

Item 1 – Cover Page



**Form ADV Part 2A: Firm Brochure**

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**This brochure provides information about the qualifications and business practices of Claritas Advisors, LLC. If you have any questions about the contents of this brochure, please contact Claritas Advisors at 857 867-5387 or [lturton@claritasadvisors.com](mailto:lturton@claritasadvisors.com). The information in this brochure has not been approved or verified by the SEC or any state securities authority. Registration does not imply a certain level of skill or training.**

**Additional information about Claritas Advisors is available on the SEC's website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) by searching with the Advisor's firm name or CRD# 334055**

## Item 2 – Material Changes

This Item 2 will be used to provide clients of Claritas Advisors, LLC with a summary of new and/or updated information. This complete Brochure shall be provided to you annually and if a material change occurs.

## Item 3 – Table of Contents

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## Item 4 – Advisory Business

Claritas Advisor, LLC (“Claritas”, “Claritas Advisors”, or “Advisor”) is a Massachusetts limited liability company organized in 2024. The principal owner of Claritas is Lucas F. Turton.

### Investment Advisory/Portfolio Management

Claritas Advisors provides customized investment advisory and portfolio management services to Investment Clients (“Clients”). We work with Clients to establish goals and objectives based on their personal circumstances. We then develop an investment plan subject to a particular risk tolerance and manage a portfolio based on that plan. We will continually consider objectives, time horizon, risk tolerance, and liquidity needs while performing ongoing portfolio management.

We will manage advisory accounts on a discretionary basis. We will transact on the Client’s behalf without seeking prior Client consent.

Claritas will construct client portfolios primarily utilizing exchanged-traded funds (ETFs). Portfolios may also hold mutual funds, individual stocks and individual bonds. Certain legacy investments may be utilized based on fit and/or tax considerations.

### Client Account Management

Clients are required to enter into an Investment Management Agreement with Claritas that defines the terms, conditions, and authority of the Advisor and Client. Clients may impose reasonable restrictions on investing in certain securities or types of securities. The service may include:

- Developing an Investment Strategy to meet the goals and objectives of the Client
- Establishing an Asset Allocation Target to meet the time horizon, liquidity needs, and risk tolerance of the client
- Constructing a Portfolio of investments
- Ongoing Management and Supervision that takes into consideration changes in market conditions and overall portfolio risk

### Wrap Fee Programs

Claritas Advisors does not participate in any wrap fee programs.

### Assets Under Management

As of December 3, 2024, discretionary assets under firm management were approximately \$0 and non-discretionary assets were \$0.

## Item 5 – Fees and Compensation

Investment advisory fees are paid quarterly in advance. Fees are based on the aggregate market value of the client account(s) under management at the end of the prior quarter, in accordance with the fee schedules below:

Assets Under Management (\$)	Annual Fee (%)
\$0 to \$10,000,000	0.80%
\$10,000,001 to \$25,000,000	0.60%
Above \$25,000,000	0.50%

Fees may be negotiable at the sole discretion of the Advisor.

Fees are deducted from the Client's account(s) at the custodian at a quarterly rate (annual rate divided by four)

### Other Fees and Expenses

In addition to advisory fees paid to the Advisor, the Client will pay fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. A client may be able to invest in these funds directly but would not receive the services of Claritas Advisors.

Clients will also be responsible for all custodial, brokerage, and service fees charged by the Custodian. Please see **Item 12 - Brokerage Practices** in this Brochure for additional information.

### Account Termination

Either party may request to terminate the Investment Management Agreement with Claritas Advisors. The Advisor will refund any unearned fees from the effective date of the termination to the end of the quarter.

### Compensation for the Sale of Securities

Claritas Advisors does not receive compensation for the sale of securities or other investment products.

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

Claritas Advisors does not charge performance-based fees. The fees charged by Claritas Advisors are described in Item 5 above.

## Item 7 – Types of Clients

Claritas Advisors generally advises individuals and institutions. The minimum investment for a new Client is \$1,000,000; however, this amount is negotiable

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

### Methods of Analysis and Investment Strategies

Claritas Advisors applies a combination of quantitative and fundamental analysis with an emphasis on risk management to develop investment strategies for its clients. Key components of the approach include:

- Evaluation of individual investments and assets classes to develop return and risk expectations given the current market environment
- Construction of multi-asset class portfolios that have the potential to meet the Client's goals while balancing exposure to loss and volatility
- Selection of stocks, bonds, ETFs, and mutual funds to implement the Clients investment strategy most efficiently
- Tactical adjustment and re-balancing to pursue investment opportunities and manage evolving market risk

### Risk of Loss

Investing in any security involves the risk of loss that Clients should be prepared to bear. The value of Client investments and investment portfolios will fluctuate, particularly in the short-term. There is no guarantee that a client will achieve their investment goals.

**Individual Stocks** Investing in individual stocks involves a high degree of risk. The value of a stock may fluctuate significantly due to factors specific to the issuing company, such as operational performance, management decisions, or competitive pressures. Market conditions, economic downturns, or sector-specific challenges can also impact stock prices. There is a risk of substantial loss, including the potential for total loss of principal, particularly if a company experiences financial distress or bankruptcy. Stocks may also be subject to liquidity risk, where shares may be difficult to sell at a desired price or time, especially for smaller or less actively traded companies. Additionally, stocks may be affected by volatility risk, where rapid price changes can occur in response to market sentiment or external events.

**Individual Bonds** Investments in individual bonds carry risks that may affect their value or the ability to recover principal. Interest rate risk is a primary concern, as rising interest rates typically cause bond prices to decline. Credit risk arises from the possibility that a bond issuer may default on interest payments or fail to repay the principal at maturity, particularly for lower-rated or high-yield bonds. Inflation risk can erode the purchasing power of fixed interest payments over time. Bonds may also face call risk, where an issuer redeems the bond before maturity, potentially forcing reinvestment at lower rates. Liquidity risk is another factor, as some bonds may have limited trading activity, making it challenging to sell them at a fair price. Market and economic conditions can further influence bond valuations.

**Exchange-Traded Funds (ETFs)** ETFs are subject to risks similar to those of stocks and other securities. Market risk affects ETFs, as their value can decline due to broad market or sector-specific declines. Tracking error risk may occur if an ETF does not perfectly replicate the performance of its underlying index due to fees, trading costs, or portfolio management decisions. Liquidity risk can arise if an ETF has low trading volume, leading to wider bid-ask spreads or

difficulty selling shares at the desired price. Some ETFs may use leverage or invest in derivatives, increasing volatility and potential losses. Sector or region-specific ETFs may carry concentrated risks tied to those areas. Additionally, ETFs may experience premium/discount risk, where the market price deviates from the net asset value of the underlying holdings.

**Mutual Funds** Mutual funds involve risks tied to their underlying investments, which may include stocks, bonds, or other securities. Market risk impacts mutual funds, as declines in the value of portfolio holdings can reduce the fund's net asset value. Management risk arises from the possibility that the fund manager's investment decisions may underperform the market or the fund's benchmark. Mutual funds may also face concentration risk if heavily invested in a particular sector or region. Liquidity risk can occur if the fund holds illiquid securities, potentially delaying redemptions or affecting pricing. Fees and expenses, which vary by fund, can reduce returns over time. Some mutual funds may use derivatives or leverage, amplifying potential losses. Additionally, mutual funds are subject to market timing risks, where frequent trading by investors can disrupt portfolio management and increase costs.

Clients should understand that all investments carry the risk of loss, including the potential loss of principal. Past performance is not indicative of future results, and no investment strategy can guarantee a profit or protect against loss. Our firm tailors its advisory services to align with each client's risk tolerance and investment objectives, but clients should carefully evaluate these risks before investing.

## Item 9 – Disciplinary Information

Claritas Advisors has no disciplinary events to disclose. Clients may obtain the disciplinary history of any investment advisor representative conducting business in Massachusetts by contacting the Commonwealth of Massachusetts Securities Division at 617 727-3548.

## Item 10 – Other Financial Industry Activities and Affiliations

Lucas F Turton, Managing Member and Chief Compliance Officer of Claritas Advisors, LLC is employed at Webster Bank as a Managing Director. To avoid the appearance of a conflict of interest, Lucas F Turton and other Claritas employees are prohibited from recommending Webster Bank's services or recommending the purchase of Webster Financial Corporation common stock (ticker: WBS). No referral fees of any kind will be exchanged between Webster Bank and Claritas Advisors.

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

Claritas Advisors has adopted a Code of Ethics which defines the Advisor's fiduciary commitment to its Clients. The Code of Ethics applies to the firm and all individuals associated with the firm that make investment recommendations on behalf of the firm ("Related Persons"). A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request. Please contact the Advisor at 857 867-5387 to request a copy.

Claritas Advisors allows “Related Persons” to buy and sell the same securities that it recommends to clients. This practice results in the potential conflict of interest, as we may have incentive to manipulate the timing of these transactions to obtain more favorable pricing. To mitigate these potential conflicts of interest, we have established these restrictions:

- Related Persons must adhere to the Fiduciary Duty to our clients. A Fiduciary Duty is a legal obligation to act in the best interest of our Clients and not in one’s own interest.
- Related Persons must disclose securities transactions or multiple transactions over 90 days that exceed \$10,000 in an individual security on a quarterly basis to the Chief Compliance Officer for review. This excludes the purchase of mutual funds and Exchanged Traded Funds (ETFs).
- The Advisor and its Related Persons will not purchase or sell securities to clients.
- Any individual that does not adhere to the above may be subject to disciplinary action or termination.

## **Item 12 – Brokerage Practices**

### **Selection of Brokers**

Claritas Advisors does not have the discretionary authority to select a broker-dealer/custodian for custody and execution. The Client will select the broker-dealer and/or custodian (“Custodian”) to safeguard assets and will authorize Claritas Advisors to buy and sell securities as agreed upon in the investment advisory agreement.

### **Directed Brokerage**

Claritas may recommend clients use a specific Custodian. Clients are not obligated to follow these recommendations. If a client directs Claritas Advisors to use a specific broker, it may affect Claritas's ability to obtain best execution for transactions.

While Claritas may receive benefits such as market research, software, support, and educational tools from the recommended Custodian, these benefits are not tied to a formal soft-dollar arrangement and are not contingent upon specific levels of trading. Clients should be aware that the receipt of these benefits may create a conflict of interest since these benefits may influence the Advisor’s recommendation of this Custodian over one that does not provide similar benefits.

### **Aggregation of Orders**

Claritas Advisors may from time-to-time aggregate trades for multiple clients. When trades are aggregated, clients participating in the trade will receive an average price and incur transaction costs proportionate to their participation.

## **Item 13 – Review of Accounts**

Lucas F. Turton, Managing Member and Chief Compliance Officer will continually monitor securities held in client accounts and perform at least quarterly reviews of account holdings for all clients. Accounts are reviewed for adherence to client investment objectives, asset allocation targets, risk, and performance relative to the appropriate benchmark. Accounts may be reviewed



more frequently for tax considerations, geopolitical and macroeconomic events, or events impacting individual securities.

Clients will receive physical or electronic statements from their Custodian, at least quarterly, detailing their holdings, performance, and trading activity. More frequent or detailed client reports may be delivered upon client request. Claritas encourages at least annual meetings with each client in-person, on the phone, or via web conferencing.

## Item 14 – Client Referrals and Other Compensation

Claritas Advisors is a fee-based advisory, that is compensated solely by its Clients and not from any investment product or service provider. Claritas does not compensate anyone for client referrals.

## Item 15 – Custody

Under government regulations, Claritas is deemed to have custody of your assets if, for example, you authorize us to instruct the Custodian to deduct advisory fees directly from your account. The Custodian maintains actual custody of Client assets. As described in **Item 12 – Brokerage Practices**, the client will select a Custodian and Claritas will utilize that Custodian for security transactions. Clients will receive statements from the Custodian at least quarterly. They will be sent to the email or mailing address you provided to the Custodian. Clients should carefully review those statements and compare them to any statements provided by Claritas to ensure accuracy.

## Item 16 – Investment Discretion

Claritas has discretion over the selection, timing and quantity of securities purchased or sold. For Clients granting Claritas discretionary authority to manage securities, we request written authorization, typically in the executed investment management agreement. The client may impose reasonable limitations on this authority. These limitations must be in writing and approved by Claritas.

## Item 17 – Voting Client Securities

Claritas Partners does not accept proxy-voting responsibility for any client. Clients will receive proxies directly from the Custodian. If a client has questions about a particular proxy, they can contact Lucas F. Turton, Managing Member and Chief Compliance Officer.

## Item 18 – Financial Information

Claritas Advisors does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. For this reason, Claritas is not required to include a balance sheet for the most recent fiscal year.

## Item 19 – Requirements for State Registered Investment Advisors

### **Principal Executive**

Lucas F. Turton is the Managing Member of Claritas Advisors. Information about his formal education and business background are provided in **Form ADV Part 2B – Item 2** on the following pages.

### **Other Business Activities**

Mr. Turton provides investment advisory services and is not engaged in any other business activities.

### **Performance Based Fees**

Claritas Advisors does not receive *performance-based fees*

### **Disciplinary Disclosure**

There are no legal, civil, regulatory or disciplinary events to disclose regarding Claritas Advisors or Lucas F. Turton.

Form ADV Part 2B (Brochure Supplement)



**Form ADV Part 2B: Brochure Supplement for Lucas F. Turton, Managing Member and Chief Investment Officer, Claritas Advisors, LLC**

CRD #4993050

12/3/2024

**This brochure supplement provides information about Lucas F. Turton that supplements the Claritas Advisors, LLC brochure. You should have received a copy of that brochure. If you did not receive Claritas Advisors, LLC's brochure or if you have any questions about the contents of this supplement, please contact Lucas F. Turton at 857 867-5387 or [lturton@claritasadvisors.com](mailto:lturton@claritasadvisors.com). The information in this brochure has not been approved or verified by the SEC or any state securities authority.**

**Additional information about Lucas F. Turton is available on the SEC's website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov) by searching with his name or CRD#4993050**

**Item 2 – Educational Background and Business Experience**

Lucas F. Turton is the Managing Member and Chief Investment Officer of Claritas Advisors, LLC.

**Education:**

Master of Business Administration (MBA) MIT Sloan School of Management 2004

Master of Science, Engineering Management, Northeastern University 2001

Bachelor of Science, Mechanical Engineering, Cornell University 1997

**Business Background:**

Chief Investment Officer, Claritas Advisors, LLC, March 2024-Present

Managing Director, Webster Bank, January 2000-Present

Chief Investment Officer, Windham Capital Management, LLC, February 2009-November 2019

Vice President, Windham Capital Management, LLC, July 2004 – January 2009

**Item 3 – Disciplinary Information**

Mr. Turton has no legal or disciplinary actions to disclose.

**Item 4 – Other Business Activities**

In addition to Claritas Advisors, Mr. Turton is employed by Webster Bank. He is not engaged in any other business activities.

**Item 5 – Additional Compensation**

Mr. Turton does not receive commissions, nor does he receive a bonus based on the number or amount of sales, client referrals, or new accounts from Webster Bank.

**Item 6 – Supervision**

Mr. Turton is the Managing Member, Chief Investment Officer, and Chief Compliance Officer at Claritas Advisors. He can be reached at 857 867-5387.

Claritas Advisors has established a Code of Ethics that governs the conduct of Mr. Turton in his interactions with clients and stakeholders. He has a Fiduciary Duty to act in the best interests of clients, with loyalty, care, and transparency.

**Item 7 – Requirements for State-Registered Advisers**

There are no legal, civil, regulatory or disciplinary events to disclose regarding Lucas F. Turton.