements, required in this Agreement and evidence of all subcontractors' coverage.
- F. **Notice of Cancellation.** The Consultant shall provide the City with written notice of any policy cancellation, within two business days of their receipt of such notice.
- G. **Failure to Maintain Insurance.** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days notice to the Consultant to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

9. **Independent Contractor.** The Consultant and the City agree that the Consultant is an independent contractor with respect to the services provided pursuant to this Agreement. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the parties hereto. Neither the Consultant nor any employee of the Consultant shall be entitled to any benefits accorded City employees by virtue of the services provided under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance program, otherwise assuming the duties of an employer with respect to the Consultant, or any employee of the Consultant.

The Consultant is free to contract with other parties for the duration of the Agreement including making recommendations to other parties which may be the same as, or may be different from those made in relation to the City's Account. The City understands and acknowledges the risk and conflicts of interest disclosures related to the foregoing as well as the Consultant's other activities, as more fully described in the Consultant's Form ADV. The City further understands that the Consultant, its affiliates, and any officer, director, stockholder, or employee that may have an interest in the Consultant's actions with respect to securities in the Account may take the same or different actions with other clients advised by the Consultant or with respect to personal accounts provided that the Consultant's actions and recommendations are consistent with its fiduciary obligations to the City under this Agreement.

10. **Covenant Against Contingent Fees.** The Consultant warrants that he has not employed or retained any company or person, other than a bonafide employee working solely for the Consultant, to solicit or secure this contract, and that he has not paid or agreed to pay any company or person, other than a bonafide employee working solely for the Consultant, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this contract. For breach or violation of this warrant, the City shall have the right to annul this contract without liability, or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.
11. **Discrimination Prohibited.** Contractor, with regard to the work performed by it under this Agreement, will not discriminate on the grounds of race, religion, creed, color, national origin, age, veteran status, sex, sexual orientation, gender identity, marital status, political affiliation, the presence of any disability, or any other protected class status under state or federal law, in the selection and retention of employees or procurement of materials or supplies.
12. **Assignment.** The Consultant shall not sublet or assign any of the services covered by this Agreement without the express written consent of the City.
13. **Non-Waiver.** Waiver by the City of any provision of this Agreement or any time limitation provided for in this Agreement shall not constitute a waiver of any other provision.
14. **Termination.**
 - A. The City reserves the right to terminate this Agreement at any time by giving ten (10) days written notice to the Consultant.
 - B. In the event of the death of a member, partner or officer of the Consultant, or any of its supervisory personnel assigned to the project, the surviving members of the Consultant hereby agree to complete the work under the terms of this Agreement, if requested to do so by the City. This section shall not be a bar to renegotiations of this Agreement between surviving members of the Consultant and the City, if the City so chooses.
15. **Applicable Law; Venue; Attorney's Fees.** This Agreement shall be subject to, and the Consultant shall at all times comply with, all applicable federal, state and local laws, regulations, and rules, including the provisions of the City of Tukwila Municipal Code and ordinances of the City of Tukwila. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be properly laid in King County, Washington. The prevailing party in any such action shall be entitled to its attorney's fees and costs of suit. Venue for any action arising from or related to this Agreement shall be exclusively in King County Superior Court.
16. **Severability and Survival.** If any term, condition or provision of this Agreement is declared void or unenforceable or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable. The provisions of this Agreement, which by their sense and context are reasonably intended to survive the completion, expiration or cancellation of this Agreement, shall survive termination of this Agreement.
17. **Notices.** Notices to the City of Tukwila shall be sent to the following address:

City Clerk
City of Tukwila
6200 Southcenter Boulevard
Tukwila, WA 98188

Notices to Consultant shall be sent to the following address:

Clearwater Advisors, LLC

Attn: Legal Department
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Tel: (208) 433-1200

18. **Entire Agreement; Modification.** This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the City and the Consultant and supersedes all prior negotiations, representations, or agreements written or oral. No amendment or modification of this Agreement shall be of any force or effect unless it is in writing and signed by the parties.
19. **Investment Management Brochure.** The City hereby acknowledges that it has received from the Consultant a copy of the Consultant's statement on Form ADV, Part 2A prior to or at the time of entering into this Agreement.
20. **Aggregation and Allocation of Orders.** The City acknowledges that circumstances may arise under which the Consultant determines that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for the account of more than one of the Consultant's clients, there is a limited supply or demand for the security or other investment. Under such circumstances, the City acknowledges that, while the Consultant will seek to allocate the opportunity to purchase or sell that security or other investment among those accounts on an equitable basis, the Consultant shall not be required to assure equality of treatment among all of its clients or to assure that the opportunity to purchase or sell that security or other investment will be allocated proportionally among those clients according to any particular or predetermined standards or criteria. Where, because of prevailing market conditions, it is not possible to obtain the same price or time of execution for all of the securities or other investments purchased or sold for the Account, the Consultant may average the various prices and charge or credit the Account with the average price.
21. **Directions to the Consultant.** All directions by or on behalf of the City to the Consultant shall be communicated by individuals designated as authorized representatives, as the same may be amended from time to time by the City in its sole discretion (such individuals are referred to as the "Authorized Representatives").

The Consultant shall be fully protected in relying upon any direction in accordance with the immediately preceding paragraph with respect to any instruction, direction or approval of the City, and shall also be fully protected in relying upon a certification duly executed on behalf of the City as to the names of persons authorized to act for it and in continuing to rely upon such certification until notified in writing by the City to the contrary.

The Consultant shall be fully protected in acting upon any instrument, communication reasonably believed by it to be genuine and to be presented by the proper persons, and the Consultant may accept the same as conclusive evidence of the truth and accuracy of the statements therein contained.

DATED this _____ day of _____, 20_____.

**** City signatures to be obtained by
City Clerk's Staff ONLY. ****

CITY OF TUKWILA

AAB _____
Thomas McLeod, Mayor

ATTEST/AUTHENTICATED:

Andy Youn, City Clerk

APPROVED AS TO FORM:

Office of the City Attorney

**** Consultant signature to be obtained by
sponsor staff. ****

CONSULTANT:

By:  _____

Printed Name: Daniel Bates

Title: Chief Executive Officer

EXHIBIT A

STATEMENT OF WORK

1. STATEMENT OF SERVICES

Clearwater shall perform Work as described below.

A. GENERAL INFORMATION. Client is looking for Clearwater to assist with the management and performance of Client's investment portfolio by providing discretionary management of the portfolio in accordance with Client's Investment Policy, Exhibit C.

B. REQUIRED SERVICES, DELIVERABLES AND DELIVERY SCHEDULE.

Agreement shall provide the following services:

- i. Provide full-time, non-discretionary management of the portion of Client's investment portfolio under advisement.
- ii. Help develop and implement investment strategies that will maintain or enhance portfolio quality and performance within the parameters of Client's established policies and cash flow needs, taking into consideration Client's primary objective of preservation of principal.
- iii. Work with Client staff to assure coordination of investment trades, delivery of securities, and availability of funds. Assist with trade settlements. Obtain and document competitive prices for securities transactions. Provide technical and fundamental market research, including yield curve analysis.
- iv. Perform due diligence reviews of current and proposed broker/dealers and financial institutions
- v. Monitor any repurchase agreement documentation to maintain the necessary paperwork.
- vi. Monitor transfers from and to the LGIP at minimum cost.
- vii. Provide detailed reports of investment portfolio activity, performance, and evaluation on a monthly, quarterly, and annual basis. Include earnings and accounting methodology. Reports shall follow Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) fair market value reporting.
- viii. Provide Client staff with ongoing training and technical advice, as needed.
- ix. Meet with and provide information to Client staff and Board of Commissioners and be available to provide additional information, if needed. Meet periodically with staff to review and refine portfolio strategy and performance.

Fee Discussion

- Clearwater Advisors charges a tiered fee based upon assets being managed (“AUM”)
- The fee is 9bps on the first \$50mm of AUM with 5bps charged on assets above \$50mm
- Clearwater will offer the City of Tukwila a 75% discount off the proposed fee schedule for the first contract (limited to 5 years) reflecting our strong interest to obtain a marquee public sector client in the State of Washington
 - $.09\% * (1-75\%) = .0225\%$; 2.25 basis points
 - $.05\% * (1-75\%) = .0125\%$; 1.25 basis points
- For example, if Clearwater Advisors manages \$50mm on behalf of the City, the annual fee would be \$11,250
 - $0.0225\% * \$50\text{mm} = \$11,250$
- Clearwater Analytics reporting is provided on assets we manage – reporting on additional assets can be accommodated for 1 basis point (sometimes less depending on the type of assets)

Example contract fee language

SPECIFIC INVESTMENT FEE SCHEDULE FOR CLIENT ACCOUNT MANAGED BY CLEARWATER ADVISORS, LLC

Annual Fee Schedule

| Fee | Of Portfolio Market Values |
|------------------------|----------------------------|
| 0.09% (9 basis points) | Up to \$50,000,000 |
| 0.05% (5 basis points) | Above \$50,000,000 |

Fees are payable monthly in arrears and are computed on the basis of the average daily net asset value. The fee for any period that is less than a full month shall be pro-rated daily. The fee for the period in which Clearwater’s services are terminated shall be calculated through the close of business of the effective date of termination, per the City’s direction.

The portfolio net asset value includes all funds and assets, including cash, cash accruals, additions, substitutions, and alterations which are subject to advice by Clearwater. In addition to the investment management services described in this Agreement, Clearwater will provide Clearwater Analytics Reporting for assets managed by Clearwater at no charge for the term of this agreement. Use of the Clearwater Analytics Reporting is subject to terms of the Access Agreement available on the Clearwater Analytics, LLC website, as it may be updated from time to time. If City wishes to receive Clearwater Analytics Reporting on City assets in excess of assets managed by Clearwater, City shall pay 0.01% of additional City assets reported on the Clearwater Analytics Reporting System.

SPECIFIC INVESTMENT FEE SCHEDULE
FOR CLIENT ACCOUNT
MANAGED BY CLEARWATER ADVISORS, LLC

Annual Fee Schedule

| X.XX% (X.X basis points) | Of Portfolio Market Values |
|--------------------------|----------------------------|
|--------------------------|----------------------------|

Fees are payable monthly in arrears and are computed on the basis of the average daily net asset value. The fee for any period that is less than a full month shall be pro-rated daily. The fee for the period in which Clearwater's services are terminated shall be calculated through the close of business of the effective date of termination, per the Company's direction.

The portfolio net asset value includes all funds and assets, including cash, cash accruals, additions, substitutions, and alterations which are subject to advice by Clearwater. In addition to the investment management services described in this Agreement, Clearwater will provide Clearwater Analytics Reporting for assets managed by Clearwater at no charge for the term of this agreement. Use of the Clearwater Analytics Reporting is subject to terms of the Access Agreement available on the Clearwater Analytics, LLC website, as it may be updated from time to time. If Company wishes to receive Clearwater Analytics Reporting on Company assets in excess of assets managed by Clearwater, Company shall pay 0.01% of additional Company assets reported on the Clearwater Analytics Reporting System.

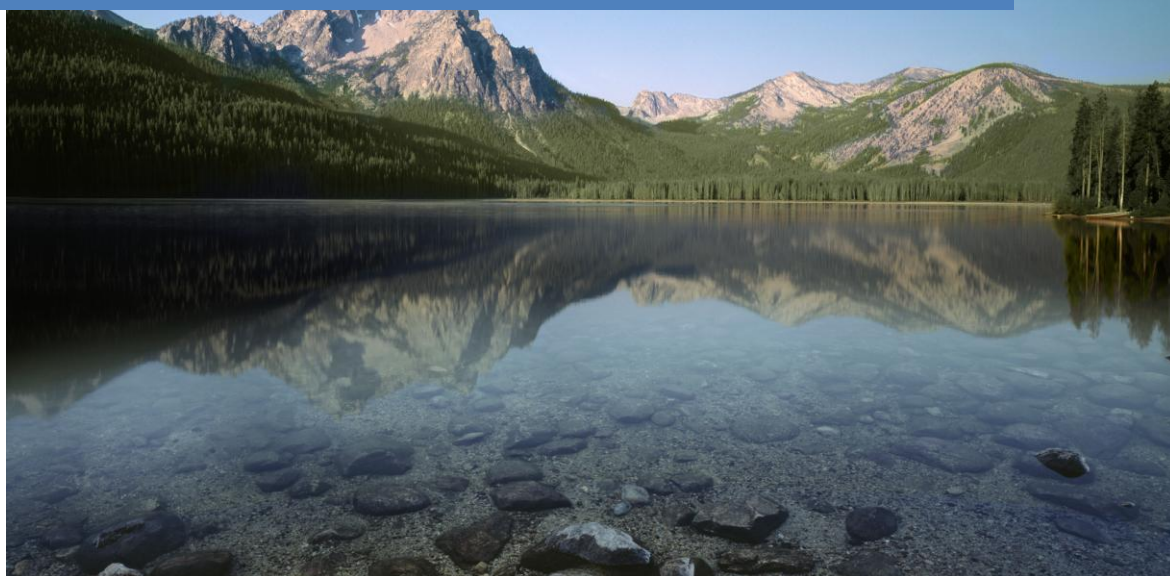
Clearwater Advisors, LLC

Form ADV Part 2 Brochure
Updated: March 6, 2025

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Boise, Idaho 83702
Phone: 208.433.1222
Fax: 208.278.1282

www.clearwateradvisors.com

Clearwater Advisors



This brochure provides information about the qualifications and business practices of Clearwater Advisors, LLC (Clearwater).

If you have any questions about the contents of this brochure, please contact Clearwater at 208-433-1222.

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.

Additional information about Clearwater is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Clearwater filed its last annual update to the brochure on March 4, 2024. Clearwater continues to conduct its business activities and provide investment advisory services in substantially the same manner as described in the last update to the brochure. The ensuing is only a list of changes since the last update that are or may be considered material. It does not identify every change to the brochure since the last update. In addition, there have been minor word enhancements and clarifications throughout the brochure.

There have been no material changes to the brochure since the last annual update.

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Advisory Business

History

Clearwater was founded in 2001 by treasury and investment professionals focused on innovative fixed income investment management solutions. Members of the Clearwater portfolio management team have been managing institutional portfolios since 1995, with risk management careers dating back to the early 1980s. Throughout their careers Clearwater's principals have developed and used innovative technology solutions for portfolio management. Among the tools developed by the Clearwater team is Clearwater Analytics, a web-based portfolio reporting software designed to offer clients daily account transparency, including daily compliance, risk, accounting, and performance reports.

Honey Badger Investment Development LLC as well as various employees own shares in Clearwater. The beneficial owner of Honey Badger, LLC is Daniel Bates, the Chief Executive Officer of Clearwater.

Advisory Services

Clearwater specializes in fixed income investing for separately managed accounts. Clearwater's clients include corporate cash portfolios, state and local governments, school districts, insurance companies, endowments, foundations, trusts, family offices, credit unions and corporate pension plans. Clearwater constructs investment strategies that meet the client's portfolio risk and return objectives. The firm strives to maximize returns through time-tested investment management processes that include constant relative value analysis, careful security selection, and efficient trade execution.

Clearwater's goal is to help clients achieve their portfolio objectives while meeting portfolio liquidity requirements. Since each client has unique needs, the firm tailors each strategy to help clients accomplish their individual goals. While mandates vary by duration and need, the firm uses a top-down, relative value approach utilizing liquid products and focuses on identifying market opportunities within sectors, industries and credits. Clearwater is tenacious in its approach toward minimizing portfolio transaction costs and maximizing portfolio liquidity. The firm does not take large duration bets relative to the benchmark and believes Clearwater's relative value approach using liquid products and minimizing transaction costs best achieves clients' portfolio investment risk and return objectives. With the variety of clients and experience the firm holds collectively, Clearwater prides itself on the ability to listen and understand a client's particular needs and provide tailored investment options and solutions. Clearwater works diligently to enable open communication and become an extension of, and available resource to clients' treasury groups in all aspects of their investing — from investment policy discussion to implementation and specific security allowance and comprehensive reporting and monitoring.

Clearwater also provides a small number of clients services relating to liquidity and counterparty analysis.

Assets Under Management

Clearwater specializes in fixed income investing for separately managed accounts. As of December 31, 2024, Clearwater managed discretionary accounts only and had a total of \$4,525,460,773 in assets under management.

Fees and Compensation

Fees

Clearwater is generally compensated for its investment advisory services by receiving a fee based on a percentage of the fair market value of assets under management. Fees are negotiable based on the amount of assets under management, the nature of the client accounts, and client's specific investment guidelines and objectives. Management fees typically range between 0.1% and 0.40% of assets under management. Clients will not be responsible to Clearwater for any other fees, including brokerage and other transaction costs. However, clients are responsible for separately arranging custody of their assets. Neither Clearwater nor its employees accept compensation for the sale of securities or other investment products.

Clearwater receives a fixed fee from a small number of clients for services relating to liquidity and counterparty analysis.

Invoicing

Fees are generally invoiced in arrears on a monthly or quarterly basis depending on the client. Most invoices are set with a payable date within 30 days of receipt of the day the client receives the invoice. For a small number of clients, Clearwater will deduct the client's advisory fees directly from the client's custodian.

A client's fee invoice will also generally include the amount of fees being charged by Clearwater Analytics for various reporting services provided to the client. Such fees are covered by Clearwater Advisors. Please see the Other Financial Industry Activities and Affiliations section below for more information.

Performance-Based Fees and Side-By-Side Management

Clearwater does not use performance-based fees for any of its clients so there is no side-by-side management.

Types of Clients

Clearwater's clients include:

- Corporate Cash Portfolios
- State and Local Governments
- School Districts
- Insurance Companies
- Endowments
- Foundations
- Trusts
- Family Offices
- Corporate Pension Plans
- Credit Unions
- High Net Worth Individuals

Clearwater assesses and accepts clients on a case-by-case basis, with no set minimum account size.

Methods of Analysis, Investment Strategies and Risk of Loss

Clearwater's Investment Strategy Committee is responsible for the macro investment strategy decisions and includes the firm's principals, portfolio management and research staff. Specialized portfolio management and research staff make the individual credit and security selection decisions.

The experience and abilities of Clearwater's investment team span most securities traded in established markets. As a boutique investment manager, Clearwater works with most major broker-dealers that trade in its clients' investible universe.

Clearwater uses a top-down, relative value approach focused on identifying market opportunities within sectors, industries, and credits. The firm is keenly focused on minimizing portfolio turnover, minimizing portfolio transaction costs, and maximizing portfolio liquidity. Clearwater does not take large duration bets relative to the benchmark. Its methods of analysis, in order of priority, are as follows:

- 1) Economic analysis
- 2) Sector decision
- 3) Credit research
- 4) Yield Curve Analysis
- 5) Security selection
- 6) Trading
- 7) Best Execution

Clearwater uses proprietary risk management tools to screen and analyze potential investments. These tools also give advisors access to daily portfolio risk characteristics of relevance to Clearwater clients. The majority of credit research and modeling is done internally using sources including Fitch, Moody's, S&P, the Securities and Exchange Commission resources, news, and other publicly accessible research.

Each member of the portfolio management group is responsible for monitoring industry-relevant news and analysis, processing this news to develop viewpoints and insights, discussing it with the other portfolio managers, and delivering specifically-related information to the client. This delivery takes many forms ranging from phone calls and emails to more formal monthly market

commentaries and issue-specific white papers. The more formal white papers and monthly updates are emailed to clients and made available on Clearwater's website.

Material Risks

Below is a summary of the material risks associated with the strategies and methods of analysis used by Clearwater. Investing in securities and other instruments and assets involves risk of loss that clients should be prepared to bear. Clients should be aware that not all of the risks listed below will pertain to every client as certain risks may only apply to certain investment strategies. Furthermore, the risks listed below are not intended to be a complete description of the risks associated with the strategies and methods of analysis used by Clearwater. There can be no assurance that expected or targeted returns for any client will be achieved.

Call Risk. A client that invests in fixed income securities will be subject to the risk that an issuer may exercise its right to redeem the security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a client has invested in, the client may not recoup the full amount of its initial investment or may not realize the full anticipated earnings from the investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

Corporate Debt Securities Risk. Corporate debt securities include corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. Corporate debt securities may be highly customized and as a result may be subject to, among others, liquidity risk and pricing transparency risks. Corporate debt securities are also subject to the risk of the issuer's inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. Company defaults can impact the level of returns generated by corporate debt securities. An unexpected default can reduce income and the capital value of a corporate debt security. Furthermore, market expectations regarding economic conditions and the likely number of corporate defaults may impact the value of corporate debt securities.

Credit Risk. A client could lose money if the issuer or guarantor of a security (including a security purchased with securities lending collateral), the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, or the issuer or guarantor of collateral, is unable or unwilling, or is perceived (whether by market participants, rating agencies, pricing services or otherwise) as unable or unwilling, to honor its obligations. The downgrade of the credit of a security or of the issuer of security held by a client may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

Derivative Risks. Clearwater's cash overlay strategy involves the use of derivatives (futures contracts). Derivatives are subject to additional risks, including that the value of the derivative does not correlate with the value of the underlying security or index, that portfolio volatility increases due to increased exposure to the security or index, and that the counterparty to the derivative is unable to satisfy its obligations or Clearwater is not otherwise able to sell or close out its position.

Inflation and Deflation Risk. A client may be subject to inflation and deflation risk. Inflation risk is the risk that the present value of assets or income of a client's account will be worth less in the future as inflation decreases in the present value of money. Deflation risk is the risk that prices throughout the economy decline over time creating an economic recession, which could make issuer default more likely and may result in a decline in the value of an account's assets.

Interest Rate Risk. Interest rate risk is the risk that fixed income securities will decline in value because of changes in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a client is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Interest rate changes can be sudden and unpredictable, and a client may lose money as a result of movements in interest rates. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline.

Issuer Risk. The value of a security may decline for a number of reasons, which directly relate to the issuer, such as management performance, financial leverage, reputation, and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

Market Risk. The market price of securities owned by a client may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities or credit markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. The value of a security may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry.

Mortgage-Related Securities Risk. Mortgage-related securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if a client holds mortgage-related securities, it may exhibit additional volatility. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a client's account because the account may have to reinvest that money at the lower prevailing interest rates.

ETF Risks. Investments in exchange-traded funds ("ETFs") entail certain risks. In particular, investments in passive ETFs involve the risk that the ETF's performance may not track the performance of the index the ETF is designed to track. Unlike the index, an ETF incurs advisory and administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and redeeming shares in the ETF could create cash balances that cause the ETF's performance to deviate from the index. Performance of an ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the ETF may occasionally differ.

Disciplinary Information

Neither Clearwater nor any of its employees have any disciplinary or legal events to disclose.

Other Financial Industry Activities and Affiliations

Clearwater Advisors has a licensing agreement with Clearwater Analytics. Clearwater Analytics operates separately from Clearwater Advisors, providing clients of Clearwater Advisors and other clients daily compliance, risk, accounting, and performance reports. For certain existing clients of Clearwater Advisors, an arrangement has been made in the past with Clearwater Analytics whereby Clearwater Advisors has covered the cost of these services with regard to assets it manages on behalf of a client as well as for a certain amount of the client's externally managed assets. In some cases, where a client's externally managed assets exceed a certain threshold, Clearwater Advisors, as disclosed to the client, has retained a portion of the fees paid by the client for the reporting services provided by Clearwater Analytics on these additional assets. However, since Clearwater Advisors is covering the cost of these services up to this threshold, including assets where Clearwater Advisors is not earning any advisory fee, Clearwater Advisors does not believe that this type of fee arrangement represents a conflict of interest.

Clearwater Analytics is also a client of Clearwater Advisors, which could be a conflict of interest as Clearwater Advisors may have an incentive to favor Clearwater Analytics over other clients in order to obtain more favorable terms with regard to its licensing agreement with the service provider. This potential conflict of interest is mitigated, however, by the fact that Clearwater Advisors has policies and procedures in place to ensure that, pursuant to the firm's fiduciary duty, all clients are treated fairly and equitably and no single client is favored over another client.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

Clearwater employees are required to indicate their acknowledgement and compliance with the Code of Ethics upon hire and on an annual basis. The firm's Code of Ethics outlines and discusses the following topics:

- Business and Accounting Principles
- Conflicts of Interest
- Personal Securities Holdings Disclosure Procedures
- Insider Trading

- Confidential Information
- Competition, Solicitation and Interference
- Payments to Governmental Officials or Employees
- Foreign Transactions and Payments
- Monitoring of Compliance
- Severability and Judicial Modification

The Code of Ethics requires employees to submit quarterly reports detailing their transactions in certain Reportable Securities, defined by the Code of Ethics. Additionally, the Compliance Department maintains a Restricted Trading List and Blacklist that include the names of companies about which Clearwater has, or is likely to have, material and non-public information.

Employees are required to request permission from the Compliance Department prior to purchasing or selling any Reportable Security listed on the Restricted Trading List. The Compliance Department reviews these reports for suspicious trading activity and compliance with the Restricted Trading List and Blacklist policies. Clearwater's Code of Ethics is available for review by its clients upon request.

Conflicts of Interest

Clearwater endeavors to minimize potential conflicts of interest at all times. Clearwater does not recommend securities to clients or purchase or sell securities for client accounts in which Clearwater or any related companies have a material financial interest. Clearwater may from time to time invest funds of the company, affiliates, principals, or employees ("Proprietary Funds") in securities or investment strategies similar to those employed on behalf of clients. Proprietary Funds will not receive preference over client funds at any time. All transactions involving Proprietary Funds will be executed simultaneously or subsequent to similar transactions for clients. In the event of any potential conflict of interest, client accounts will receive preference over proprietary accounts. All proprietary trading is monitored by two or more principals or officers to ensure compliance with this policy.

Brokerage Practices

Clients delegate authority to Clearwater to designate the broker-dealers who purchase and sell within Clearwater-managed accounts. When seeking to effect a transaction on behalf of a client, Clearwater generally seeks the most favorable bid or offer available in the market from an approved list of broker-dealers. Clearwater favors broker-dealers who exhibit the ability to effect trades that most closely conform to the firm's price expectations. Clearwater also takes into account factors such as the broker-dealer's access to the primary market, the ability to effect specific trades, the size and breadth of inventory, and clearance and settlement capability. Portfolio managers do not use the firm or any affiliates as brokers to execute transactions for the accounts.

While Clearwater does not have any soft dollar arrangements, the firm does receive proprietary research from broker-dealers that effect securities transactions on behalf of advisory clients. Such research is not a significant factor with respect to the selection of broker-dealers.

Clearwater does not accept any additional services or benefits in exchange for its brokerage selection including client referrals.

Clearwater may accept instructions from clients to direct their brokerage transactions to a specific broker-dealer. A client, for example, may have a pre-existing relationship with the broker-dealer. In cases where directed brokerage is permitted, Clearwater will review whether the directed broker-dealer is providing competitive and high-quality brokerage execution services.

Trade Aggregation

At times, a portfolio manager may determine that it would be both desirable and suitable to purchase or sell a particular security for more than one of the portfolio manager's clients and there is a limited supply or demand for the security. Under such circumstance, Clearwater's policies allow the portfolio managers to aggregate or bunch orders on behalf of two or more clients ("Trade Aggregation"). Any Trade Aggregation is only permissible to achieve best execution and efficiency based on the commonality of the clients' investment objectives. If an order is only partially filled, it is generally allocated on a pro rata basis based on the original Trade Aggregation plan. If the portfolio manager determines in good faith that it is in the best interests of the clients to allocate the order in a way other than on a pro rata basis, the portfolio manager must make a written record of the reasoning behind the final allocation and notify the Compliance Department.

Review of Accounts

Periodic Reviews with Portfolio Managers

Nearly all accounts are reviewed internally by the portfolio management team on a daily basis. Accounts are formally reviewed with clients as appropriate to ensure that investments continue to be appropriate for clients' particular investment guidelines. A significant change in the markets or a particular security held by a client may trigger additional review of client portfolios with the clients. Clients may also request a review with the portfolio manager at any time.

Daily Online Reporting

Clients have access to daily accounting, compliance, performance, and risk reports on a secure, password-protected website provided by Clearwater Analytics. Static monthly reports are also available on the website on the first business day following the end of each month.

Client Referrals and Other Compensation

Clearwater does not receive any economic benefits from any non-client for providing investment advice or other advisory services to its clients.

Neither Clearwater, nor any related company, directly or indirectly compensates any person who is not an employee for client referrals.

Custody

Clients are responsible for selecting their own custodian. Clearwater has limited custody only in cases where the client requests Clearwater deduct fees directly from the investment accounts.

Clients should compare any account statements received from Clearwater Advisors or Clearwater Analytics with the statements received from the qualified custodian.

Investment Discretion

Clearwater has discretionary trading authority over clients' accounts subject to occasional restrictions imposed by clients on a case-by-case basis. Clearwater generally requires clients to provide an investment policy as the basis for creation and maintenance of its portfolio. Within the constraints of the client's investment policy, Clearwater's authority includes selecting the security types and amounts to be purchased or sold for a client's account, selecting the broker-dealers to be used for the purchase or sale of securities for a client's account, and selecting the commission rates to be paid to the broker-dealer for a client's securities transactions. However, unless otherwise authorized, Clearwater always obtains specific consent from clients before realizing a gain or loss in a client account. Before assuming discretionary authority over clients' accounts, Clearwater obtains an executed investment management agreement that includes language describing the discretionary authority.

Voting Client Securities

Clearwater's policy is to not vote proxies on behalf of its clients.

Financial Information

Clearwater is cash-flow positive and does not have any debt. Therefore, Clearwater does not have a current or reasonably likely financial condition that would impair its ability to meet contractual commitments to clients.

Brochure Supplement: Supervised Persons

Clearwater Advisors, LLC

Form ADV Brochure Supplement for Daniel Bates – Chief Executive Officer

Updated: February 24, 2020
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Phone: 208.433.1222

This brochure supplement provides information about Daniel Bates that supplements the Clearwater Advisors brochure, which you should have received. If you did not receive a copy or if you have any questions about the contents of this supplement, please contact us at 208-433-1222. Additional information about Daniel Bates is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Dan joined Clearwater in April 2018 as the firm's Chief Executive Officer and a member of the Board of Directors.

Previously, from December 2012 to April 2018, Dan worked at Goldman Sachs as a Vice-President in Investment-Banking, doing M&A, leveraged finance, and capital markets transactions. From September 2008 to December 2012, he worked in Investment-Banking at Credit Suisse.

Dan holds a Bachelor of Science degree in Accounting from Brigham Young University.

Year of Birth: 1982

Disciplinary Information

Dan has no legal or disciplinary events to disclose.

Other Business Activities

None.

Additional Compensation

Dan does not receive any economic benefits from any non-client for providing investment advice or other advisory services to Clearwater's clients.

Supervision

Clearwater has a formal Compliance Program and Code of Ethics designed to prevent violations of government regulations and ethical principles. The Chief Compliance Officer oversees the enforcement of the Compliance Program and Code of Ethics through regular communication with employees as well as an annual review. The Compliance Program includes provisions and guidance concerning fiduciary duties, conflicts of interest and portfolio management and trading practices.

Dan is supervised by Hayley Nelson, Chief Compliance Officer. Hayley may be reached at hnelson@clearwateradvisors.com.

Clearwater Advisors, LLC

Form ADV Brochure Supplement for Rhet Hulbert – Portfolio Manager

Updated: February 24, 2020
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Phone: 208.433.1222

This brochure supplement provides information about Rhet Hulbert that supplements the Clearwater Advisors brochure, which you should have received. If you did not receive a copy or if you have any questions about the contents of this supplement, please contact us at 208-433-1222. Additional information about Rhet Hulbert is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Rhet joined the portfolio management team in 2006 and has spent most of his time specializing in portfolios with durations less than one year.

Rhet's work with Clearwater began in 2003. He helped design, build and improve the Clearwater Analytics System, specializing in data quality and custom report building. Rhet brings a strong analytical and technical background to the portfolio management team which enables him to provide the team with operational efficiencies, including the development of proprietary portfolio management tools.

Rhet graduated Cum Laude and holds a Bachelor of Business Administration in Computer Information Systems from Boise State University.

Year of Birth: 1977

Disciplinary Information

Rhet has no legal or disciplinary events to disclose.

Other Business Activities

None.

Additional Compensation

Rhet does not receive any economic benefits from any non-client for providing investment advice or other advisory services to Clearwater's clients.

Supervision

Clearwater has a formal Compliance Program and Code of Ethics designed to prevent violations of government regulations and ethical principles. The Chief Compliance Officer oversees the enforcement of the Compliance Program and Code of Ethics through regular communication with employees as well as an annual review. The Compliance Program includes provisions and guidance concerning fiduciary duties, conflicts of interest and portfolio management and trading practices.

Rhet is supervised by Dan Bates, Chief Executive Officer. Dan may be reached at (208) 433-1222.

Clearwater Advisors, LLC

Form ADV Brochure Supplement for Garrett Cudahey – Portfolio Manager

Updated: February 5, 2024
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Phone: 208.433.1222

This brochure supplement provides information about Garrett Cudahey that supplements the Clearwater Advisors brochure, which you should have received. If you did not receive a copy or if you have any questions about the contents of this supplement, please contact us at 208-433-1222. Additional information about Garrett Cudahey is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Garrett joined the portfolio management team in 2024 where he manages high-quality fixed income portfolios. Prior to joining Clearwater, Garrett was the Chief Investment Officer for Government Portfolio Advisors LLC from January 2020 until December of 2023. Before Government Portfolio Advisors, Garrett was a Fixed Income Investment Officer at the Oregon State Treasury from August 2012 until January of 2020.

Garrett holds a Bachelor of Science in Accounting and Finance from Oregon State University and a Master of Business Administration from Indiana University's Kelley School of Business. Garrett is a Chartered Financial Analyst (CFA), and Certified Public Accountant (CPA), a Chartered Alternative Investment Analyst (CAIA) and holds a Series 65 license.

Year of Birth: 1981

Disciplinary Information

Garrett has no legal or disciplinary events to disclose.

Other Business Activities

None.

Additional Compensation

Garrett does not receive any economic benefits from any non-client for providing investment advice or other advisory services to Clearwater's clients.

Supervision

Clearwater has a formal Compliance Program and Code of Ethics designed to prevent violations of government regulations and ethical principles. The Chief Compliance Officer oversees the enforcement of the Compliance Program and Code of Ethics through regular communication with employees as well as an annual review. The Compliance Program includes provisions and guidance concerning fiduciary duties, conflicts of interest and portfolio management and trading practices.

Garrett is supervised by Dan Bates, Chief Executive Officer. Dan may be reached at (208) 433-1222.

Clearwater Advisors, LLC

Form ADV Brochure Supplement for Richard Lin – Head of Research

Updated: February 24, 2020
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Phone: 208.433.1222

This brochure supplement provides information about Richard Lin that supplements the Clearwater Advisors brochure, which you should have received. If you did not receive a copy or if you have any questions about the contents of this supplement, please contact us at 208-433-1222. Additional information about Richard Lin is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Richard joined Clearwater in October 2014 as a Credit Analyst.

Prior to joining Clearwater Advisors, he was a Manager with KPMG LLP working primarily on valuation, modeling, and regulation related to structured products. Prior to KPMG, he was a public finance consultant working with municipal bonds. Richard's expertise is in the valuation and analysis of fixed income issuers and securities.

Richard received an MBA from UCLA Anderson and a BA in Business Economics from UCLA and is a CFA Charterholder¹.

Year of Birth: 1982

Disciplinary Information

Richard has no legal or disciplinary events to disclose.

Other Business Activities

None.

Additional Compensation

Richard does not receive any economic benefits from any non-client for providing investment advice or other advisory services to Clearwater's clients.

Supervision

Clearwater has a formal Compliance Program and Code of Ethics designed to prevent violations of government regulations and ethical principles. The Chief Compliance Officer oversees the enforcement of the Compliance Program and Code of Ethics through regular communication with employees as well as an annual review. The Compliance Program includes provisions and guidance concerning fiduciary duties, conflicts of interest and portfolio management and trading practices.

Richard is supervised by Dan Bates, Chief Executive Officer. Dan may be reached at (208) 433-1222.

¹ CFA Charterholder Requirements: Four years qualified investment work experience, completion of the Chartered Financial Analyst (CFA) program, active membership in the CFA Institute, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, membership to a local CFA member society.

Clearwater Advisors, LLC

Form ADV Brochure Supplement for Dennis Klimes – SVP Institutional Sales

Updated: September 21, 2021
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Phone: 208.433.1222

This brochure supplement provides information about Dennis Klimes that supplements the Clearwater Advisors brochure, which you should have received. If you did not receive a copy or if you have any questions about the contents of this supplement, please contact us at 208-433-1222. Additional information about Dennis Klimes is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Dennis joined Clearwater in September 2021 as Senior Vice President of Institutional Sales.

Dennis worked for Merrill Lynch from July 2020 through September 2021 as a Financial Advisor and Portfolio Manager. He was responsible for business development of institutional outsourced Chief Investment Office consulting and multi-asset wealth management. In 2015, he joined Prime Advisors, Inc. a fixed Income asset manager with \$18 billion under management. As a member of the executive leadership team, he was an SVP - Director of Business Development & Sales. Dennis managed the execution of all external marketing and institutional prospect development through strategic sales campaigns focused primarily on insurance company investment portfolios. Dennis had a 20- year span working for legacy Morgan Stanley companies managing an institutional fixed income sales team. Through his tenure at Morgan Stanley, he was a fixed income and foreign currency specialist managing multi-asset portfolios for both institutional and high net worth investors.

Dennis holds a Bachelor of Business Administration - International Business from Western Michigan University.

Year of Birth: 1960

Disciplinary Information

Dennis has no legal or disciplinary events to disclose.

Other Business Activities

None.

Additional Compensation

Dennis does not receive any economic benefits from any non-client for providing investment advice or other advisory services to Clearwater's clients.

Supervision

Clearwater has a formal Compliance Program and Code of Ethics designed to prevent violations of government regulations and ethical principles. The Chief Compliance Officer oversees the enforcement of the Compliance Program and Code of Ethics through regular communication with employees as well as an annual review. The Compliance Program includes provisions and guidance concerning fiduciary duties, conflicts of interest and portfolio management and trading practices.

Dennis is supervised by Dan Bates, Chief Executive Officer. Dan may be reached at (208) 433-1222.

Clearwater Advisors, LLC

Form ADV Brochure Supplement for Brandon Beall – Portfolio Manager

Updated: March 7, 2024
101 S. Capitol Blvd, Suite 1201
Boise, Idaho 83702
Phone: 208.433.1222

This brochure supplement provides information about Brandon Beall that supplements the Clearwater Advisors brochure, which you should have received. If you did not receive a copy or if you have any questions about the contents of this supplement, please contact us at 208-433-1222. Additional information about Brandon Beall is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Brandon joined Clearwater in September 2021 as an Investment Analyst and became a Portfolio Manager in July 2023.

Brandon worked for Regions Bank from 2015 through 2017 as a public policy analyst, where he covered banking and consumer credit public and regulatory policy. He then worked for the U.S. Committee on Banking, Housing, and Urban Affairs from 2017 through 2020 as a professional staff member, where he was responsible for public and regulatory policy pertaining to financial institutions, consumer credit, economic stabilization, and monetary policy. He then worked for the U.S. Committee on Finance in 2021, where he was responsible for public policy issues pertaining to the U.S. Treasury Department and domestic tax.

Brandon holds Bachelor of Science degrees in Finance and Accounting from Oregon State University and is a CFA Charterholder².

Year of Birth: 1989

Disciplinary Information

Brandon has no legal or disciplinary events to disclose.

Other Business Activities

None.

Additional Compensation

Brandon does not receive any economic benefits from any non-client for providing investment advice or other advisory services to Clearwater's clients.

Supervision

Clearwater has a formal Compliance Program and Code of Ethics designed to prevent violations of government regulations and ethical principles. The Chief Compliance Officer oversees the enforcement of the Compliance Program and Code of Ethics through regular communication with employees as well as an annual review. The Compliance Program includes provisions and guidance concerning fiduciary duties, conflicts of interest and portfolio management and trading practices.

Brandon is supervised by Rhet Hulbert, Portfolio Manager. Rhet may be reached at (208) 433-1222.

² CFA Charterholder Requirements: Four years qualified investment work experience, completion of the Chartered Financial Analyst (CFA) program, active membership in the CFA Institute, adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, membership to a local CFA member society.