



PEKIN SINGER STRAUSS  
ASSET MANAGEMENT

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

**Pekin Singer Strauss Asset  
Management, Inc.**

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3/27/2012

Pekin Singer Strauss Asset Management, Inc. is a registered investment advisor. This registration does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Pekin Singer Strauss Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 312-554-7525 or [wschmidle@pekingsinger.com](mailto:wschmidle@pekingsinger.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.

Additional information about Pekin Singer Strauss Asset Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107310.



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## **Item 2      Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/27/2012, is our amended disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

### **Material Change – Clark Street Farm, LLC**

One material change that occurred in 2011 was the suspension of Clark Street Farm, LLC. Clark Street Farm, LLC is a limited liability company formed in November, 2010 which was intended to maximize total return for its members by investing in agricultural farmland in Brazil and engaging in farming operations thereon. Given a sharp increase in the price of prospective parcels of agricultural farmland in the targeted region, Clark Street Farm, LLC was not able to secure property at an attractive price. No capital was raised to fund the LLC and potential investors who may have indicated an interest in the entity were released from their non-binding commitment.

### **Material Change - Client Referrals**

Previously, Pekin Singer Strauss Asset Management, Inc. may have paid fees to non-profit organizations (charities) named by clients who provided new client referrals to our firm. This practice was eliminated in 2011 and is no longer in effect.

### **Material Change – Election of New Shareholder**

Brandon J. Hardy has become a shareholder of Pekin Singer Strauss, effective January 1, 2012. Brandon's responsibilities for a number of years at the firm were as Portfolio Accounting Administrator. He has successfully transitioned into the area of Portfolio Manager.



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## **Item 4      Advisory Business**

Pekin Singer Strauss Asset Management, Inc. is a SEC-registered investment adviser with its principal place of business located in Illinois. The firm began conducting business in 1990.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Joshua Daniel Strauss, CFA, Shareholder
- Adam Savitz Strauss, CFA, Shareholder
- William Andrew Pekin, CFA, Shareholder

Pekin Singer Strauss Asset Management, Inc. offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS")**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities or industry sectors.



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Once the client's portfolio has been established, the portfolio manager will review the portfolio at least monthly, and if necessary, rebalance the portfolio based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of Deposit
- Municipal securities
- Mutual fund shares
- United States Government securities
- Agency securities
- Options contracts on securities
- Interests in private partnerships, including agricultural land and other investment types.

Because some types of investments involve certain additional degrees of risk, they will only be implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.



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## MUTUAL FUND PORTFOLIO MANAGEMENT

Pekin Singer Strauss Asset Management, Inc. serves as the investment manager to the Appleseed Fund (the "Mutual Fund"), a socially-responsible mutual fund registered under the Investment Company Act of 1940. Our firm manages the fund assets based on the investment goals and objectives as outlined in the Mutual Fund's prospectus.

Interested investors should refer to the Mutual Fund's prospectus and Statement of Additional Information ("SAI") for important information regarding objectives, investments, time-horizon, risks, fees and additional disclosures. These documents are available on-line at [www.appleseedfund.com](http://www.appleseedfund.com). Prior to making any investment in the fund, investors and prospective investors should carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in the Mutual Fund.

## WRAP FEE PROGRAMS

Pekin Singer Strauss Asset Management, Inc. serves as a sub-advisor for a limited number of wrap fee programs. Pekin Singer Strauss Asset Management, Inc. receives a fee for its services as a sub-advisor to these programs as outlined in Item 5 "Fees and Compensation – Wrap Fee Program Management Fees". These wrap fee programs include:

### Morgan Stanley Vision Program

In the Morgan Stanley Vision Program, our firm provides individual portfolio management services consisting of security selection and asset allocation similar in scope to our individual portfolio management services. These accounts are managed on a discretionary basis with the investment strategies guided by the client's stated objectives and tax considerations. As is the case with our individual portfolio management strategy, our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities
- Commercial paper
- Municipal securities



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- Mutual Fund shares
  - United States Government securities
  - Agency securities
  - Options contracts on securities

### FOLIO*fn* Wrap Program

In the FOLIO*fn* Wrap Program, our firm utilizes a socially-responsible investment strategy composed primarily of equity securities. Within this program, Pekin Singer Strauss Asset Management, Inc. serves as the sub-advisor to an internet-based portfolio by providing model weightings of equity securities. Pekin Singer Strauss Asset Management, Inc. does not maintain a direct relationship with the investor or have investment discretion of any client accounts within this program.

### FINANCIAL PLANNING

Pekin Singer Strauss Asset Management, Inc. provides financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans.

Through the financial planning process, all questions, information and analyses are considered as they impact and are impacted by the entire financial and life situation of the client. A client purchasing this service receives a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **Personal:** We review household budgets, assets, liabilities, estate information and financial goals.
  - **Tax & Cash Flow:** We analyze the client's income tax and household spending patterns (past, current and future years); then we illustrate the impact of various investment strategies on the client's current and future income streams.
  - **Investments:** We analyze investment alternatives and their effect on the client's portfolio.
  - **Retirement:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
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We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2011, Pekin Singer Strauss Asset Management managed \$837,040,051 of client assets. Assets managed on a discretionary basis totaled \$789,433,744 while assets managed on a non-discretionary basis amounted to \$47,606,307.





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## Item 5 Fees and Compensation

### INVESTMENT SUPERVISORY SERVICES ("ISS")

#### PORTFOLIO MANAGEMENT SERVICES FEES

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management. Our standard fees range from 0.50% for fixed income accounts to 1.25% for equity and balanced accounts.

**Limited Negotiability of Advisory Fees.** Although Pekin Singer Strauss Asset Management, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client's financial situation, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style and account composition, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

Fees are calculated and billed in advance on a quarterly basis. Fees are based on the market value of client assets at the end of the previous quarter. Fees are generally deducted from the client's assets, however, in certain cases, a client may request direct billing of fees.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements or determining the annualized fee.

Discounts may be offered to family members and friends of associated persons of our firm.

#### MUTUAL FUND PORTFOLIO MANAGEMENT FEES

Pekin Singer Strauss Asset Management, Inc. charges an asset-based fee for its services as the investment advisor to the Appleseed Fund. The fee arrangement, termination and refund policies are described in the Mutual Fund's prospectus and Statement of Additional Information ("SAI").

Portfolio management clients of our firm who also invest in the Appleseed Fund will pay only those fees charged to investors by the Mutual Fund, i.e., the value of the client's investment in the Mutual Fund is excluded from Pekin Singer Strauss' quarterly portfolio management fee calculation.



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## WRAP FEE PROGRAM MANAGEMENT FEES

The fees related to our services as a sub-advisor to wrap programs are unique and specific to each program.

Fees related to the Morgan Stanley Vision Program are similar in structure to our portfolio management fees as outlined in the "Portfolio Management Services Fees" section. These fees are based upon a percentage of assets under management. Standard fees range from 0.50% for fixed income accounts to 1.25% for equity and balanced accounts. As is the case with our portfolio management service fees, we retain the discretion to negotiate fees on a case-by-case basis. Fees are calculated and billed in advance on a quarterly basis. Fees are based on the market value of client assets at the end of the previous quarter. Fees are generally deducted from the client's assets; however, in certain cases, a client may request direct billing of fees.

Fees related to the FOLIO<sup>fn</sup> Wrap Program have been negotiated with the plan's sponsor. Pekin Singer Strauss Asset Management, Inc. is paid a quarterly fee at a rate negotiated with the plan sponsor for services related to our role as sub-advisor.

## FINANCIAL PLANNING FEES

Pekin Singer Strauss Asset Management, Inc.'s Financial Planning fee is determined based on the type of services being provided, the nature of the relationship with the client and the complexity of each client's circumstances. The client is billed upon completion of the financial plan. In the event the Financial Planning client chooses Pekin Singer Strauss Asset Management, Inc. to manage their liquid capital, the financial planning fees are waived.

## GENERAL INFORMATION

**Termination of the Advisory Relationship.** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination, unearned fees will be refunded to the client on a prorated basis.

**Mutual Fund Fees.** All fees paid to Pekin Singer Strauss Asset Management, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most



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appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Wrap Fee Programs and Separately Managed Account Fees.** Pekin Singer Strauss Asset Management, Inc. does not offer wrap fee programs to its clients; our custodial firms, including Pershing LLC and Charles Schwab, charge a modest fee to execute each trade. As noted earlier in our brochure, Pekin Singer Strauss Asset Management, Inc. does act as a sub-advisor for selected wrap fee programs. A client participating in separately managed account programs at another broker or another advisor may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, a client pays a single fee for advisory, brokerage and custodial services. A client's portfolio transactions may be executed without a commission charge in a wrap fee arrangement.

**Additional Fees and Expenses.** In addition to our advisory fees, the client is also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which we, as an independent investment manager, effect transactions for the client's account. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**ERISA Accounts.** Pekin Singer Strauss Asset Management, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Pekin Singer Strauss Asset Management, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees. In the event our firm and/or our related person does receive a commission or 12b-1 fee, such fees will be used to offset Pekin Singer Strauss Asset Management, Inc.'s advisory fees.

**Advisory Fees in General.** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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**Limited Prepayment of Fees.** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Pekin Singer Strauss Asset Management, Inc. does not charge performance-based fees.

## **Item 7      Types of Clients**

Pekin Singer Strauss Asset Management, Inc. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Investment companies (including mutual funds)
- Pension plans and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses
- Trusts, estates, or charitable organizations

While Pekin Singer Strauss Asset Management, Inc. does not have a requirement as far as minimum account assets are concerned, we do believe, however, that at least \$250,000 in assets is necessary to construct a diversified portfolio of equity securities. In the event a client relationship does not reach this asset threshold, we may recommend the Appleseed Fund as a manner in which to combine our firm's equity strategy with a proper level of diversification.

It should be noted that according to the Mutual Fund's prospectus, the Appleseed Fund itself is "non-diversified" which means it may invest a greater percentage of its assets in a fewer number of stocks as compared to other mutual funds which are more broadly diversified.



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

### **METHODS OF ANALYSIS**

Pekin Singer Strauss Asset Management, Inc. employs several methods of analysis in formulating our investment advice and/or managing client assets. Investing in securities involves risk of loss that clients should be prepared to bear. Our methods of analysis and the potential risks associated with each are outlined as follows:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition of the company itself) to determine if the company's stock is undervalued (indicating it may be a good time to buy) or overvalued (indicating it may be time to sell). Our estimate of intrinsic value is based on an exhaustive research process which considers multiple valuation metrics.

Each company under consideration for purchase is subject to a frequent and rigorous review process which includes input from all members of the Pekin Singer Strauss Asset Management, Inc. research team. Final approval of new equity recommendations for separately managed accounts and the Appleseed Fund must include a favorable vote by four of the five Appleseed Fund portfolio managers. Once a new recommendation is approved, we attempt to buy the company's stock at a price which will provide a 50% appreciation potential should the shares reach our estimate of intrinsic value.

Fundamental analysis does not attempt to anticipate short-term market movements but it does provide a gauge of relative value. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as the quality of management, labor relations and the strength of research and development. We include these and other factors not readily subject to measurement in our overall analysis.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Social Responsibility Screening.** In the case of the Appleseed Fund, an additional step in the research process includes a Social Responsibility Screen (SRS). This step screens out companies that derive substantial revenues from such industries as the tobacco, alcohol, pornography, gambling and weapons industries. The Appleseed Fund will also consider a company's performance with respect to environmental responsibility, labor standards and human rights.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate mix of common stock, fixed income, and cash suitable to the client's investment goals and risk tolerance.



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A risk of asset allocation is that the client may not participate in sharp increases of a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest successfully over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held elsewhere in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for All Forms of Analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that the data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

**Long-term Purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time.



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A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term Purchases.** While we typically hold positions for the long term to capture capital gains tax treatment when available, we may take advantage of short term gains in the event a stock reaches our intrinsic value sooner than we may have originally anticipated.

**Trading.** While trading securities with a short-term time horizon in mind is not our primary focus, we will on occasion implement a strategy should we identify what we perceive to be a particularly interesting short-term trading opportunity.

**Margin Transactions.** We may, with the client's approval, purchase stocks for the client's portfolio with money borrowed from his or her brokerage account. This allows the client to purchase more stock than the client would be able to with his or her available cash, and allows us to purchase stock without selling other holdings.

**Options.** We may occasionally with client approval use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call provides the right to buy an asset at a certain price within a specific period of time. We may buy a call if we have determined that the stock will increase substantially before the option expires.
- A put provides the right to sell an asset at a certain price within a specific period of time. We may buy a put if we have determined that the price of the stock will fall before the option expires. We may also buy a put in order to protect the value of a stock currently held in our clients' portfolios.

**Option Writing.** We may use "covered calls", in which we sell an option on a security a client owns. In this strategy, the client receives a premium for selling the option and incurs the obligation to sell the underlying security at an agreed-upon price and within a specific period of time.

In very limited cases, we may use a "spreading strategy", in which we initiate two or more option contracts (for example, a call option which the client buys and a call option which the client sells) for the same underlying security. This effectively gives investors exposure to both sides of the market, but with the ability to vary price, time and other factors.

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**Risk of Loss.** Our strategies are not guaranteed, and the client may lose money on his or her investments. We ask that the client work with us to help us understand his or her tolerance for risk.

## **Item 9      Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

**Mutual Fund.** Pekin Singer Strauss Asset Management, Inc. previously disclosed in "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) of this brochure that our firm is the investment adviser to the Appleseed Fund, an investment company registered under the Investment Company Act of 1940. Please refer to these items for a detailed explanation of this relationship and important conflict of interest disclosures.

For additional information, the Fund Prospectus and Statement of Additional Information are available on-line at: [www.appleseedfund.com](http://www.appleseedfund.com). Prospective investors should review these documents carefully before making any investment in the Mutual Fund.

**Wrap Fee Programs.** Pekin Singer Strauss Asset Management, Inc. previously disclosed in "Advisory Business" (Item 4) and "Fees and Compensation" (Item 5) of this brochure that our firm serves as a sub-advisor for a limited number of wrap fee programs including the Morgan Stanley Vision Program and the FOLIO<sup>fit</sup> Wrap Program.

**Other Pooled Investment Vehicle(s).** Two of the firm's principals, Richard Singer and William Pekin, also serve as managing member(s) of limited liability companies (LLCs) and/or general partner(s) to limited partnerships (LPs) formed for investment purposes. As appropriate, our advisory clients may have been solicited to invest in such LLCs and/or LPs. Richard Singer and William Pekin do not receive investment advisory compensation in relation to these investments, but may have had a conflict of interest in soliciting client investments. A potential conflict may have arisen since the investment capital allocated to such LLCs and/or LPs could have been applied to other investment options offered by Pekin Singer Strauss Asset Management, Inc. Pekin Singer Strauss Asset Management, Inc. does receive an ongoing fee as it relates to Pekin Singer Real Estate EREF LLC.





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Because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Related persons of our firm may spend as much as 5% of their time on these related activities.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Pekin Singer Strauss Asset Management, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Pekin Singer Strauss Asset Management, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

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We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases based upon a review of the available cash balance in the client portfolio, with each account paying the average price. Our employee accounts will be excluded in these partial fill allocations.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information stemming from his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.



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A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [wschmidle@pekingsinger.com](mailto:wschmidle@pekingsinger.com), or by calling us at 312-554-7255.

## **Item 12 Brokerage Practices**

**Research and Other Soft Dollar Benefits.** Pekin Singer Strauss Asset Management, Inc. will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Pekin Singer Strauss Asset Management, Inc. in providing investment management services to clients.

Pekin Singer Strauss Asset Management, Inc. may, recommend, and therefore use, a broker who provides useful research and securities transaction services even though a lower commission may be charged by brokers offering more limited professional services. Research services may be useful in servicing all our clients -- not all of such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, Pekin Singer Strauss Asset Management, Inc. may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Pekin Singer Strauss Asset Management, Inc. and, indirectly, to Pekin Singer Strauss Asset Management, Inc.'s clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion).

Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Pekin Singer Strauss Asset Management, Inc. does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients.



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Pekin Singer Strauss Asset Management, Inc. may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Pekin Singer Strauss Asset Management, Inc. determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to our discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Pekin Singer Strauss Asset Management, Inc. makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Pekin Singer Strauss Asset Management, Inc. uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Pekin Singer Strauss Asset Management, Inc. does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Currently, Pekin Singer Strauss Asset Management, Inc. utilizes Pershing LLC and Charles Schwab & Co. for the majority of its client brokerage. To a lesser extent, Fidelity and Morgan Stanley (in conjunction with the Morgan Stanley Vision Program) provide brokerage services at the specific request of a limited number of our clients.

Pekin Singer Strauss has a very limited number of clients who do direct their brokerage to specific firms. These situations may arise as a particular client account may be part of a larger, company sponsored retirement plan or perhaps a trust account which may be at a particular custodian bank. Directed brokerage of this type may result in situations where client transactions receive less favorable executions and/or higher trading costs. In addition, directed brokerage makes it impossible for the Advisor to allocate trades with other client accounts which are held at our primary custodian firms.

In certain circumstances, boutique trading firms may also be utilized in order to effect transactions in smaller, less liquid securities.



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Within our last fiscal year, we have obtained the following products and services on a soft-dollar basis via our relationship with Pershing LLC:

- FactSet Research Systems Platform

**Aggregation of Trades.** Pekin Singer Strauss Asset Management, Inc. will aggregate trades into large blocks where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may allow us to execute equity trades in a more timely and more equitable manner, at an average share price.

Pekin Singer Strauss Asset Management, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker. Pekin Singer Strauss Asset Management, Inc.'s block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Pekin Singer Strauss Asset Management, Inc., or our firm's order allocation policy.
2. The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will enable Pekin Singer Strauss Asset Management, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.



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5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. Generally, this initial order ticket will be based on the cash availability within the client account. Adjustments to this allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in relation to the size of the allocation.
  6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order. Under the client's agreement with the custodian/broker, transaction costs are generally a fixed, nominal fee per transaction with the broker.
  7. Pekin Singer Strauss Asset Management, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
  8. Funds and securities for aggregated orders are clearly identified on Pekin Singer Strauss Asset Management, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
  9. No client or account will be favored over another. The allocation of trades is effectively handled on a random basis but driven by a cash balance report generated through Advent Software's, Axys portfolio accounting program.



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## Item 13      Review of Accounts

### INVESTMENT SUPERVISORY SERVICES ("ISS")

#### PORTFOLIO MANAGEMENT

**Reviews.** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by:

Ronald L. Strauss, CFA, President

**Reports.** In addition to the monthly statements and confirmations of transactions that clients receive from their custodian firm, Pekin Singer Strauss Asset Management, Inc. provides quarterly reports summarizing account performance, balances and holdings.

#### MUTUAL FUND PORTFOLIO MANAGEMENT

**Reviews.** Pekin Singer Strauss Asset Management, Inc. continually reviews and monitors the Mutual Fund's holdings in accordance with the investment objectives as detailed in the Fund Prospectus. The five portfolio managers of the Appleseed Fund share these responsibilities. The portfolio managers of the Appleseed Mutual Fund include:

Ronald L. Strauss, CFA, President

Richard A. Singer, CFA, Senior Vice President

William A. Pekin, CFA, Senior Vice President

Adam S. Strauss, CFA, Senior Vice President

Joshua D. Strauss, CFA, Senior Vice President

**Reports.** Clients should refer to the Fund Prospectus for information regarding periodic reports to the fund by Pekin Singer Strauss Asset Management, Inc.



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## FINANCIAL PLANNING SERVICES

**Reviews.** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise requested.

**Reports.** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise requested.

### Item 14 Client Referrals and Other Compensation

#### CLIENT REFERRALS

Pekin Singer Strauss Asset Management, Inc. does not pay referral fees to clients, independent persons or firms for introducing new clients to us.

It is Pekin Singer Strauss Asset Management, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

### Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.





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In addition to the periodic statements that clients receive directly from their custodians, Pekin Singer Strauss Asset Management, Inc. also sends performance appraisals directly to its clients on a quarterly basis. We urge our clients to carefully compare the information provided on these appraisals with the statements from the custodian in order to ensure that all account transactions, holdings and values are correct and current. We have included language on our quarterly appraisals reminding our clients to conduct this comparison.

## **Item 16 Investment Discretion**

Clients generally engage our firm to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell
- determine the price of the security to buy or sell
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Examples of such limitations may include restrictions on the investment of particular securities or industries, or perhaps provide a specific framework with regard to client asset allocation and/or cash requirements. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type of events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

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## **Item 18      Financial Information**

As we have outlined previously in this brochure, under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is likely to impair our ability to meet our contractual obligations. Pekin Singer Strauss Asset Management, Inc. has no such financial circumstances to report.

Pekin Singer Strauss Asset Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

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