

## Item 1- Cover Page of Brochure



Office Address:

2476 North Lake Avenue  
Altadena, CA 91001

Available at Office Address by Appointment.

(818) 236-3794

Mailing Address:

P.O. Box 8278  
La Crescenta, CA 91224-0278

IARD # 134993

March 31, 2021

[www.clarkassetmgmt.com](http://www.clarkassetmgmt.com) or  
[www.clarkassetmanagement.com](http://www.clarkassetmanagement.com)

**This brochure provides information about the qualifications and business practices of Clark Asset Management + Associates, Inc., a California corporation. If you have any questions about the contents of this brochure, please contact us at (818) 236-3794 or [admin@clarkassetmgmt.com](mailto:admin@clarkassetmgmt.com). 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. Clark Asset Management is a Registered Investment Advisor. Registration does not imply any certain skill level or training. The oral and written communications of an Advisor provide you with information which you may use to determine to hire or retain an Advisor.**

Additional information about Clark Asset Management + Associates, Inc. is on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The President and Managing Officer of Clark Asset Management + Associates, Inc. is Gary N. Clark, CFA.

## **Item 2- Material Changes**

Annual updating, inclusion and formatting of Vincent Payne information.

## **Item 3- Table of Contents**

Item 1- Cover Page of Brochure .....	1
Item 2- Material Changes.....	2
Item 3- Table of Contents .....	2
Item 4- Advisory Business.....	3
Item 5- Fees and Compensation.....	4
Item 6- Performance-Based Fees and Side-By-Side Management.....	5
Item 7- Types of Clients.....	5
Item 8- Methods of Analysis, Investment Strategies and Risk of Loss .....	6
Item 9- Disciplinary Information.....	7
Item 10- Other Financial Industry Activities and Affiliations.....	7
Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
Item 12- Brokerage Practices.....	8
Item 13- Review of Accounts .....	9
Item 14- Client Referrals and Other Compensation.....	9
Item 15- Custody.....	9
Item 16- Investment Discretion.....	9
Item 17- Voting Client Securities .....	10
Item 18- Financial Information.....	10
Item 19- Requirements for State-Registered Advisers .....	10

#### **Item 4- Advisory Business**

Clark Asset Management + Associates, Inc. manages investment portfolios on a discretionary basis. Clark Asset Management + Associates, Inc. is a California corporation, incorporated in 1989 and doing business since then. The principal control person is Gary N. Clark, CFA, who owns more than 25% of the firm. Many of the accounts that Clark Asset Management manages are retirement accounts for individuals, or smaller institutions. Over five-sixths of our clients are either individuals or manifestations of individuals (i.e., Trusts, or privately held corporations). Many accounts are IRA accounts, although many clients hold both IRA (either Roth or Traditional Contributory or Traditional Rollover) and taxable accounts. Each client has an individual Investment Policy Statement (IPS) or other guidance. We do not rule out investing for banks, insurance companies, or government pension funds, and do not have any such clients at this time. Most accounts are well-diversified and managed in a manner likely to generate long-run total return, congruent with the Clients' objectives and IPS. Clients may impose restrictions on types of investments.

Clark Asset Management invests client assets in listed and unlisted common and preferred shares, exchange traded funds, (ETFs), mutual funds, FDIC insured CDs, bonds and notes of U.S. government and its agencies, corporations, municipalities, other domestic or international government agencies, and domestic or foreign corporations and governments. We also may acquire publicly traded master limited partnerships, units of beneficial interest, or similar securities. We do not acquire new private placements for client accounts, although some clients may come to us already owning such securities. We might consider acquiring some in the aftermarket, but are not doing so now. Nor would we acquire commodity futures contracts for clients. We might acquire options or warrants for certain clients, but we have not done so and do not hold any in client accounts at this time.

We spend all of our working time involved with this. Almost all of our client portfolios are domiciled at the Schwab Institutional division of Charles Schwab & Co. Upon entering into a client management agreement, Clark Asset Management uses an LPOA incorporated in Schwab client account applications to electronically manage client portfolios at Schwab Institutional. Clients receive monthly brokerage statements from Schwab, and quarterly reports from Clark Asset Management.

Our fees are based on a percent of Assets Under Management (AUM), as set out below. Fees are drafted out of client accounts quarterly, in advance, based on the end-of-period value of the previous quarter. Clark Asset Management does not receive any part of brokerage commissions. We focus on the investment process, the construction of portfolios, economics, and the functioning of markets, in our effort to contribute to the growth of total portfolio value in the context of the client's situation. Clark Asset Management does not hold itself out as a financial planner nor offer financial planning services. We focus on managing client portfolios so that through time they are

likely, in our view, to achieve the Client’s objectives, within the financial, economic, and taxation context likely to prevail.

In the course of discussions with our clients, we may discuss tax issues, personal issues, estate planning issues, and other topics. We do not do comprehensive nor cursory financial planning. We do not sell insurance or limited partnership. We are not a broker-dealer, and do not receive compensation from such activities. Client discussions may include both financial and nonfinancial issues.

Advisor does not market other products or services, nor is Clark Asset Management in another business. Clark Asset Management may be willing to undertake a consulting assignment if we felt it was congruent with our expertise, on a negotiated basis. As of February 28, 2018, assets under management were as follows:

Discretionary: \$22,386,450.44
Non-Discretionary: \$0.00
Total AUM: \$22,386,450.44

### Item 5- Fees and Compensation

The Advisor’s fee is based on the value of assets under management, at the beginning of each billing quarter. Fee schedule is as follows.

For accounts which aggregate to more than the Advisor’s minimum account size (\$300,000), fees may be based on asset class, as follows:

#### Equities and Cash

First \$500,000.00	1.00% / year
\$500,001.00 - \$1,500,000.00	0.75% / year
Over \$1,500,000.00	0.45% / year

#### Other Fixed Income

\$0-\$500,000.00	0.76% / year
\$500,001.00 - \$1,500,000.00	0.60% / year
Over \$1,500,000.00	0.48% / year
Municipal Bonds	0.24% / year

For clients whose aggregate account value is less than Advisor's minimum account size (\$300,000), fees are based on total account value, as follows:

First \$300,000.00	1.00% / year
--------------------	--------------

Some clients who signed an agreement at an earlier time may be on a different fee schedule, set forth in a previous filing of our Form ADV. Management fees are negotiable. All accounts are discretionary. Portfolio management of accounts of clients' children may be complimentary. Our fees are based on a percent of Assets Under Management (AUM), as set out below. Fees are drafted out of client accounts at or after the beginning of the quarter, in advance, based on the end-of-period value of the previous quarter. Investment agreements may be terminated by giving 14 days' notice, and clients may negotiate a refund of fees if dissatisfied. Fees will be prorated to the date of termination, and any portion which has been pre-paid but unearned will be refunded.

In addition to portfolio management fees paid to Clark Asset Management + Associates, Inc., clients also bear the transaction costs (brokerage fees), any incidental mutual fund early redemption fee, and any ADR fees charged by domestic or foreign custodians or banks. Advisor does not receive any part of brokerage commissions or other transactions cost, nor any rebates from broker-dealer.

Advisor requires that those responsible for determining and implementing investment advice for clients should have at least completed their Doctorate degree (Ph.D.) in either Economics, Finance, or Philosophy; be enrolled in the CFA program or have completed the CFA designation, and possess some relevant experience.

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

Advisor does not offer any performance based fees.

Advisor does not engage in Side-By-Side management.

### **Item 7- Types of Clients**

Most of our clients are individuals over 50 years of age, who appreciate relatively conservative investment portfolio management. Advisor's minimum account size is \$300,000. Advisor may be willing to make exceptions, especially for clients in the petroleum or real estate industry, or residents of Southern California, or Oklahoma. Based on client conversations, many have some relation or exposure to the investment process in either the petroleum or real estate industry. Some are smaller business owners or attorneys. Most have some comfort or familiarity with the process of managing risk or projects or a group of projects with variable return outcomes. We would serve corporations, institutions, banks, credit unions, trusts, estates, or non-profit organizations. We have no bank, insurance company, or investment company clients at this time.

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

Investment returns are uncertain, and uncertainty implies a risk of loss. At Clark Asset Management, part of the basic underlying framework for portfolio management derives from Harry Markowitz. We believe (especially given some academic assumptions) that on average, investors get paid for taking on market risk, but (given those certain academic assumptions) they do not get paid any more, on average over time, for taking on company-specific risk, which most of the time can be diversified away. Thus, when an investor takes on company specific risk, it is good to have some rationale for thinking the theoretical assumptions do not apply, or for believing as a result of some extra research that such an investment will be rewarded. The risk is that it is not. The Fama-French model further asks what risks are worth being exposed to, and which are not. Fama-French focuses on the market, small-size effect, and the value effect. Some investments may be company specific based on specific macro or secular industry trends or developments. Our time-frame would be viewed as generally either cyclical or secular, although some securities might be sold after a short period if a unique development occurred to which Clark Asset Management believed it had a unique insight. Most investments are longer term, with a mixture of passive and active. In constructing portfolios, in most cases the major lever affecting the risk of the portfolio is the percentage allocation to fixed income securities. Most Clark Asset Management combined accounts have an allocation of about 10-35% to fixed income securities. Fixed income investments expose the investor mainly to interest rate risk (approximated by duration), and credit risk. Advisor recognizes that after this fixed income percentage allocation range is established, the riskiness of the fixed income portion of the portfolio can or will be affected by varying maturity, interest rate risk, duration, and credit of the fixed income instruments.

Clark Asset Management's policy is that, most of the time, the EMH provides a good or the best framework for understanding market behavior, with occasional exceptions or anomalies. Markowitz provides a foundation of fundamental portfolio theory to our management approach. Advisor is open to incorporating things that are exceptions or that may enhance client investment experience and performance. Changes in many factors including economic policy, interest rates, monetary policy, climate, piracy policy, weather, politics, and geopolitical conflicts are quickly and efficiently incorporated into prevailing asset prices, and hence may be the cause of a risk of loss of investment value.

In constructing client investment portfolios, advisor specifically and consciously diversifies equities both by asset class, and by selection method. Advisor incorporates and relies on the Fama-French model, and diversifies by asset classes (in the Fama-French framework) to do so, specifically using DFA mutual funds and investment instruments, and other securities that are more generally consistent with the Fama-French model. Individual securities may be selected by a value-growth approach (sometimes referred to as "Growth At a Reasonable Price," or GARP), and some securities that may be very illiquid but represent deep value in Advisors view, where the Advisor expects the client portfolio to eventually earn a liquidity discount. Client portfolios are diversified by asset classes as defined by the Fama-French framework using the DFA funds and

also by means of security selection. All of these entail risk of loss and market fluctuation which the Client should be willing and prepared to bear. Such losses and fluctuation are very likely to have been diminished and dampened by incorporating them all in the process, rather than investing an entire portfolio in one asset class or with one security selection method. Advisor believes that by diversifying both across asset classes and by means of security or financial instrument selection, that the volatility of returns on client portfolios is reduced, and that clients experience more resilient portfolios with less volatility, and somewhat enhanced returns than what might otherwise prevail. Advisor believes this was definitely true during the Internet market collapse of early 2000s, but less so during the 2008-09 market decline, when advisor's portfolios on average only somewhat outperformed the S&P 500, but generally experienced significant declines, as the 2008 financial episode became global. Notwithstanding the foregoing, investing in securities involves risk of loss which Clients should be prepared to bear.

Advisor may consult newspapers, investment newsletters, government and industry data, stock charts, SEC and other government filings, books, company websites, stock charts, and earnings and financial data of share issuers. Advisor may occasionally visit issuer facilities, speak with issuer employees or customers, or view company presentations. Advisor also attends periodic meetings of the CFA Society of Los Angeles, industry investment conferences, and annual conventions of the American Economic Association in selected years. Advisor's principal officer attended the recent AEA annual convention in Denver and the prior one in San Francisco. Since the American Economic Association meetings are held as part of the Allied Social Sciences Association convention, advisor has the benefit of being exposed to papers presented by members of the American Finance Association, Urban Economics Assn., and several other similar social science professional associations. The principal portfolio manager, Gary N. Clark, also attends other industry events or seminars, and is also a member of the Society of Petroleum Engineers in addition to the American Economic Association.

### **Item 9- Disciplinary Information**

Currently the Advisor has two persons who make the investment decisions: Gary N. Clark, Ph.D., CFA, and Vincent I. Payne, CFA, Esq. Mr. Payne does not make any investment decisions in Texas or for Texas residents. Neither Mr. Payne nor Dr. Clark have ever been arrested nor charged with the commission of any felony, misdemeanor, securities law violation, or managed a firm which filed for bankruptcy. Neither have been involved with any firm or scheme that was charged or involved with fraud or any sort of wrongdoing. Nor was Clark Asset Management forced to receive any TARP bailout funds.

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

Practically all of Advisor's accounts are domiciled at the Schwab Institutional division of Charles Schwab & Co. Advisor receives no compensation for this nor any part of transaction fees. Advisor is registered as a Registered Investment Advisor in California and with Oklahoma

Department of Securities. This fact should not be construed as representing any skill level nor endorsement by neither State Securities Department nor any other government agency. Advisor is not registered as a broker-dealer nor a Commodities Trader. Advisor is not affiliated with any hedge firm nor venture capital firm. Advisor may establish arrangements with solicitor individuals or firms, but has none at this time. Should Advisor engage any individual or firm to generate new client relationships, such clients would not pay any higher fee than current clients due to any compensation paid to such Solicitors. Advisor does not have a financial nor material commercial arrangement with a CPA firm, law firm, bank, insurance company, or other party. Advisor does not compensate clients or unaffiliated outside parties for referrals.

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

Clark Asset Management endorses, adopts, and supports the CFA Code of Ethics and Standards of Professional Conduct. Advisor will provide a copy to any client upon request.

Advisor or related persons may and often does acquire the same securities that are acquired for client portfolios. At any time when both are under consideration at a given price, client positions are acquired first or sold first, in conformity with Standard VI B, "Priority of Transactions", and Standard VI A, "Disclosure of Conflicts" of the CFA Institute Standards of Professional Conduct. Since most securities are traded on national exchanges in liquid markets, generally any potential impact is minimal.

### **Item 12- Brokerage Practices**

Most securities acquired or sold for client portfolios are executed electronically by Clark Asset Management through links with the Schwab Institutional website. Clark Asset Management is likely to strongly suggest the Schwab Institutional division of Charles Schwab & Co., due to software and computer data interface considerations. We are able to choose among thousands of mutual funds, securities, bonds, and other securities (both domestic and foreign) to find those we believe are most appropriate and optimum for client portfolios. We are also able to acquire securities from other brokerage firms for client portfolios domiciled at Schwab. Some trades may occasionally or rarely be directed to brokers other than the one where the client's portfolio is held. This is generally for obscure municipal bonds. Considerations would be price, availability, or transactions costs. Advisor may receive research services which may benefit several client accounts. Advisor may execute a single block trade on behalf of several clients and allocate acquired securities among multiple client accounts. Advisor believes commissions paid are reasonable.

### **Item 13- Review of Accounts**

Client portfolios are reviewed on an ongoing basis by Gary N. Clark, CFA, Senior Portfolio Manager, or Vincent I. Payne, CFA at least once per month. Clients receive monthly account statements from Charles Schwab & Co, and quarterly reports from Clark Asset Management. Quarterly reports contain fee statements, performance metrics for total portfolio and each individual holding, benchmark performance, cost basis information, and internal rate of return information.

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

Advisor may have relationships with certain individuals or Solicitor entities, in which such Solicitors would play a role in the referral of clients, and such Solicitors would be paid a part of the portfolio management fee in return to performing the marketing function and client relationship and interface services. Such fees will not be higher than they would otherwise be in the absence of such Solicitor relationships.

### **Item 15- Custody**

Clark Asset Management does not take possession of client funds or securities. Unless the relationship is a custodied DVP arrangement or client has other strong considerations, deposits of funds or securities should be made directly to Charles Schwab + Co. Through the Schwab Institutional service, Clark Asset Management may receive access to a broader range of investment instruments with supporting technology than the client might otherwise achieve. Such a relationship also offers the flexibility of acquiring offerings through other broker-dealers, such as specialized municipal offerings, or better execution on some specific security. We believe connection to Schwab technology offers important advantages to our clients, benefiting most client accounts. Advisor might work with other brokers such as Fidelity, and has in the past, and will work with clients who have institutional custody arrangements in place or want to establish such relationships.

Clients are urged to carefully review the monthly statements from Schwab or any other custodian. Clients are urged to compare the account statement that they receive from Schwab with the quarterly statement that they receive from Clark Asset Management.

### **Item 16- Investment Discretion**

The principal business of Clark Asset Management is managing client investment portfolios on a discretionary basis. This discretion is granted in our Investment Advisory Agreements and is also incorporated in Schwab account application forms. All clients have an individualized Investment Policy Statement or similar guidance, which is their charge to the portfolio manager.

All investment decisions and actions are made by Gary N. Clark, CFA and/or Vincent I. Payne, Esq., CFA. Clark Asset Management + Associates, Inc., through its principal portfolio manager, decides on asset allocations and selection and purchase of specific securities, in the context of each client's Investment Policy Statement. Texas portfolios are not managed by Mr. Payne.

### **Item 17- Voting Client Securities**

Advisor has an obligation to vote securities for certain qualified plans, and will generally vote against management.

### **Item 18- Financial Information**

Clark Asset Management + Associates, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Advisor does not require prepayment of fees that are more than \$500 in fees and 6 or more months in advance.

### **Item 19- Requirements for State-Registered Advisers**

The control person and principal portfolio manager of Clark Asset Management + Associates, Inc. is Gary N. Clark, CFA.

## **Gary N. Clark**

### **B. Education and Business Experience**

Mr. Clark was born in California in 1945. He attended Claremont Men's College (now Claremont McKenna College) from 1963-1967, and graduated with B.A. degree in Economics. He attended the University of Oklahoma at Norman from 1967-1969, and received an M.A. degree in Economics. After two years in the U.S. Army (1969-1971) he returned to the University of Oklahoma 1972-1977, and received a Ph.D. in Economics in 1977.

He completed the "College for Financial Planning" CFP course in 1989. He earned the CFA Charter from the Institute of Chartered Financial Analysts in 1990 and is currently a CFA Charter holder (Charter # 131129). The CFA program is a rigorous three-year course of study with difficult and selective examinations covering corporate finance, economics, regulation, ethics, and more.

Dr. Clark taught Investment Theory, Portfolio Management, and Security Analysis in the Finance Department at California State University Long Beach during 1989-1996. He is familiar with the Efficient Markets Hypothesis (EMH) and with the conclusions of the work of Harry Markowitz. He has been personally trained by Rex Sinquefeld and David Booth. He has been President and Chairman of the Board of Clark Asset Management + Associates, Inc. since 1989.

**C. Disciplinary Information**

The supervised person, Gary N Clark, has not been involved in any criminal nor civil action, foreign nor domestic in the past ten years. Nor has he been in any disciplinary proceedings nor is he currently the subject of any prospective disciplinary proceeding. He has not been involved in the violation of any investment-related statute or regulation, and is not the subject of any regulatory order, judgment or decree limiting any investment related activity. Nor has he been involved in any SRO proceeding which caused an investment related business to lose its authorization to do business, nor has he ever been involved in a violation of any SRO rules.

**D. Other Business Activities**

Gary N Clark is not involved in any other investment –related business. Nor is he involved in any other business that provides a substantial source of income. Nor is there a relationship between other financial activities and the advisory business of the supervised person which would create a material conflict of interest for clients.

**E. Additional Compensation**

There is no person or entity who is not a client who provides an economic benefit to the supervised person for providing advisory services.

**F. Supervision**

Supervising the supervised person is the control person, Gary N. Clark. The supervised person is supervised by considering and evaluating whether he has provided the best service of which he is capable, whether he strove to produce high quality investment decisions and portfolio management, appropriate to the client, and in conformity with the ethical standards of the CFA Institute.

**G. Requirements for State-Registered Advisors**

The supervised person has not been involved in any arbitration proceeding alleging damages in excess of \$2,500. Nor was there ever any award against him in any civil, self-regulatory organization, nor administrative proceeding. The supervised person has never been the subject of a bankruptcy petition.

## **Vincent I. Payne**

### **B. Educational Background and Business Experience**

Vincent I. Payne was born in 1965. Mr. Payne graduated from the University of Pacific in 1987 (Pharm.D.) and completed his pharmacy residency at the University of Iowa. Mr. Payne obtained his J.D. from UCLA in 1998 and is a member of the California Bar. Mr. Payne has been an administrator at Clark Asset Management + Associates, Inc. since 2012, and subsequently an analyst at Clark Asset Management + Associates since October 2016. Mr. Payne obtained the Chartered Financial Analyst designation from CFA Institute in 2016.

To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **C. Disciplinary Information**

Mr. Payne has not been subject to any legal or disciplinary events.

### **D. Other Business Activities**

Mr. Payne *is not* actively engaged in any other investment-related business or occupation.

Mr. Payne *is* actively engaged in a non-investment-related, professional occupation that involves a substantial amount of his time, and provides a substantial source of his income. Mr. Payne is a fulltime staff pharmacist, licensed to practice in California and Nevada.

### **E. Additional Compensation**

None.

### **F. Supervision**

Mr. Payne is supervised in all investment-related activities on behalf of Clark Asset Management + Associates, Inc., by Gary N. Clark, CEO. Questions regarding Mr. Payne's supervision or compliance practices should be directed to Mr. Clark at (818) 236-3794.

### **G. Requirements for State Registered Advisors**

Mr. Payne has not been involved in any of the events required to be disclosed by State-Registered Advisors.