

ITEM 1 – COVER PAGE

Brochure/Part 2A of Form ADV

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Introduction

Boyar Asset Management, Inc. (the "Adviser") is registered with the United States Securities and Exchange Commission (the "SEC"). This Brochure provides information about the qualifications and business practices of the Adviser and constitutes our Form ADV Part 2A. If you have any questions about the contents of this brochure, please contact Jonathan Boyar, Chief Compliance Officer at 212-995-8300 or by email at JBoyar@boyarvalue.com.

The information in this Brochure has not been approved or verified by the SEC or any state or foreign securities authority. Registration does not imply that the Adviser, or its associates, has attained a certain level of skill or training. We encourage you to visit the SEC's Investment Adviser Public Disclosure website ("IAPD") for more information about the Adviser. The IAPD web address is: www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

There have been no material changes from our annual update filing in March 31, 2011.

This is our first "revision" filing of what we regard as "The New Part 2" of our Form ADV. This document was developed in response to new requirements adopted and imposed by the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("IA Act"). As a result, this "Brochure" should still be considered "new" although you will recognize most of the disclosures as similar or identical to what you have read in the past.

We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

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Item 4 – Advisory Business

The Adviser is organized as a sub-chapter “S” corporation under the laws of State of New York in United States. The Adviser has been in continuous operation since approximately 1983. Mark Boyar is the majority owner of the Adviser.

More information is available about us in our Form ADV Part 1.

The Adviser provides investment management services on both a discretionary and non-discretionary basis as agreed between the Adviser and the client. Clients should notify the Adviser whenever there is a change in their financial situation or investment objectives or if they wish to impose any restrictions upon the Adviser’s management services. The Adviser will make and implement investments within the framework of any objectives, limits or guidelines imposed by the clients.

The Adviser also serves as the investment adviser to The Boyar Value Fund, an open-end management investment company (the “Fund”). The Fund is incorporated under the laws of the State of Maryland. The Fund’s investment objective is long-term capital appreciation. Under normal market conditions, the Fund invests primarily in equity securities that are believed by the Adviser to be intrinsically undervalued. Intrinsic value, as the Adviser defines it, is the estimated current worth that would accrue to the stockholders of a company, either through liquidation of corporate assets upon termination of operations, or through the sale or merger of the entire enterprise as a continuing business.

The Adviser believes that stock market prices often fail to accurately reflect the underlying intrinsic value of companies. To find undervalued stocks, the Adviser evaluates a company and its assets as any acquisition minded business executive would. The Adviser takes the company's balance sheet, tears it apart, and reconstructs it in accordance with economic reality - as opposed to generally accepted accounting principles.

Economic reality, according to the Adviser, is the result when you tear a company's balance sheet apart and find hidden or undervalued assets. If the Adviser determines that it would purchase the assets of a company at a significant discount to intrinsic value, the Adviser believes that after a reasonable period of time, either the stock market will accurately reflect those values, or the assets of the company will be acquired by a third party.

The Adviser utilizes a "buy and hold" investment strategy, which reflects the determination to grow capital and maintain purchasing power by holding stocks for

the long term. The Adviser employs a variety of different investment strategies and techniques to uncover opportunities for the Fund. The Fund has no policy regarding the minimum or maximum market capitalization of companies in which it may invest.

The offering documents of the Fund contain a more detailed description of this information, including its risk factors and conflicts of interest.

Additionally, the Adviser provides investment advice to Boyar Partners L.P., an unregistered private investment vehicle (the "Partnership"). The Partnership is offered to persons or entities meeting certain minimum net worth requirements. Boyar GP Holdings, Ltd. ("Boyar GP"), a related person of the Adviser, is the general partner of the Partnership. [In general, an investor withdrawal from the Fund will be subject to (a) a notice period, (b) a lock-up, and/or (c) a withdrawal fee. Generally, the Fund is open for subscriptions and withdrawals around the end of the second and fourth quarter of each year, subject to limitations, restrictions and suspension as more fully described in the offering documents.]

Our Clients may be invested in the Funds.

As of March 19, 2012, the most recent date for which calculations are available, we manage the following assets:

Discretionary Assets	\$148,019,925.10
Non-discretionary Assets	14,406,833.00
Total	\$162,426,808.10

Investment Advisory Contracts may be terminated by either the Adviser or the client generally upon 30 days' written notice to the other party. Upon termination, advisory fees paid in advance, if any, for services not performed will be refunded to the client on a pro rata basis. Any pro-rata investment advisory fees due to the Adviser, as of the date of Adviser's or client's receipt of notice of termination, and not yet paid will be required to be paid to the Adviser. If a client cancels the Investment Advisory Contract within the first three months after the date the contract is executed, the client will be billed for reasonable start-up expenses associated with the client's account.

Unless otherwise directed by the client in writing at the time of providing a termination notice to Adviser, all securities in the account may be liquidated at market to a cash or cash equivalent position. Such liquidation could result in a daily or short term market fluctuation for other accounts holding the same securities in their portfolio.

Neither the Adviser nor the client may assign the Investment Advisory Contract without the consent of the other party. Transactions that do not result in a change of actual control or management of the Adviser shall not be considered an assignment.

A copy of the Adviser's Privacy Notice and written disclosure statement on Form ADV Part 2 pursuant to Section 204-3 of the Investment Advisers Act of 1940 will be provided to each client prior to the execution of the Investment Advisory Contract. Any client who has not received a copy of the Adviser's written disclosure statement at least 48 hours prior to executing an agreement may terminate that agreement within five business days of its execution without penalty. In addition, a copy of the Adviser's Privacy Notice will be provided to each natural person client in accordance with applicable law, which currently provides for annual notice in July of each year or notice in the event of material changes in the notice.

Boyar Asset Management may elect to hire additional advisors who have their own established client base. These advisors would have full discretion for their own accounts but would be employees of Boyar Asset Management. They would be compensated as a percentage of their advisory revenue. We will only hire individuals who we believe share a similar investment philosophy with us.

Boyar Asset Management has a team of highly skilled and experienced analysts. Boyar Asset Management may elect to designate one or more of these analysts to co-manage any account with Mark Boyar.

Item 5 – Fees and Compensation

The Adviser generally charges clients a fee based on a percentage of the total market value of assets under management, including dividends and interest that have been earned but not yet received, on the last day of the quarter for which the fee is charged. The fee is payable quarterly in arrears and is due upon the client's receipt of an invoice from the Adviser. Subject to negotiation in accordance with the individual requirements of each client, the annual fee is generally 1.5% of such

assets. Clients invested in the Fund through a managed account with Boyar will not be charged investment advisory fees on the asset value invested in the Fund. The Adviser may also charge a performance-based fee to certain of its clients.

The quarterly fees are generally deducted directly from the client's custodial account based upon the market value of such account as of the last day of such quarter. Payment will be deducted from the client's account as of the last day of each calendar quarter. The Adviser will not directly debit a client's advisory fees if such client specifically requests a separate invoice. In such case, payment will be deducted from the account if payment is not received within 10 days from the date of the invoice.

Accounts managed by the Adviser may have a large percentage of their assets invested in cash and cash equivalents at all times. Clients will be charged the management fees on the cash and cash equivalent positions in their account.

Management fees, if charged, are prorated for each capital contribution and withdrawal made during the applicable month/calendar quarter (with the exception of *de minimis* contributions and withdrawals). Accounts initiated or terminated during a month/calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable without penalty or other deduction.

For the majority of our clients fees are inclusive of brokerage commissions, transaction fees and other related costs and expenses, which are absorbed by the Advisor (although the Advisor has the right to impose such fees on the client). However, in certain circumstances clients may incur certain charges imposed by custodians, brokers, third party investment and other service providers, such as brokerage commissions, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

As compensation for serving as the investment adviser to The Boyar Value Fund, the Fund pays the Adviser a fee of 0.50% of the Fund's average daily net assets. The Adviser has agreed to waive a portion of the advisory fee and reimburse certain expenses of the Fund. For further information on Fund expenses and other pertinent information, see the Fund's prospectus and statement of additional information.

As compensation for providing investment advice to the Boyar Partners L.P., Boyar GP Holdings, Ltd. receives a quarterly administration fee equal to 0.25% of the net

asset value at the close of business on the last business day of each quarter. In addition, Boyar GP may earn an incentive fee equal to 20% of all realized and unrealized profits exceeding a high water mark.

Item 12 describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

The majority of our clients direct us to use Fidelity Investments as their broker/custodian. Although the clients direct us to use Fidelity Investments, we maintain a relationship with Fidelity for a variety of reasons, including but not limited to their trusted name, capital position, the safety of our clients assets, the competitiveness of their fees, and the quality of their execution.

Our fees are subject to negotiation, but in the vast majority of situations, our standard rate of 1.5% of assets under management will apply absent extraordinary circumstances.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Adviser charges certain clients performance- or incentive-based fees, which mean fees based on a share of capital gains on or capital appreciation of the assets of a client. These fees are described in Item 5.

Our performance and incentive fee arrangements have been structured in accordance with the requirements of the Investment Advisers Act of 1940 (the “Advisers Act”), including Section 205(a)(1) and available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring assets for the calculation of performance-based fees, we will include realized and unrealized capital gains and losses.

Performance-based fee arrangements may create an incentive for us to (i) favor performance-fee paying clients over clients not subject to such fees in the allocation of investment opportunities and (ii) recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. We have designed and implemented an allocation policy to ensure that client accounts within a particular investment strategy are treated fairly and equitably (i.e., no one client account is inappropriately favored over another).

We treat all clients equally, regardless of whether or not they pay incentive fees, and do not favor one client over another. The Advisor generally prefers to buy a security for clients over the course of a few days. In order to treat everyone fairly, the Advisor generally allocates to client accounts securities purchased in alphabetical order, separated by the client's last name, or the name of the account (in the absence of a last name). Generally the next time the Advisor purchases a security, the Advisor starts the list in reverse alphabetical order. Although we use our best efforts to adhere to this system, there are circumstances where we may deviate from this system for practical or administrative reasons. We believe any omissions are immaterial, since our approach is to be a long-term patient investor with low portfolio turnover. The Advisor treats each account individually and reserves the right not to purchase a security for an individual account, even though it purchases the security for other accounts. This may be done for a variety of reasons, including but not limited to the fact that a particular investment does not meet a particular client's investment objective or risk tolerance.

ITEM 7 – TYPES OF CLIENTS

The Adviser provides services to a variety of client types. Clients may include:

- Individuals, personal trusts and estates – private investors, investing personal assets;
- Banks and thrift institutions;
- Investment companies;
- Pension and profit-sharing plans – generally organized as a trust, investing the pooled assets of plan participants;
- Charitable organizations, foundations and endowments – non-profit entities investing contributions to support a stated mission or mandate;
- Corporations and business entities – taxable entities organized for a specific business purpose, investing cash reserves; and
- Private investment funds – “hedge funds.”

The Adviser generally requires that clients establish an advisory account at the Adviser with a minimum amount of at least \$1,000,000 of cash or securities. The minimum initial investment in The Boyar Value Fund is \$5,000. These minimum initial account sizes may be waived at the sole discretion of the Adviser with respect to:

- Tax-sheltered retirement plans (such as Individual Retirement Accounts, simplified employee pension plans, money purchase pension and profit sharing plans, 401(k) and 403(b) Plans) and other retirement plans that may be subject to ERISA;
- Accounts that commit to increase the size of their accounts;
- Uniform Gift to Minors Accounts;
- Custodial and fiduciary account; and
- Such other accounts as the Adviser may permit.

The relative percent of each type is available on our Form ADV Part 1. The actual mix of types of clients may change over time based upon market conditions, business plans and other factors.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Adviser primarily utilizes the fundamental approach to security analysis and portfolio management. The fundamental approach involves an analysis of the fundamental operating, financial and industry conditions affecting each company whose securities are under consideration. The Adviser also considers current yield, price, earnings and dividend growth potential, and economic, political and sociological factors in its analysis.

The Adviser seeks to invest in companies that are generally trading below their intrinsic worth, which is defined as the estimated current worth of a company that would accrue to its stockholders in the event of either (i) the liquidation of the company's assets upon the termination of operations or (ii) the merger, consolidation or sale of the company.

The Adviser uses certain investment techniques in managing client portfolios, including, without limitation, the following:

Concentrated or Non-Diversified Positions. Investments in certain accounts managed by us may be concentrated in certain industries, sectors or markets. Investments may also be focused on the securities of particular issuer such that the account is non-diversified. Concentration and non-diversification pose increased risk of loss to

the extent the account is more susceptible to adverse events affecting the industry or issuer in which the account is focused.

Short Selling. While the Adviser rarely uses this technique, in managing certain accounts, it is permitted to sell securities short, in the expectation of covering the short sale with securities acquired in the open market at a price lower than that received from the short sale. The possible losses from short selling are unlimited. This differs from the possible losses that could be incurred from taking long positions in securities, which are limited to the total amount invested. In addition, short selling can cause downward price pressure on a stock and could therefore pose a potential conflict of interest if some client accounts were selling short the same security other client accounts hold long (and vice versa).

Use of Leverage. While the Adviser rarely uses this technique, in managing certain accounts, it may also use leverage, such as investing monies borrowed on margin or taking positions in certain types of derivatives that involve leverage. It may also invest client accounts in certain ETFs (exchange-traded funds) that provide leveraged exposure to their underlying indexes. Use of leverage can cause portfolio values to rise and fall faster than if leverage were not used. Use of leverage also involves the risk that securities in an account will have to be liquidated in order to meet margin calls or maintain sufficient asset coverage, at a time when it may not be desirable or advantageous to sell.

Options Trading. The Adviser rarely uses this technique. The purchase or sale of an option involves the payment or receipt of a premium by the investor and the corresponding right or obligation either to purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Turnover. The Adviser historically has a very low turnover rate. It is, however, free to sell securities in client accounts regardless of the length of time they have been held and regardless of the resulting rate of portfolio turnover, when, in its sole discretion, it determines that such changes will promote the investment objective of

and be consistent with the investment restrictions applicable to the account. Client accounts may therefore experience a higher than average rate of turnover. Turnover may cause tax consequences for the account and the client to the extent of realized gains and losses, depending on the type of account. Clients should consult their own tax advisors concerning the tax consequences of investments in their accounts.]

Investing in securities involves risk of loss that clients should be prepared to bear.

Steps to Mitigate Conflicts of Interests. While certain conflicts of interests are inherent in the investment advisory business, the Adviser strives to minimize these conflicts of interest and has instituted a number of policies and protocols to eliminate or manage these potential conflicts, including the following checks and measures.

- 1) Every year, we engage an outside consultant to review our policies and procedures to ensure they meet the highest legal and ethical standards. The mandate of the consultant is to review our business in the same manner that an auditor from the SEC would conduct an inspection. We then make any changes that we deem necessary based on the findings or any detected areas for improvement.
- 2) We have a firm wide annual meeting at least once a year to educate and train employees and review relevant compliance issues. At this meeting, we stress that employees must adhere to the highest legal and ethical standards and instruct them to inform senior management if they have any questions regarding policies or procedures.
- 3) We review and monitor employees personal trading and outside brokerage accounts for any conflicts of interests.
- 4) The securities we purchase are all traded on major stock exchanges, and we use the market prices of these securities in any valuation calculations we may do.
- 5) All securities purchased or sold on the same day are allocated based on an "average price" to insure that one client does not receive a more favorable price over another.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary that would be material to clients' or prospective clients' evaluation of the adviser's business or the integrity of their management. There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of the Adviser's business or the integrity of our management.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The arrangements described below present conflicts of interest to the Adviser's clients. Clients should read these descriptions carefully and seek the advice of their own attorneys with respect to whether to retain the Adviser.

Mark A. Boyar, President and principal stockholder of the Advisor, is also the President and principal stockholder of Mark Boyar & Company, Inc. ("MBC"). MBC was formerly a broker-dealer and is no longer registered with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

The Adviser may purchase securities on behalf of its advisory accounts and the Fund that are discussed and researched by the *Asset Analysis Focus* publication ("AAF"), which was established as a service to clients in 1975 and is published by Boyar's Intrinsic Value Research, LLC ("BIVR"). AAF is authored by employees of the Adviser, including the Adviser's Chief Investment Officer. The Adviser may also purchase securities on behalf of its advisory accounts and the Fund that are discussed and researched by Boyar's Micro Cap Focus ("BMCF") which is also published by BIVR. BMCF is also authored by employees of the Adviser, including the Adviser's Chief Investment Officer.

AAF and BMCF are not investment advisory bulletins that recommend the purchase or sale of any security. Nonetheless, certain employees are required to follow specified rules in order to avoid any appearance of a conflict of interest between the publication of AAF or BMCF and the buying and selling of featured securities by access persons. The term "access persons" is defined as all employees, officers and directors of the Adviser and all their affiliated entities. Access persons may have

different goals, opinions or investment objectives than those stated from time to time in AAF or BMCF and may, at times, act in ways which differ from the opinions expressed in AAF or BMCF. AAF's and BMCF's rules are intended to ensure that access persons do not benefit from short-term trading fluctuations in securities prices that could result from the featuring of a particular security in AAF or BMCF. For further detail, please contact the Adviser.

The Adviser does not believe that it controls The Boyar Value Fund, but the Adviser does serve as the investment adviser to the Fund, and Mark Boyar serves as the Chairman of the Board and Chief Executive Officer of the Fund. In addition, Mark Boyar is the manager and principal member of Ebbets Field Associates LLC ("Ebbets Field"), an entity he controls, which entity owns 50% of the equity interest in the Fund. In addition, Ebbets Field owns the other 50% of the outstanding voting securities of Ladenburg Thalmann Fund Management LLC, a registered investment adviser, the named Manager to the Fund.

Boyar GP Holdings, Ltd. is the general partner to Boyar Partners L.P. The Partnership invests primarily in common stocks that are traded on stock exchanges and in other established markets within the United States. The Partnership may also invest in convertible securities, warrants, preferred stocks and debt securities that are traded in such markets. The Partnership may employ a number of specialized investment techniques, including short-selling, leveraging and, to a limited extent, options trading. The Partnership's investment objective is to achieve capital appreciation consistent with controlled risk and prudent diversification.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Adviser has adopted a Code of Ethics (the "Code") that describes its high standards of business conduct and fiduciary duty owed to clients and that is intended to ensure that no employees may in any way use information acquired by them in the conduct of their employment at the expense of a client. Accordingly, each employee is required to avoid knowingly purchasing or selling securities in such a way that competes in the market place with clients, or otherwise to adversely affect client transactions, use knowledge of client security transactions to profit by the market effect of such transactions, or give to third parties information of proposed or current purchases or sales by any client because of a possibility of such

parties taking action detrimental or potentially detrimental to such client, or improperly using such knowledge for their own use or benefit.

To avoid any potential conflicts of interest involving personal trades, the Adviser has adopted the Code, as well as insider trading policies and procedures. The Code requires, among other things, that employees:

- act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- place the integrity of the investment profession, the interests of clients, and the interests of the Adviser above their own personal interests;
- adhere to the fundamental standard that they should not take inappropriate advantage of their position; avoid any actual or potential conflict of interest;
- conduct all personal securities transactions in a manner consistent with the Code;
- use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and their profession;
- promote integrity of, and uphold the rules governing, capital markets;
- maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and
- comply with applicable provisions of the federal securities laws.

The Code also covers personal trading by employees and requires that they:

- pre-clear personal securities transactions in limited offerings and IPOs;
- report personal securities transactions on at least a quarterly basis;

- provide the Adviser with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which they have a direct or indirect beneficial interest; and
- send duplicate statements for outside brokerage accounts containing equity securities to the Adviser's Chief Compliance Officer.

This is a summary description of the Code. A copy of the Code will be provided to any client or prospective client upon request to the Adviser's Chief Compliance Officer at Boyar Asset Management, Inc., 35 East 21 Street, New York, NY 10010 (212-995-8300).

The Adviser prohibits personnel from engaging in conduct commonly known as "insider trading" or misusing material, nonpublic information ("inside information") and restricts their giving and receiving of gifts and their ability to accept certain positions with other companies.

Each officer, director and employee is required to sign a statement to acknowledge that they have received, read and understand the Code and will comply with it, as well as confirming that they will not misuse inside information.

Individuals associated with the Adviser may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the express policy of the Adviser that employee may not place his or her own interests ahead of those of an advisory client or make personal investment decisions based on the investment decisions made for advisory clients.

Apart from this, we maintain a log of material conflicts and the means to address/resolve them, as well as an inventory of compliance risks (as part of our risk management program), which we review on a regular basis.

The Adviser does not engage in the practice of "cross trading." It also does not have its own proprietary trading account. However, all directed trades for clients who maintain custody at Fidelity are traded in a block account, and the trades are allocated at the end of the day so that each client gets the same purchase or sale price. Clients who have outside brokerage accounts will not receive the same price as clients whose accounts are maintained at Fidelity. In addition, if the Advisor is only buying or selling stock for one client, the trade may be done in the client's individual account and not the average price account.

ITEM 12 – BROKERAGE AND TRADING PRACTICES

A. Soft Dollars

The Adviser received credits from Fidelity Investments as part of its overall clearing relationship when it agreed to transition its clearing arrangement to that firm. The Adviser has fully used these credits for “transition related expenses.” Other than this arrangement, the Adviser does not engage in the practice of soft dollars or bundling.

B. Client Directed Brokerage

With respect to advisory accounts managed by the Adviser, clients may instruct the Adviser to direct brokerage commissions to particular broker-dealers selected by that client. In such instances, the client is responsible for negotiating commission rates with their respective broker-dealers. The Adviser will not seek better execution services or prices from other broker-dealers and may not be able to aggregate the client’s transactions for execution through Fidelity with orders for other accounts advised or managed by the Adviser. Please see Item 10 above.

To the extent the Adviser is entering multiple orders in the same security across all or several client accounts, clients who direct the Adviser to utilize a specific broker-dealer will typically trade after the Adviser has executed trades for its other clients who utilize Fidelity Investments.

In the event that a broker-dealer refers a client to the Adviser, the Adviser has a potential conflict between the client’s interest in obtaining best execution and the Adviser receiving future referrals from the broker-dealer. Directing brokerage to a particular broker-dealer may involve the following disadvantages to directed brokerage clients:

- The Adviser’s ability to negotiate commission rates and other terms on behalf of such clients could be impaired;
- Such clients could be denied the benefit of the Adviser’s experience in selecting broker-dealers who are able to execute efficiently difficult trades; and
- Such clients could receive less favorable prices on securities transactions because the Adviser will place transaction orders for directed brokerage clients after placing bunched transaction orders for other clients.

Since individual clients may be able to negotiate lower fees and commissions with their designated broker or dealer than others, the commissions and fees charged for such services may vary from account to account. Clients who designate a particular broker or dealer may pay higher commissions than may be obtainable by us. In these cases, we will not negotiate commissions, may not obtain volume discounts or aggregate transactions. Commission charges will vary among clients and best execution may not be obtained.

When advisory clients direct us to execute trades with a specific broker, we may not be able to aggregate such client's transactions with similar transactions of other clients. There can be no assurance that the directing client will realize the same price or commission rate achieved for other clients. Due to the high commission rates paid on directed accounts, clients should be aware that account performance may be negatively impacted. Furthermore, high commission rates will negatively impact returns when we rebalance accounts. We encourage clients to consult our investment professionals prior to entering into a brokerage agreement with any broker or dealer.

We are not required or obligated to engage any broker or dealer to execute any transaction for a client if, in the sole and absolute discretion of the Advisor, the use of the services of such broker or dealer would violate any applicable law, regulation or stated position of the SEC or other regulatory body.

In any event, we do not receive client orders to buy or sell securities nor do we make ourselves amenable to do so.

C. Aggregate Trade Allocations and Trade Errors

The Adviser may manage multiple accounts with similar investment objectives and strategies or may manage accounts with different objectives or strategies that may trade in the same securities. Despite these similarities, the Adviser's investment decisions about each client's investments and the performance resulting from these decisions may differ from those of other clients.

The Adviser will not necessarily purchase or sell the same securities for client accounts at the same time or in the same proportionate amounts for all eligible clients. When the Adviser purchases thinly traded securities or oversubscribed public offerings, it may not be feasible to allocate a transaction pro rata to all eligible clients. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

In certain instances, there may be securities that are suitable for more than one of the Adviser's clients, including accounts in which employees of the Adviser have a proprietary interest. Investment decisions for each client are made with a view to achieving each client's respective investment objective. When two or more clients are simultaneously engaged in the purchase or sale of the same security, the Adviser will allocate the securities among clients in a manner that is believed to be equitable to each. It is recognized that in some cases this system could have a detrimental effect on the price or volume of the security in a particular transaction.

The Adviser, in its discretion, may use the average price at which a security is bought or sold for the clients involved in the transaction when a bunched order is executed in parts at different prices, or when two or more separate orders for the same security are entered at approximately the same time (i.e., during the same trading day) and are executed at different prices. Client commission rates on such trades, if any, will be computed as if the order entered for each client was not bunched, and may vary, as determined by reference to Fidelity's posted rates. There may be instances where the Adviser's Portfolio Managers have decided individually, and without consultation with one another, to buy or sell the same security. In these cases the timing of the trades may be different and, as a result, clients may receive differing prices.

We will generally execute transactions on an aggregated basis when we believe this will allow us to obtain best execution on behalf of our clients. When aggregating orders, all of our clients will be treated in a fair and equitable manner. We will not aggregate orders unless aggregation is consistent with our duty to obtain best execution. No account will be favored over any other client; however, a variety of factors are determinative of whether or not a particular client may or may not participate in a particular aggregated transaction. Because of differences identified above, there may be differences in invested positions and securities held which could lead to security dispersion among client accounts.

Consistent with our fiduciary duties, our policy is to exercise care in making and implementing investment decisions for our client accounts. To the extent trading errors occur, we seek to ensure that clients' best interests are served. Our policy is to resolve all trade errors within a reasonable time while ensuring the client is not disadvantaged, consistent with the orderly disposition (and/or acquisition) of the securities in question. As a general matter, actual losses suffered by a client account

as a result of a trade error caused by us will be reimbursed by us; however, as a general matter, we do not compensate our clients for lost investment opportunities (e.g., our failure to take advantage of investment or market improvements).

D. Brokerage and Best Execution

We place orders for execution in accordance with our best execution policy, procedures and criteria (below). Our brokerage policy seeks to achieve the most favorable net results for clients on each transaction. We believe that the key components for achieving the most favorable net results are transaction specific and dependent upon the experience of the executing and clearing broker, including its reliability, reputation in the industry, financial stability, capital commitment, infrastructure, research and execution services and ability to accommodate special transaction needs. Accordingly, transactions may not always be executed at the lowest available price or commission. Please see Item 10 above.

We use the following factors to select and evaluate brokers and counterparties to trade:

- 1) Safety of our clients assets
- 2) Custody and clearing services
- 3) Execution quality
- 4) Price

ITEM 13 – REVIEW OF ACCOUNTS

A. Frequency of Reviews

Mark Boyar, President and Chief Investment Officer, monitors each of the Adviser's individual accounts to determine, among other things, whether each account is appropriately positioned and whether investment objectives and policies are being

followed, generally, at least weekly, and for the Fund, generally, daily. Specific adjustments are made from time to time as necessary to further client objectives.

B. Written Reports

Daily confirmations of transactions and detailed monthly statements, including account value and a transaction summary, are provided to all clients of the Adviser by, Fidelity Investments or the broker chosen by the client. Please see Item 10 above for further information. Quarterly reports are furnished by the Adviser to most clients and include a review of account performance comparison, an appraisal of the account and overall comments. Meetings are scheduled upon request of the client.

Clients typically receive, on an annual basis, (i) statements from the applicable account custodian containing performance information based on an agreed upon set of procedures, and (ii) certain tax information for preparation of their respective tax returns, including a Schedule K-1 for United States persons.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, the Adviser may enter into solicitation agreements with affiliated and unaffiliated individuals or entities whereby investment advisory accounts are solicited for the Adviser. These agreements are entered into in writing pursuant to Rule 206(4)-3 of the Advisers Act and require, among other things, that such solicitors comply with requirements of the rule and other applicable law, as well as their contract with us. The solicitor must, at the time of his solicitation, provide the client with a copy of our Brochure. The solicitor must also provide the client with a separate document describing the solicitation arrangement, disclosing any affiliation between us and them, the compensation for solicitation and whether advisory fees for solicited clients are higher than those for other clients due to compensation paid to the solicitor. In these situations, the referred clients are not charged incremental fees in order to compensate the solicitor for the referral. However, inherent conflicts of interest exist and referred clients should seek the advice of their own attorneys in these situations.

ITEM 15 – CUSTODY

We do not maintain physical possession of the funds or securities of any client. We have entered into an agreement with Fidelity, which serves as custodian of the funds and securities. Please see Item 10 above for further information.

All clients receive statements of account holdings from their custodian not less than quarterly, and in most cases, monthly. Additionally, we will provide clients with account balance and activity details upon request. Clients are urged to compare the account statements received directly from the custodian to the statements, if any, provided by the Adviser.

While we do not hold client funds or securities, payments of fees may be made by the custodian from the custodial account. In certain jurisdictions this might be deemed constructive custody. Prior to permitting direct debit of fees, each client provides written authorization in the advisory agreement with us or the brokerage application with Fidelity permitting fees to be made directly from the custodian. We will send the client and the custodian a bill showing the amount of the fee and the way in which it was calculated. The custodian sends every client an account statement not less than quarterly showing all account activity, including the amounts disbursed from the account to us. This does not constitute custody under the Advisers Act.

ITEM 16 – INVESTMENT DISCRETION

The Adviser has authority to determine on behalf of its discretionary clients which securities to buy or sell, including the amounts thereof, without obtaining specific client consent before the transaction is effected. In exercising our investment discretion, we follow the investment policies and guidelines that are established at the inception of Advisor-client relationship (as amended from time to time) and, with respect to the Fund, its offering document. The guidelines and offering document cover matters such as the types and amounts of securities that will comprise the portfolio. In certain circumstances, some clients may also restrict certain securities from being purchased for their account.

All clients must fill out an investment management agreement before the Adviser begins to actively manage their accounts.

ITEM 17 – VOTING CLIENT SECURITIES

Unless expressly asked to do so, the Adviser's policy is to not vote proxies on behalf of its clients. However, the Adviser reserves the right to vote proxies on behalf of clients if it deems it appropriate.

ITEM 18 – FINANCIAL INFORMATION

We do not have any adverse financial information to disclose. Our management believes that we are financially sound.

A balance sheet is not required to be provided because the Adviser does not serve as custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

The Adviser is registered with the SEC and has no disclosure requirements under this Item.