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## Arthur Zaske & Associates, LLC

### Form ADV Part 2A

March 8, 2019

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#### ITEM 1 – COVER PAGE

This Brochure provides information about the qualifications and business practices of Arthur Zaske & Associates, LLC. If you have any questions about the contents of this Brochure, please contact us by phone at (248) 703-5019 or by email at [aezaske@zaskeandassociates.com](mailto:aezaske@zaskeandassociates.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.

Arthur Zaske & Associates, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information about which you determine to hire or retain an Advisor.

Additional information about Arthur Zaske & Associates, LLC is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

#### Main Office

31700 Telegraph Rd, Ste 260  
Bingham Farms, MI 48025

**ITEM 2 – MATERIAL CHANGES**

Arthur Zaske & Associates, LLC has reflected no material changes.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us by phone at (248) 703-5019 or by email at [aezaske@zaskeandassociates.com](mailto:aezaske@zaskeandassociates.com).

Additional information about Arthur Zaske & Associates, LLC is also available via the SEC's website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The SEC's website also provides information about any persons affiliated with Arthur Zaske & Associates, LLC who are registered, or are required to be registered, as investment advisor representatives of Arthur Zaske & Associates, LLC.

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**ITEM 4 – ADVISORY BUSINESS**

- A. *Company Description and Ownership.* Arthur Zaske & Associates, LLC (“AZALLC and/or “Advisor”) was formed in 2016 and operates as a Michigan based Limited Liability Company. Advisor is majority owned by Newry Family No. Four, LP, General Partner, Arthur E. Zaske. Arthur E. Zaske is the Manager and Chief Investment Officer.
- B. *Services Offered.* Arthur Zaske & Associates, LLC is an independent, federally registered investment advisor that provides asset management and investment consulting services. Advisor focuses on providing innovative and objective portfolio management and consulting to high net-worth individuals and families, endowments, trusts, and other investment advisory firms. Services provided include, but are not limited to, the following:

- Discretionary asset management
- Asset allocation consulting
- Client-specific investment planning
- Investment monitoring and consolidated reporting

AZALLC may recommend investment strategies available through unaffiliated third party investment managers (sub-advisors) in an effort to help our clients meet their investment objectives. Clients will grant us limited discretionary authority to select a sub-advisor to manage the client account in accordance with the investment policy statement. If a sub-advisor is appointed by AZALLC to manage a portion of the portfolio assets, the sub-advisor will also manage the portfolio assets in accordance with the client’s investment policy statement. If our services include the use of outside managers or strategies, Client(s) will not have a direct contractual relationship with the sub-advisor. AZALLC retains the right to replace the sub-advisor on a discretionary basis.

AZALLC also assists emerging technology firms in obtaining customers. AZALLC acts as a finder and will be compensated as a percentage of the revenue earned by the emerging technology firms. AZALLC does not introduce the above firms to existing asset management customers.

- C. *Customization and Restrictions.* Clients may utilize Advisor for one or more services. Clients typically utilize Advisor as an asset manager, investment consultant, or a combination of both. A variety of services and/or investment strategies may be combined and customized to meet the specific needs of a client. Advisor will usually accept reasonable client restrictions with respect to securities held in client accounts. Some investment strategies are more accommodating of restrictions than others. Additional client restrictions regarding the use of margin, security types, and/or other account features are generally accommodated by Advisor.
- D. AZALLC does not participate in any wrap-fee programs.
- E. AZALLC has \$100,337,789 in assets under management.

**ITEM 5 – FEES AND COMPENSATION**

- A. *Advisory Fees.* All fees are subject to negotiation; however, it is anticipated that such situations would only occur with larger, more complex accounts. Typically, annual management fee ranges from 0.20% to 1.00% of the portfolio value depending on the services rendered. In certain circumstances, a fixed fee approximating the percentage fee may be negotiated for the following year. Flat fees may be charged for investment consulting.
- B. *Payment of Fees.* Fees for discretionary investment management services are payable quarterly in advance. In most instances, AZALLC requires fees to be directly debited from an investment account as opposed to being invoiced. Fees for investment consulting generally are payable quarterly in advance. In such instances, AZALLC invoices clients directly. Investment consulting fees may be charged in arrears.
- C. *Other Fees.* Mutual funds, ETF's, ETN's and other investments we may use typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge. Each fund's current prospectus discloses these separate fees and expenses. These fees are in addition to and separate from AZALLC's fees. A copy of the prospectus is available from the fund.

AZALLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties such as fees charged by managers, 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. Such charges, fees and commissions are exclusive of and in addition to AZALLC's management fee, and AZALLC shall not receive any portion of these commissions, fees, and costs.

- D. *Fees Paid in Advance.* AZALLC most often calculates fees for discretionary investment management, and consulting in advance, on a quarterly basis.

The investment advisory agreement may be terminated at any time by either the client or AZALLC by giving written notice to the other. With respect to any unearned fee, the prorated portion will be calculated based on the number of days remaining in the applicable quarterly period after the termination date. Any prepaid amount due to client will be returned within 30 days following the close of the quarter following termination. Any earned, unpaid fees will be due and payable.

Termination of AZALLC's agreement shall not affect liabilities or obligations incurred from transactions initiated under our agreement prior to the termination date, such as the purchase of investments by AZALLC for client's account. Clients are responsible for any cost incurred in transferring assets from their account to a different account and any management fees accrued and unpaid at the time of termination. After the termination date, AZALLC will have no further duties or obligations to the client under our agreement.

- E. No one at AZALLC receives commissions for the sale of securities or any other investment product.

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

Currently, AZALLC does not manage accounts that pay performance-based fees and has no intention of entering into such arrangements.

**ITEM 7 – TYPES OF CLIENTS**

AZALLC generally provides asset management and consulting services to high net worth individuals and families, charitable institutions, foundations, endowments, estates, private investment funds, and trusts.

**ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS****Investing in securities involves risk of loss that clients should be prepared to bear.**

- A. *Methods of Analysis.* Advisor employs a wide range of information in formulating investment advice and managing assets. Information sources include but are not limited to the following: (i) financial newspapers and magazines, (ii) research prepared by other organizations, (iii) annual reports, prospectuses, and other SEC filings, and (iv) company press releases, presentations, and other corporate communications. Advisor also purchases and reviews information from recognized financial services information aggregators. Finally, Advisor may utilize its own proprietary valuation models for securities analysis. In general, Advisor employs fundamental and technical analysis of the US economy, the global economy, and specific securities to provide investment advice and manage client assets.
- B. *Investment Strategies.* The investment strategies most frequently used by AZALLC are 1) Dynamic Asset Allocation, 2) Global Equity, and 3) Tactical Income.
- i. Dynamic Asset Allocation is a strategic allocation strategy that seeks to achieve returns comparable to the broad US stock market over full cycles but with less volatility and downside risk. The goal is to achieve superior risk-adjusted returns over the long run. This approach focuses on varying the portfolio allocation between stock and bond investments over time and through different market conditions, based on our analysis of valuations and projected returns.

This long-term growth strategy should be evaluated over full market cycles that include extended periods of market growth and decline. Investments are made in exchange traded funds or indexed mutual funds that represent broad assets classes. Individual investments are evaluated based on liquidity, cost, and the quality of representation to the underlying asset class. Allocations among the various investments are actively managed. Allocation decisions are guided primarily by an objective, rules-based framework that focuses on the following four areas of research: 1) relative valuations, 2) bond market yield analysis, 3) economic conditions, and 4) momentum analysis.

The primary allocation decision focuses on the ratio between equity and bond investments, where an excess of 80% of the portfolio could be allocated to either asset class. Within the equity allocation, weightings among different style and capitalization classes and industry sector funds will be managed over time. Within the bond allocation, weightings among different duration and classes will be managed over time. There is risk that the individual investment may not track the

underlying asset classes, and there is also risk that allocations may be sub-optimal for a given time period.

- ii. Global Equity strategy is an actively managed approach that generally holds 20 to 30 large and medium capitalization equities dispersed throughout the world. The allocation to US equities and foreign equities is variable depending on economic conditions. Fundamentally, the portfolio holdings are based on a few long term macro-economic themes and will not match the industry distribution of the broader global indices.
- iii. Tactical Income strategy focuses on current income as a primary objective, with capital appreciation as a secondary objective. This strategy surveys areas of the traditional bond market in addition to non-traditional, liquid sources of income such as master limited partnerships (MLPs), REITS, energy royalty trusts, convertible bonds, preferred stock, etc.

Security selection is based on momentum analysis. Momentum is the rate of acceleration of a security's price or volume. Momentum is considered an oscillator and is used to help identify price trends. Enhanced Income primarily relies on momentum analysis of several indexes associated with securities that pay high dividends and/or interest and some which pay very secure interest.

Technical analysis relies on historical information. There is the risk that such observations 1) cease to be reflected in the future, and 2) that the observations themselves may be incorrect. There is the additional risk that certain macro-economic events such as credit restrictions will impact some of the assets represented by certain indexes.

Additionally, when momentum changes, the strategy may experience a period of interim losses. If momentum shifts back and forth several times in a period of time, losses may be repeated. If the issues held do not trend over an intermediate period or longer, losses may compound. Finally, there may be macro-economic events, changes in government policies, acts of God, or other currently unanticipated circumstances which may result in losses.

#### C. *Risk of Loss.*

*Material Risks of Investment Instrument.* AZALLC typically invests in the following types of securities:

1. Exchange Traded Funds
2. Mutual Fund Securities
3. Equity Securities
4. Fixed Income Securities (including Real Estate Investment Trusts & Master Limited Partnerships)
5. Municipal Securities
6. US Government Securities
7. Option Contracts
8. Corporate Debt Obligations
9. Other Securities and Investments

Short-Term Trading – Although AZALLC, as a general practice does not utilize short-term trading, there may be instances in which short-term trading may be necessary for an appropriate strategy. In this regard, please read the following: ***There is an inherent risk for clients who trade frequently in that***

***high-frequency trading creates substantial costs that in aggregate could negatively impact account performance.***

Short Selling – Short Selling involves the sale of a security that is borrowed rather than owned. When a short sale is affected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be affected at a lower-price. The primary risks of affecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

Options Strategies – Various option strategies give the holder the right to acquire or sell underlying securities at the contract strike price up until expiration of the option. Long option positions entail securities without the capital commitment required to purchase the underlying security or group of securities. In addition, options allow investors to hedge security positions held in the portfolio. For detailed information, please contact the Options Clearing Corporation for the current Options Risk Disclosure Statement.

REITs – The general underlying risks associated with real estate and the sector of the real estate market associated with a particular issue. Credit restriction is a general negative for all real estate as are rising interest rates and poor economic conditions such as increasing unemployment or negative GDP growth. There is also the risk that the government may change the taxation on real estate in general or may revoke the pass-through status of REITs specifically. Finally, there may be macro-economic events, changes in government policies, acts of God, or other currently unanticipated circumstances which may result in losses.

MLPs – Master Limited Partnerships are unique investments that combine the tax benefits of a limited partnership with the liquidity of common stock. The general underlying risks associated with the energy industry and the sector of the energy market associated with a particular issue. Credit restriction is a general negative for all MLPs as are rising interest rates and poor economic conditions such as increasing unemployment or negative GDP growth. Shrinking usage of hydrocarbons in general would reduce the revenue of energy related MLPs. Many MLPs are in regulated businesses such as natural gas transmission. They are reliant on rates set by the government as well as overall government regulatory and safety issues. These policies could be changed by the federal or state authorities. Finally, there is also the risk that the government may change the taxation on MLPs in general or may revoke the pass-through status of MLPs specifically.

Interest-rate Risk – Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk – The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, macro-economic events, changes in government policies, acts of God, or other currently unanticipated circumstances which may result in losses.



**ITEM 9 – DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Advisor or the integrity of the Advisor's management. AZALLC has no information applicable to this Item.

**ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

Arthur E. Zaske serves as the CEO of QuantiX US LLC. QuantiX US is an early stage company funded through a venture capital fund CerraCap II. The purpose of the firm is to explore applying *Deep Learning* to trading in the global energy futures markets. QuantiX US is not a client of AZALLC.

**ITEM 11 – CODE OF ETHICS**

AZALLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at AZALLC must acknowledge the terms of the Code of Ethics annually, or as amended.

AZALLC anticipates that, in appropriate circumstances and consistent with clients' investment objectives, it will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which AZALLC, its affiliates and/or clients, directly or indirectly, have a position of interest. AZALLC's employees and persons associated with AZALLC are required to follow AZALLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of AZALLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for AZALLC's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interest of the employees of AZALLC 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of AZALLC's clients. In addition, the Code requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between AZALLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with AZALLC's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. Each affiliated and client account will pay its own commission rate by trade. AZALLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

AZALLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us by phone at (248) 703-5019 or by email at [aezaske@zaskeandassociates.com](mailto:aezaske@zaskeandassociates.com).

It is AZALLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. AZALLC will also not cross trade between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## ITEM 12 – BROKERAGE PRACTICES

### Recommended Brokerage/Custodian Services

Unless otherwise instructed by a client, AZALLC has complete discretion in selecting the brokerage firm that it uses for client transactions and the commission rates that clients pay such broker/custodian. In selecting a broker/custodian for any transaction or series of transactions, AZALLC may consider a number of factors, including, for example:

- Net price, clearance, settlement and reputation
- Financial strength and stability
- Efficiency of execution and error resolution
- Block trading and block positioning capabilities
- Willingness to execute related or unrelated difficult transactions in the future
- Special execution capabilities
- Order of call
- Offering to AZALLC on-line access to client account data
- Computer trading systems
- Availability of stocks to borrow for short trades

If a client designates a specific broker-dealer for transactions, AZALLC will not attempt to negotiate commissions or other transaction costs. Clients designating a broker-dealer may pay higher commission rates or other transaction costs and may not receive as favorable an execution as would be the case if AZALLC were allowed to select the broker-dealer.

### Block Trading

As an investment advisory firm, AZALLC has a fiduciary and fundamental duty to seek best execution for client transactions. AZALLC, as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. The traders consider various factors to achieve the best execution. The following lists the primary methods and tools used:

Traders consider the size of the trade in relation to the liquidity or daily volume of the security. Trades are placed as market orders in instances where a security is highly liquid and/or the trade size is an insignificant proportion of the daily volume. Price limits are placed on orders when a security is highly illiquid and/or the trade size is a significant proportion of the daily volume. Traders may break large orders into smaller blocks to prevent a heavy influence on the market price.

Traders use block orders when a trade involves multiple accounts in the same investment strategy. All client accounts participating in the same block will receive an average price calculated by the broker when multiple executions occur. In certain situations, when the full block is not completely filled, AZALLC may allocate shares based on a random order to reduce commission costs as described below in "Trade Rotation."

Difficult block trades may be worked for several days, to acquire or liquidate a full position. Typically, each original block will be documented and then the amount acquired each day will be average priced to participating accounts, and the trade re-entered the following days at the net (remaining amount) until the position is fully acquired or liquidated.

#### Trade Error Policy

AZALLC has the responsibility to process trade orders correctly, promptly and ensure the best interest of our clients are served. In the event an error occurs in the handling of any client transaction, due to our action or actions of others, our policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting us. If AZALLC is responsible for a trade error that results in a loss in the client's account, AZALLC reimburses the client's account for the entire amount of the loss as soon as practical after the discovery of the error.

### **ITEM 13 – REVIEW OF ACCOUNTS**

Accounts are reviewed on an ongoing basis by Arthur E. Zaske and David A. Zaske. Should a strategy indicate that a general action be taken across a given segment of the accounts with similar objectives, the specific asset class involved in each designated account is immediately reviewed and the transaction executed on a timely basis. AZALLC utilizes an internal database that includes the overall client investment policy and the individual account policies. This database includes any restrictions placed by clients on their investments or investment strategy. These restrictions are referenced with any potential transaction in the affected asset class.

#### Reports

Clients are provided with quarterly performance reports. These reports include time-weighted total return which is calculated and reported net of management fees and transaction costs. These reports also include an appraisal listing of securities held at cost with market values, estimated yields, industry determination and asset class status specified. These reports are always sent even though similar reports may be sent by consultants or custodians.

There are also numerous reports available by request.

AZALLC strives to conduct face-to-face reviews with clients at the client's instigation.

**ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

There is no monetary compensation between any brokerage firm and AZALLC. AZALLC may receive economic benefits from a brokerage firm that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; access to a trading desk serving AZALLC; access to block trading (which provides the ability to aggregate securities transaction for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AZALLC by third party vendors. Some of the products and services made available through a brokerage firm may benefit AZALLC but may not benefit its Client accounts. These products or services may assist AZALLC in managing and administering Client accounts. As part of its fiduciary duties to clients, AZALLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by AZALLC or its related persons in and of itself creates a potential conflict of interest and may indirectly influence AZALLC's choice for custody and brokerage services.

**ITEM 15 – CUSTODY**

Clients generally receive, at a minimum, quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. AZALLC urges Clients to carefully review such statements and compare such official custodial records to the account reporting provided by AZALLC as described in the "ITEM 13: REVIEW OF ACCOUNTS." Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Although clients may give AZALLC their personal identification number to access their Advisory Account(s) (e.g. 401(k) participant account), we have determined that in this situation the personal identification number will not give AZALLC access to withdraw assets from the client account. Thus, AZALLC does not have custody of those accounts.

**ITEM 16 – INVESTMENT DISCRETION**

AZALLC may receive discretionary authority from the client at the outset of an advisory relationship in the investment advisory agreement. If you choose to give AZALLC discretionary authority, you grant AZALLC the ability to determine, without obtaining your specific consent, the securities to purchase or sell for your account, the amount of securities to be purchased or sold, and in most cases, the broker or dealer used and commission rate to be paid. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, AZALLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, AZALLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to AZALLC in writing. Clients may amend the discretionary authority they have given AZALLC at any time in writing and AZALLC reserves the right to accept or reject such an amendment.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

When agreed upon in the investment advisory agreement, AZALLC will vote proxies. AZALLC has adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and SEC rule 206(4)-6 under the Investment Advisors Act of 1940. Our authority to vote the proxies of our clients is established by our investment advisory agreement and our proxy voting guidelines have been tailored to reflect these specific obligations. In addition to SEC requirements governing advisors, our proxy voting policies reflect the fiduciary standards and responsibilities for ERISA. AZALLC does not manage ERISA accounts.

#### **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about AZALLC's financial condition. AZALLC has no financial commitment that impairs its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.

#### **ITEM 19 - ADDITIONAL INFORMATION**

AZALLC may collect nonpublic personal information from you in order to provide certain services. Client trust is paramount to us, and we respect the confidentiality and privacy of your information. The Privacy Notice explains certain steps we have taken to ensure the privacy of nonpublic personal information of individuals protected by privacy regulations issued pursuant to the Gramm-Leach-Bliley Financial Modernization Act.

##### What do we collect?

We may collect non-public personal information about you from the following sources: information that you provided to us on applications or other forms; information that we generate to service your account, such as account statements; and information that we may receive from third parties.

##### What information do we disclose?

We do not sell your nonpublic personal information to anyone, and we do not disclose such information to anyone except as permitted or required by law. In order to provide you with services, we may disclose any of your information to certain third parties permitted by law, including those necessary to service your account, such as custodians, accountants, trustees and legal counsel. Subject to confidentiality agreements, we may also disclose such information to third-party service providers permitted by law.

AZALLC utilizes a third-party provider for the management and maintenance of its information technology platform. While AZALLC owns its servers which reside onsite, service providers can access AZALLC's servers remotely for routine maintenance. In addition, AZALLC utilizes a third-party electronic mail host. To protect the nonpublic information of its clients, AZALLC has executed mutual non-disclosure agreements with its vendors. Under the agreement, AZALLC's nonpublic client data, in any form, is specifically identified as "confidential data" that cannot be disclosed unless disclosure is compelled by a governmental or regulatory authority with powers to extract the information. Even in these cases, the

vendor is required to notify us that the data has been requested so that our clients have the opportunity to petition the court or administrative body to prevent disclosure.

How do we protect your information?

We restrict access to your nonpublic personal information to those employees who need to know such information to provide services to you. We maintain certain physical, electronic and procedural safeguards which are designed to protect your nonpublic personal information.

Revised Policies and Practices

We reserve the right to revise our privacy policies and practices, but we will not disclose your personal nonpublic information (except as described in the Privacy Notice or as required or permitted by law) without giving you an opportunity to direct us not to disclose such information.

Even if you are no longer a client of AZALLC, the Company's Privacy Policy will continue in force.