

THE CLEAR FUND
MANAGEMENT LETTER
DECEMBER 31, 2015

FRUCHTER ROSEN & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
156 WEST 56TH STREET
NEW YORK, NEW YORK 10019

TEL: (212) 957-3600
FAX: (212) 957-3696

July 11, 2016

To the Audit Committee of the Board of Directors of
The Clear Fund
182 Howard Street, Suite 208
San Francisco, CA 94105

In planning and performing our audit of the financial statements of The Clear Fund as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered The Clear Fund's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Clear Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of The Clear Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of The Clear Fund's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Exhibit I accompanying this letter summarizes an observation for the year ended December 31, 2015 that we determined did not constitute a significant deficiency or material weakness. Management's response to the observation has not been subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Directors, and others within The Clear Fund, and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate your cooperation and the assistance we received during the course of our audit.


FRUCHTER ROSEN & COMPANY, P.C.
Certified Public Accountants

New York, New York
July 11, 2016

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EXHIBIT I – UPDATING THE FINANCIAL POLICIES AND PROCEDURES MANUAL

A. UPDATING THE FINANCIAL POLICIES AND PROCEDURES MANUAL

Observation

As The Clear Fund expands its activities and adds new staff in the finance/accounting department, the formal policies and procedures manual will need to be updated in order to achieve a sufficient internal control structure. This will help improve The Clear Fund's ability to process, record, summarize, and report financial information.

Recommendation

We recommend that consideration be given to updating the manual wherein finance and accounting policies and procedures are clearly defined, segregation of duties are considered, and possibly increasing certain thresholds for approvals, capitalization, and others.

Management's Response

Management agrees with the Auditors' recommendation and will consider updating the finance and accounting policies and procedures, including segregation of duties, and may increase certain thresholds for approvals, capitalization, and others.