



**FIRM BROCHURE (FORM ADV PART 2A)**  
*For clients and prospective clients of Azzad Asset Management*

**OCTOBER 24, 2024**

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**1. Cover page**

This brochure provides information about the qualifications and business practices of Azzad Asset Management, Inc. (“Azzad”). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Manal Fouz, at (888) 862-9923 or by email at [manal@azzadasset.com](mailto:manal@azzadasset.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.

Azzad is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you can use to determine whether to hire or retain an Adviser.

Additional information about Azzad Asset Management, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number known as a “CRD number.” Our firm’s CRD number is 111291.

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## 2. Material Changes

Since the February 21, 2023 annual amendment filing, this Form ADV Part 2A Brochure has been amended at Item 4 to update the firm's assets under management as of March 25, 2024.

Since the March 25, 2024 annual amendment filing, this Form ADV Part 2A Brochure has been amended at Item 5 to add a new fee tier to our standard fee schedule, and to clarify when clients may take advantage of "householding" billing procedures, depending on which broker-dealer they choose to engage to provide brokerage and clearing services as further described in Item 5.

Since the March 25, 2024 annual amendment filing, this Form ADV Part 2A Brochure has been amended at Item 9 to describe an order issued by the SEC, pursuant to an offer of settlement, containing findings regarding Azzad's failure to file Form 13F on a timely basis. Please see Item 9 for additional information.

Azzad may, at any time, update this brochure and either: (1) send you a copy without charge; or (2) provide a summary of the material changes and offer to send you a copy of the ADV Part 2 without charge, provided the offer is accompanied by certain contact information. Pursuant to SEC 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 business' fiscal year. We may further provide other ongoing disclosure information about material changes, as necessary.

A copy of Azzad's Brochure may be requested by contacting the Chief Compliance Officer, Manal Fouz, at 703-207-7005 or [manal@azzadasset.com](mailto:manal@azzadasset.com).

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## 4. Advisory Business

### A. Ownership/Adviser History

#### Our History

Azzad Asset Management, Inc. (“Azzad,” “we” or the “firm”) has specialized in socially responsible Islamic investing since our founding in 1997. Based in Northern Virginia, we have earned a reputation for our ethical investment philosophy and our active equity strategies.

Azzad was formed as a Delaware corporation in 1997 and subsequently registered as an investment adviser with the Securities and Exchange Commission on August 21, 2000.

#### Our Principles

We believe that sustainable companies operating responsibly and in ethical lines of business offer the best opportunities for shareholder returns. We believe that such companies offer relatively less business risk and are in a better position to thrive. We integrate our socially responsible Islamic investment philosophy with our disciplined investment process to build portfolios that are in line with our core values.

#### Our People

Azzad’s models, asset allocation strategies and managers are overseen by an Investment Committee (the “Committee”) that meets regularly. The Committee reviews, analyzes and discusses the various forces and factors that affect the financial markets and, in turn, the portfolios we manage and oversee. The Committee’s review includes (but is not restricted to) macroeconomic trends, risk/reward profiles for various markets, strategy allocations, portfolio characteristics, and performance. The Investment Committee is assisted by Azzad’s independent investment consulting firm.

#### *Bashar Qasem, President & Senior Investment Adviser Representative*

Mr. Qasem is the founder of our firm, the principal owner, the Chief Executive Officer, and Senior Investment Adviser Representative. Mr. Qasem has extensive experience in the financial investment world, particularly in Islamic finance, having spent over 25 years managing Azzad Asset Management, Inc. and serving as Chairman of the Azzad Funds since their inception. He holds Bachelor of Science degrees in electrical engineering, and previously held securities licenses 6, 63, & 26. He currently holds FINRA Series 65. He also earned the designation of Certified Shari’ah Auditor & Adviser (C.S.A.A.) from Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI) in 2009.

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## **B. Advisory Services Offered**

Azzad offers the following services to its clients:

### **Ethical Wrap Program**

We manage client accounts through a wrap program called the Azzad Ethical Wrap Program (“Ethical Wrap Program” or “Program”) that we also sponsor. Prior to enrolling in the Ethical Wrap Program, the client must execute a written *Investment Advisory Agreement* with Azzad that defines the terms and conditions of a client participating in the Program. For a predetermined “wrap” fee (based on a percentage of assets under management), the Program offers investment management services (i.e., investment advisory, brokerage, custody) and financial planning. The client will have access to an Azzad Investment Adviser Representative (“IAR”) whose fiduciary duty is to assist in the overall management of the client’s account(s). The client’s IAR will assist in determining his or her investor profile (this includes identifying their goals, objectives, risk tolerance, and liquidity needs) and then selecting an appropriate asset allocation strategy. The IAR is available for direct telephone conversations with clients at their request, and at least once a quarter.

Specific services or features offered in the Ethical Wrap Program include an assessment of client investment needs and objectives, account rebalancing, and continuing evaluation of investment performance. Depending on market conditions, our views on the markets, and other factors, an asset allocation model may change. Changes in our asset allocation models are conducted without consulting our clients. Clients must notify their IAR of any changes to their financial situation. Such changes may affect a client’s investor profile, which may necessitate a change in the strategy assigned. For example, if a client anticipates retiring earlier than previously stated, he or she will want to share that information with his or her advisor. An IAR may recommend changing a strategy to reduce risk level (conversely, there may be other life situations where an advisor may recommend increasing a client’s risk level to meet investment goals).

Under the Program, clients have access to a broad range of financial planning services which may include tax-related and other non-investment related matters. The services provided by Azzad may include developing a financial plan, tax planning, retirement planning, estate planning, education planning, insurance planning and charitable planning. To perform its services, Azzad is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on information provided by the client.

Azzad does not serve as a law firm, accounting firm, charity administrator or insurance agency, and no portion of Azzad’s services should be construed as legal, accounting, charitable administrator, or insurance implementation services. Accordingly, Azzad does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, Azzad may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, charity administrators,

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etc.). Clients are under no obligation to engage in the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by Azzad or its representatives. However, if the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Depending on the allocation chosen, client assets will be allocated among various portfolios consisting of individual securities that comply with our investment philosophy. Each portfolio is managed by independent and affiliated portfolio managers. In addition, assets may be allocated into the Azzad Funds, for which Azzad Asset Management serves as investment adviser. Clients are not charged a wrap program fee on assets that are invested in the Azzad Funds. Independent managers are compensated a portion of the wrap fee pursuant to an agreement. We conduct ongoing monitoring, due diligence, and continuing evaluation of investment performance for each of our independent portfolio managers to ensure that they are a right fit for our Program.

All wrap accounts are maintained by a qualified and unaffiliated custodian and broker-dealer that provides custodial, clearing and brokerage duties. We generally recommend that clients utilize the custody, brokerage and clearing services of Goldman Sachs & Company, Charles Schwab & Co., Inc., or Fidelity Brokerage Services, LLC, members FINRA/SIPC. We do not have physical custody of client assets. Custodial, brokerage and clearing services are included in your wrap fee. Prior to becoming a client with our firm, clients must execute a written agreement with Azzad which defines the terms and conditions of the program. Clients also must execute a separate custodial/clearing/brokerage agreement with the custodian.

#### Advisory Services to the Azzad Funds

We provide investment management services as an adviser under an advisory agreement to the following portfolios registered under the Investment Company Act of 1940: Azzad Ethical Fund (ADJEX) and Azzad Wise Capital Fund (WISEX) (collectively, the “Funds”). These no-load mutual funds are affiliated with Azzad, and their fees are based on assets under management. The Funds are available through prospectus only; a prospectus is available free of charge by calling the Funds’ transfer agent at 888-350-3369 or online at <https://azzadasset.com/azzad-funds/>.

Under the terms of the investment advisory agreement with the Funds, Azzad is responsible for formulating the Funds’ investment program.

### **ADDITIONAL DISCLOSURES**

ERISA / IRC Fiduciary Acknowledgment. When Azzad provides investment advice to a client about the client’s retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or

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the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. Because the way Azzad makes money creates certain conflicts with client interests, Azzad operates under a special rule that requires it to act in the client’s best interest and not put its interests ahead of the client’s. Under this special rule’s provisions, Azzad must: meet a professional standard of care when making investment recommendations (give prudent advice); never put its financial interests ahead of the client’s when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that Azzad gives advice that is in the client’s best interest; charge no more than is reasonable for Azzad’s services; and give the client basic information about conflicts of interest.

Retirement Plan Rollovers – No Obligation/Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer’s plan, if permitted, (ii) roll over the assets to the new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). If Azzad recommends that a client roll over their retirement plan assets into an account to be managed by Azzad, such a recommendation creates a conflict of interest if Azzad will earn an advisory fee on the rolled over assets. No client is under any obligation to roll over retirement plan assets to an account managed by Azzad. Azzad complies with the conflict mitigation provision by waiving program fees invested in the Azzad Mutual Funds.

### **C. Tailored Services**

All Ethical Wrap Program and Financial Planning Services are individualized or tailored to each client’s needs, goals, risk appetite, and objectives. Clients complete a risk assessment questionnaire, financial planning questionnaire and/or interview used to create an Investment Policy Statement tailored to meet client’s current situation. Clients may impose reasonable trade restrictions, subject to approval by the Firm. However, if the restrictions prevent Azzad or its representatives from properly servicing the account, or if the restrictions require Azzad to deviate from its standard services, Azzad reserves the right to terminate the relationship. Additionally, at your request, Azzad will remove the Azzad Funds from your Ethical Wrap Program account.

Clients are advised that it remains their responsibility to promptly notify Azzad if there is ever any change in their financial situation, investment objectives, or if they wish to impose reasonable restrictions for the purpose of reviewing, evaluating, or revising Azzad’s previous recommendations and/or services. In performing its services, Azzad shall not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely thereon.



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## **D. Wrap Program**

Azzad sponsors the Ethical Wrap Program that is described in Item 4.B, above. Additional information about the Ethical Wrap Program can be found in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”), which can be requested free of charge by calling 888.862.9923. Azzad does not manage wrap accounts in a different fashion than non-wrap accounts. We manage all our accounts according with our socially responsible Islamic investment philosophy. As further described in the Wrap Fee Program Brochure, Azzad receives a portion of the wrap fee for its services.

## **E. Clients Assets Managed**

As of March 24, 2024, the Firm manages approximately \$1,484,555,612 in discretionary assets and approximately \$7,862,398 in nondiscretionary assets.

## **5. Fees and Compensation**

### **A. Ethical Wrap Program**

The annual wrap fee is based on a percentage of assets under management and is paid monthly in advance in accordance with the following fee schedule:

<b><u>Market Value</u></b>	<b><u>Annual Fee</u></b>
\$0-\$500,000	1.75% on the first \$500,000
\$500,001-\$2,000,000	1.5% on the next \$1,500,000
\$2,000,001-\$4,000,000	1.4% on the next \$2,000,000
\$4,000,001-\$10,000,000	1.3% on the next \$6,000,000
\$10,000,001 and over	1.2% on assets over \$10 million

As mentioned previously, these fees are inclusive of brokerage, custodial, investment management, and advisory services. A portion of the wrap fee is payable to your Azzad Investment Adviser Representative. The custodian may charge clients special service charges such as wire transfer and check fees (not included in the above wrap fee) but clients may use other payment methods at no charge (such as electronic funds transfers). Clients may request a detailed description of such fees from their representative.

In certain circumstances, clients whose advisory accounts are held at Fidelity Brokerage Services (“Fidelity”) will incur additional transaction fees for trades executed via individual transaction charges when choosing to receive paper delivery of their statements. These transaction fees are separate from our firm’s wrap fees and will be charged by Fidelity. Clients may avoid these

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transaction fees for U.S. listed equities and exchange traded funds by either opting into electronic delivery of statements or maintaining at least \$1 million in assets at Fidelity.

A client's actual fees will depend on their allocation and total household assets under management with Azzad. Depending on unique circumstances (another existing account relationship with a client, expected dramatic account growth, account type, special conditions, etc.), fees may be subject to negotiation. The specific way fees are charged by Azzad is established in a client's written agreement with us. We reserve the right to charge clients wrap fees that are lower than the above fee schedule.

We provide "householding" billing for clients who maintain their accounts at Charles Schwab & Co., Inc., or Fidelity Brokerage Services, LLC. In those cases, Azzad combines managed account values for family members living in the same household at either custodian to increase the managed asset total, and ultimately reduce the wrap fee based on the available breakpoints in the fee schedule above. We provide limited "householding" for clients who maintain accounts at Goldman Sachs. Only accounts opened with the same social security number or tax identification number are "household" in determining breakpoints in our fee schedule. In determining our fee, we also do not "household" accounts held at Goldman Sachs with accounts held at Charles Schwab & Co., Inc., or Fidelity Brokerage Services, LLC. For example, we would not combine the account values for spouses sharing the same household who each own an account maintained at Goldman Sachs to reduce the wrap fee based on the available breakpoints in the fee schedule above.

We reserve the right to lower your fees without obtaining your permission. However, we may not increase your fees without thirty (30) days' advance written notice.

Clients who do not receive an Azzad Wrap Fee Program Brochure (Part 2A Appendix 1 of Form ADV) prior to or at the time of opening a wrap account with Azzad, shall have the right to terminate the wrap relationship without cost or penalty, within five (5) business days from the date of the wrap agreement. Thereafter, in the event of the termination of our services, any unearned portion of fees previously paid will be refunded. Clients may terminate their agreement with us at any time by written notice delivered to Operations at Azzad Asset Management, 3141 Fairview Park Drive, Suite 355, Falls Church, VA 22042.

#### How We are Paid

The annual wrap fee is generally based on a percentage of assets under management as determined by the custodian and pursuant to the above standard fee schedule. Fees are paid in advance at the beginning of each month. They are computed on the custodian's reported valuation of assets under management on the last day of the prior month and automatically debited from the client's account. Thereafter, if any prepayments of fees are made by advisory clients, such pre-payments are prorated, and any unearned fees are refunded if services are terminated prior to the period for which payments were to apply.

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## Other Fees You Should Understand

We are the investment adviser to the Azzad Funds. The Azzad Funds charge separate fees and expenses not included in the above wrap fees (referred to as the Funds' expense ratios). These separate fees are described in the Funds' prospectus and will generally include a management and distribution fee.

A significant portion of our proprietary mutual fund sales are made through wrap accounts. However, the wrap fees are waived on the portion of a client's account that is invested in the Azzad Funds. Although clients will not be charged a wrap fee on any assets invested in the Azzad Funds, as noted previously, clients will still be charged separate fees and expenses associated with the Funds. Clients should refer to the Azzad Funds' prospectus <https://azzadasset.com/azzad-funds/> for more information.

Clients may invest in the Azzad Funds directly outside of the Ethical Wrap Program. Clients who choose to do so should review both the fees charged by the Funds and the wrap fees to fully understand the total amount of fees and to evaluate the advisory services being provided. Clients have full discretion to request the removal of the Azzad Funds from their wrap account.

Azzad is registered as an Investment Adviser under the Investment Advisers Act of 1940 and is therefore qualified to be appointed an Investment Manager under section 402(c)(3) of ERISA. We acknowledge that, regarding those clients for which we serve as an Investment Manager as defined in section 3(38) of ERISA, we are a Fiduciary as defined in section 3(21)(A) of ERISA.

As Investment Adviser to the Azzad Funds, we are contractually obligated to waive all or a portion of our management fees and to reimburse the Funds to the extent necessary to limit operating expenses to 0.99% of assets for the Azzad Ethical Fund and 0.89% for the Azzad Wise Capital Fund. By increasing the assets in the Azzad Funds, we may be able to eliminate or reduce our reimbursement obligation. Therefore, we have an incentive to allocate wrap assets into the Funds. In addition, broker-dealers servicing our wrap accounts receive 12b-1 fees paid by investors holding the Azzad Funds in their accounts.

For clients whose advisory accounts are held at Schwab, Schwab has eliminated commissions for online trades of U.S. equities, ETFs, and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities on behalf of clients, clients will not have to pay any commissions to Schwab. We encourage you to review Schwab's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. However, our investment portfolios are *not* available to clients outside the wrap fee program. As Azzad absorbs certain transaction costs in wrap accounts, Azzad may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

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## **B. Azzad Funds Advisory Services**

Azzad receives advisory fees under the terms of an investment advisory agreement with the Funds. For its services, Azzad receives a fee at an annual rate of 0.80% (pursuant to a voluntary fee waiver) of the Azzad Ethical Fund's average daily net assets and 0.80% of the Azzad Wise Capital Fund's average daily net assets. Azzad has an agreement with the Funds to reimburse Azzad Ethical Fund for expenses exceeding 0.99% of the Funds' net assets in any given year and 0.89% for Azzad Wise Capital Fund. Shareholders who wish to make redemptions from either fund may do so by following its redemption procedures as outlined in the relevant prospectus.

## **6. Performance-Based Fees and Side by Side Management**

Azzad does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **7. Types of Clients**

### **A. Types of Clients**

We provide investment management services to individuals (including high-net worth individuals), corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, registered mutual funds, trust programs, small businesses, and other institutions.

### **B. Account Minimums**

#### **Minimum Wrap Account Size**

We require a minimum dollar amount of assets under management of \$500,000 for wrap accounts. Under certain circumstances, Azzad may treat affiliated accounts (e.g., accounts of different family members or multiple accounts for the benefit of the same person or persons) as one account for purposes of satisfying the minimum size requirements. We reserve the right to accept clients with lower minimum investment requirements for normal business reasons and considerations. We also reserve the right to resign from the management of any individual account that falls below our required investment minimum.

#### **Minimum Mutual Funds Account Size**

For mutual fund accounts, Azzad requires a minimum initial investment as outlined in each Fund's prospectus. Generally, clients may invest in the Azzad Ethical Fund (ADJEX) with a minimum account size of \$1,000 and in the Azzad Wise Capital Fund (WISEX) with a minimum account size of \$4,000.

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

### **A. Methods of Analysis and Investment Strategies**

Wrap accounts include portfolios consisting of securities selected by each respective portfolio's model manager ("Independent Manager") or Azzad's internal investment team ("Azzad Investment Team"). To assist in the management of a client's account, Azzad hires Independent Managers to manage the funds and various model portfolios. A client's relationship, however, is solely with Azzad. There is no communication, including consultations between the Independent Manager and the client. Azzad continues to advise the client regarding asset allocation and other financial decisions in their accounts. The Azzad Investment Team may also manage various model portfolios for clients. Azzad may recommend that a client invest in one or more portfolios that is managed by the Azzad Investment Team.

Each Independent Manager, using various available sources of information, has developed a method of analysis, style, or specialty that we believe is suitable for our wrap account clients. Independent Managers begin their investment process with our investment philosophy (described below). They generally do not have direct or indirect responsibility for client accounts, nor do they communicate with clients. Their sole responsibility is to manage the model portfolios they are assigned within the wrap account. They will normally only recommend securities for a model portfolio but have no or limited authority to effect account transactions.

The Azzad Investment Team and Independent Managers may use the following methods of analysis when managing client assets:

**FUNDAMENTAL ANALYSIS.** The intrinsic value of a security is analyzed by reviewing economic and financial factors (including the overall economy, industry conditions, and the financial conditions and management of the company itself) to determine if the company is underpriced (suggesting it may be a good time to buy) or overpriced (suggesting it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. There is risk in the fact that the price of a security moves up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

**CYCLICAL ANALYSIS.** In this type of technical analysis, the movements of a stock against the overall market are analyzed to predict the price movement of the security.

**QUANTITATIVE ANALYSIS.** Mathematical modeling is used to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and to predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect, including usage of historical data, which may present certain limitations.

**QUALITATIVE ANALYSIS.** In this type of analysis, factors that are difficult to quantify (such as quality of management and operations, labor/client relations, strength of research and

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development factors, legal and reputational aspects, which are not readily subject to measurement) are evaluated to predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**ASSET ALLOCATION.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities and fixed income suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a security, industry, or market sector. Another risk is that the ratio of securities and fixed income will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. In addition, the fixed income portion of Azzad's Ethical Wrap Program is not diversified because it invests solely in a proprietary mutual fund, the Azzad Wise Capital Fund (WISEX).

**THIRD PARTY MODEL MANAGERS.** A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, we do not control the underlying investments in a third-party manager's portfolio (other than enforcing our socially responsible Islamic screens). There is a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies. To mitigate these risks, Azzad conducts ongoing due diligence on the managers it hires in the Ethical Wrap Program.

**SOCIALLY RESPONSIBLE ISLAMIC INVESTMENT PHILOSOPHY.** Our investment approach incorporates socially responsible Islamic investment screens with our affiliated and independent portfolio managers' specific investment process to deliver a portfolio that we believe is promising. These screens include avoiding companies that earn more than 5% of their revenue from the following lines of business: alcohol, tobacco, pork, gambling, pornography, defense companies, insurance, and interest lending arrangements (which means we avoid most banks and financial services companies). In addition to the above qualitative screens, we also incorporate financial screens in our investment philosophy such as avoiding companies with excessive debt.

To assist portfolio managers in choosing stocks that comply with our investment philosophy, we created a proprietary software application. ISFA (Investment Screening Filtering Application) helps managers automatically screen their stock universe(s) for compliance with our investment guidelines. Once a security passes, it must then pass the manager's investment process to be included in the portfolio. However, we recognize that companies are dynamic, and their balance sheets and lines of business can change periodically. Therefore, we continue to monitor all our and our managers' holdings to ensure that they remain in compliance with our investment philosophy.



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Our managers also refrain from using certain investment techniques we believe are contrary to our investment philosophy. These include, but are not limited to, buying, and selling on margin, short selling, hedging, and using options trading.

### *Investment Strategies*

Client accounts are invested in one of five asset allocation strategies ranging from conservative to aggressive. Clients may also choose to work with their Investment Adviser Representatives to develop different variations of these five asset allocation strategies. The strategies vary in their exposure to different equity categories (diversified among international, large/mid/small, REITs, and others) and fixed income (as represented by the Azzad Wise Capital Fund). Due to Azzad's investment philosophy, the fixed income portion of the strategies is not diversified and limited to the Adviser's proprietary mutual fund.

### **B. Investment Risks**

Although we work hard to preserve capital and achieve real growth of client wealth, all investments bear different types and degrees of risk and **investing in securities involves risk of loss (including loss of principal) that clients should be prepared to bear.** No investment strategy can protect against the risk of loss in the stock markets. Our managers use various investment techniques and strategies to try to control risk in the portfolios they manage. Still, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them. Ultimately, however, there is no guarantee that your investments will not lose money. Clients should understand that they could lose some or all their investment and should be prepared to bear the risk of such potential losses.

We strive to render our best judgment on behalf of our clients. Still, we cannot assure or guarantee clients that investments will be profitable or assure them that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

### **C. Other Investment Risks**

American Depository Receipts. We may invest in American Depository Receipts ("ADR"), also known as American depositary shares. An ADR is a receipt for the shares of a foreign-based corporation held in the vault of a U.S. bank and entitling the shareholder to all dividends and capital gains. Instead of buying shares of foreign-based companies in overseas markets, Americans can buy shares in the U.S. in the form of ADRs. ADRs are available for hundreds of stocks from numerous companies. ADRs make trading foreign securities in the U.S. easier by eliminating

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currency exchange, legal obstacles, foreign ownership transfers and the need to trade on a foreign exchange. While an ADR removes direct foreign currency ownership, the value of the ADR share is still impacted by changes in the U.S. dollar to foreign currency exchange rate.

ADRs can be created/canceled through a custodian depository bank. The bank usually charges a fee for conversion. If the ordinary shares are bought in the foreign market, those shares are sent to the depository custodian where they are converted from ordinary to ADR form. In the case of a sale, the custodian cancels the ADR and delivers the ordinary shares. ADRs that are created in this manner may have low trading liquidity on the U.S. exchanges. Selling a low liquidity ADR on a US exchange may have excessive transaction costs. Thus, such shares may need to be sold in their home foreign market and delivered through cancellation of their ADR.

Equity Securities. An account investing all its assets in common stocks bears the risk that the value of the stocks it holds may decrease in response to the activities of an individual company or in response to general market, business, and economic conditions. If this occurs, the account value may also decrease.

Market Risk. This risk exists in all our accounts and means that the risk of the price of securities in a market, a sector or an industry will fluctuate and that such movements might reduce an investment's value.

Concentration Risk. Concentrating investments in a country, region, market, and industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, and industry or asset class.

Non-Diversification Risk. Non-Diversification of investments means a portfolio may invest a large percentage of its assets in securities issued by or representing a small number of issuers. Thus, the portfolio's performance may depend on the performance of a small number of issuers.

Small Companies. Typically, securities of small companies are less liquid than securities of large companies. The stocks of small companies are generally more sensitive to purchase and sale transactions and, therefore, the prices of such securities may be more volatile than those of larger companies.

Socially Responsible Islamic Investing Risks. We will invest in securities only if they meet both our investment and socially responsible Islamic requirements, and as such, your return may be lower than if we made decisions based solely on investment considerations. Moreover, our screens typically exclude the stocks of most financial and utility companies. When these sectors are outperforming, our portfolios may underperform their benchmarks. If we believe a company has violated our socially responsible Islamic investment philosophy, then we will request that the manager sell the security. This policy could result in the manager selling a security at an



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inopportune time from a purely financial point of view. Moreover, it can create higher turnover and lead to short-term tax consequences.

Tax Considerations. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Cyber Security Risks and Disaster Recovery. Cybersecurity incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Azzad and its service providers' information and technology systems may be vulnerable to damage or interruption from computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information. Although Azzad has implemented, and service providers may implement or already have implemented, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly, or fail to adequately secure private information. Breaches such as those involving covertly introduced malware, impersonation of unauthorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further hard and preventing it from being addressed appropriately. The failure of these systems and/or disaster recovery plans for any reason could cause interruptions in Azzad's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive information (including material non-public information in connection with investments) and, potentially including personal information relating to clients, if any.

## **9. Disciplinary Information**

On September 17, 2024, the SEC entered an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order"). Specifically, the Order reflects the SEC's finding that from the quarter ending December 31, 2019, to the quarter ending September 30, 2023, Azzad had investment discretion

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over at least \$100 million of reportable 13F securities and was therefore obligated to file quarterly Forms 13F beginning by at least February 2020. However, Azzad failed to file Forms 13F until April 2024. In April 2024, Azzad filed fifty-two Forms 13F, which covered the period from the quarter ending December 31, 2010, to the quarter ending September 30, 2023, inclusive. In connection with the Order, Azzad agreed to: cease and desist from committing or causing any violations of Section 13(f)(1) under the Securities Exchange Act of 1934 and Rule 13F-1 promulgated thereunder, the entry of a censure, and to pay a civil money penalty of \$225,000. In determining to accept Azzad's offer of settlement, the SEC considered certain remedial acts promptly undertaken by Azzad. Azzad consented to the entry of the Order without admitting or denying the factual findings or conclusions of law. Additional details can be found at <https://www.sec.gov/files/litigation/admin/2024/34-101054.pdf>. The Order and the underlying settlement should not have any impact on client accounts or services received from Azzad.

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

Azzad sponsors and acts as Investment Adviser to the Azzad Funds family of no-load mutual funds (investment companies) consisting of the Azzad Ethical Fund (ADJEX) and the Azzad Wise Capital Fund (WISEX). We provide administration and investment management services to the Azzad Funds. The portfolio manager of the Azzad Funds (overseen by an Investment Committee) also manages various portfolios in our wrap accounts.

For the reasons above, we have an incentive to, and in fact may if we deem it suitable to, hold shares of our affiliated mutual funds (Azzad Wise Capital Fund and/or Azzad Ethical Fund) in client wrap accounts so that clients will have a complete picture of their assets. In such circumstances, we will not charge our wrap program fee on these assets. However, clients should understand that we will receive any fees paid by the Azzad Fund as disclosed in the applicable prospectus for the Fund. That fee may be higher or lower than the fee a client may be paying on other assets that we manage in the client's wrap account.

Azzad does not select third party investment advisers for its clients. We only select independent investment managers for our Ethical Wrap Program, which is described above under Item 4.B.

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

### **A. Description**

Azzad 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

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provisions relating to the confidentiality of client information, a prohibition on insider trading, 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 Azzad must acknowledge the terms of the Code of Ethics annually, or as amended.

A complete copy of Azzad's current Code of Ethics is available by sending a written request to Azzad Asset Management, Inc., Attn: Compliance, 3141 Fairview Park Dr. Suite 355, Falls Church, VA 22042, or by contacting Manal Fouz, Chief Compliance Officer, at 888.862.9923.

### **B. Material Interest in Securities**

When acting as a portfolio manager to the Ethical Wrap Program, Azzad may recommend inclusion of the Azzad Funds, the Azzad Ethical Fund (ADJEX) and Azzad Wise Capital Fund (WISEX). This causes a conflict of interest because Azzad acts as the Investment Advisor to the mutual funds and receives a separate fee for this service. As a result of this conflict, Azzad has created several policies and procedures to mitigate the conflict of interest.

It is Azzad's policy that our Investment Adviser Representatives should only make the recommendation to use Azzad Funds when it is consistent with the client's investment objectives. In addition to their fiduciary duty to the client, Azzad has adopted a Code of Ethics that binds its Investment Adviser Representatives. Furthermore, Azzad waives the wrap program fee on assets invested in the Azzad Funds but does receive a management fee on these assets. Finally, the Program's clients have full discretion to request the removal of Azzad Funds from their accounts.

### **C. Investing or Recommending in the Same Securities**

Subject to satisfying this policy and applicable laws, officers, directors, and employees of Azzad and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for Azzad's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Azzad 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 materially not interfere with the best interests of our 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 Azzad and its clients.

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It is our policy that the firm will not affect any principal or agency cross-securities transactions for client accounts. We also do not conduct cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, 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 adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, 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 adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **12. Brokerage Practices**

### **A. Recommendation Criteria**

Azzad does not place client trades with an affiliated broker-dealer since it does not conduct its own brokerage activities, therefore we must utilize the brokerage and clearing services of Goldman Sachs Company, Charles Schwab & Co., Inc., and/or Fidelity Brokerage Services, LLC, members FINRA/SIPC. We are independently owned and operated and not affiliated with any broker-dealer.

Unless we receive specific directions from a client regarding the placement of brokerage business, we select the broker-dealer to effect clients' transactions. We consider various factors in selecting a broker, including, but not limited to: the broker's execution capability, custodial and other services provided by the broker that are expected to enhance our general portfolio management capabilities, sound financial condition, reputation and integrity and the broker's knowledge of market, securities, and industries, as well as, the broker's responsiveness. Commission rates paid on securities transactions must also reflect comparative market rates. However, the lowest possible commission cost alone does not determine brokerage selection. Another important consideration is acceptable record keeping, e.g., timely and accurate written confirmations and statements.

As stated previously, wrap accounts are not charged a separate brokerage fee and do not incur commission costs outside of the wrap fee. Azzad strives to execute each client's securities transactions in such a manner that the client's total costs or proceeds in each transaction are the most favorable under the circumstances. Schwab's asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$65 million of our clients' assets in accounts at Schwab. This commitment benefits you because the overall asset-based fees you pay are lower than they would be if we had not made this commitment.

Azzad periodically and systematically reviews its policies and procedures regarding its recommendation of broker-dealers considering its duty to obtain best execution.

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Azzad's sub-advisers have discretion to determine which broker-dealer(s) they will use, and the commission rates paid by Azzad Fund shareholders for the Azzad Funds. As the investment adviser to the Azzad Funds, Azzad has implemented policies and procedures in place to oversee the Funds' sub-advisers' brokerage selection and review process.

## **B. Research and Other Soft Dollar Benefits**

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as subscriptions or research. When an investment firm gives its business to a brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. Azzad does not have arrangements to receive soft dollar benefits in connection with securities transactions in the Azzad Funds. As stated above, each Fund sub-adviser has full discretion to place buy and sell orders with or through such broker-dealers as it may deem appropriate. It is the policy and practice of Azzad to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution").

Although Azzad does not have any arrangements to receive soft dollar benefits in connection with client securities transactions for its wrap or other investment advisory accounts, it may be eligible to receive certain economic benefits from the broker-dealer it selects for its clients. By selecting Goldman Sachs, Azzad may be eligible to receive certain economic benefits that are typically not available to retail clients. These benefits include the following products and services (either without cost or at a discount): duplicate client statements and confirmations, the ability to have advisory fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, and consulting services. However, the benefits received by Azzad through participation in the broker-dealer's institutional program do not depend on the amount of brokerage transactions directed to it.

Azzad may recommend that certain clients establish brokerage accounts with Schwab Advisor Services ("Schwab") a division of Charles Schwab & Co., Inc., to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab or other broker-dealers is at the discretion of the client.

If clients choose to use Schwab, Azzad is required to disclose the economic benefits made available to the Firm by Schwab. Azzad, however, may choose not to take advantage of these additional economic benefits, while retaining the brokerage services of Schwab. Schwab Advisor Services offers certain additional services to clients such as brokerage, execution of securities transactions, custody, research, etc. For Azzad clients' accounts maintained in Schwab's custody, Schwab generally does not charge additional fees for custody services. Schwab is compensated by account holders through commissions or other transaction-related, or asset-based fees for securities trades, which are executed through them or that settle into their accounts.

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Schwab also makes available to Azzad other products and services that may benefit the Firm but may not directly benefit its clients' accounts. Such benefits may include educational events organized or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Azzad, such as invitations to sporting events, golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.

Other products and services may assist Azzad in managing and administering clients' accounts. These include software and other technology (and related training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of advisers' fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. If the Firm chooses to take advantage of some of these offerings, these services may be used to service Azzad clients' accounts, including accounts not maintained at Schwab Advisor Services.

Schwab also makes available to Azzad other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, and other business operations services. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to advisers.

Clients should be aware, however, that the receipt of economic benefits by Azzad in and of itself creates a potential conflict of interest and may indirectly influence Azzad's selection for custody and brokerage services. As a fiduciary, we endeavor to always act in our clients' best interests. Our recommendation that clients maintain their assets in accounts at a specific broker-dealer is based solely on the nature, cost or quality of custody and brokerage services provided by the broker-dealer regardless of any other products or services which may be provided to the Firm. We are aware, however, that the availability of some of the foregoing products and services may create a potential conflict of interest.

### **C. Brokerage for Client Referrals**

Azzad does not have any arrangements to receive client referrals from any broker-dealer.

### **D. Directed Brokerage**

Some clients may direct us in writing to a specific broker-dealer to execute securities transactions for their accounts. When so directed, we may not be able to achieve the most favorable execution of clients' transactions. This can result in substantially higher fees, charges, or dealer concessions in one or more transactions for the clients' account because the Adviser cannot negotiate favorable prices. Subject to its duty of best execution, Azzad may decline a client's request to direct brokerage if, in Azzad's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.



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Azzad generally recommends that wrap clients open their accounts with Goldman Sachs Company, Charles Schwab & Co., Inc., or Fidelity Brokerage Services, LLC, members FINRA/SIPC for custody and brokerage services. If a client does not wish to place assets with these custodians, then Azzad may not be able to manage the account as a wrap account.

#### **E. Trade Aggregation**

Azzad typically has complete discretion over the selection and quantity of securities to be brought or sold without obtaining specific client consent. As noted above, Azzad seeks to obtain “best execution” on each portfolio transaction for clients. As part of our effort to obtain best execution, Azzad aggregates trades in individual securities for as many accounts as practicable, except where subject to client direction constraints. Each account that participates in a block trade that is filled at several different prices through multiple trades will receive the average share price.

When using Goldman Sachs to execute brokerage trades, Azzad conducts all its brokerage trades through Window Trades. Instead of being executed immediately, Window orders are grouped together by side and symbol, one or more times per day, and executed. The orders are collected until each Window deadline. Orders placed after the last Window on any business day are generally processed in the first Window of the next trading day. If a client wants to trade securities immediately or requests to trade securities that cannot be traded through a Window, Azzad will send a Direct Trade order immediately to the market for execution.

### **13. Review of Accounts**

#### **A. Periodic Reviews**

Azzad strives to ensure compliance with each client’s investment guidelines, consistent with our fiduciary responsibility to manage the account in a client’s best interests. We review our wrap allocation models as well as the specific portfolios managed (by us and our independent managers) frequently, with a specific review occurring monthly, and a more general review conducted at least once a quarter. All portfolios are reviewed continuously rather than periodically. The portfolios and allocation models are reviewed by the investment team and then overseen by an investment committee that meets at least once a quarter (and more frequently when conditions warrant). The Azzad Funds’ board of trustees, with Azzad’s assistance, also reviews the Azzad Funds’ portfolio(s) at least once a quarter.

Investment Adviser Representatives also conduct reviews with their clients at least quarterly or more frequently as warranted or requested by the client. Representatives meet with clients to review their accounts and the advisory relationship.

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## **B. Other Reviews**

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation, investment objectives and guidelines, market conditions, reaching life milestones, and so forth.

## **C. Reports**

Clients receive separate monthly account statements from their custodian detailing all cash and asset transactions, activity, and holdings information. Statements are available electronically by downloading them off the custodian's website. Clients receive, by email, notifications that their statements are ready for downloading. Clients may then log into their account(s) with a secure username and password.

You may also access your performance information by using a portal maintained by an unaffiliated company called Orion Advisor Services, LLC ("Orion"). Azzad has contracted with Orion to utilize its technology platforms to support various administrative services including performance reporting. Due to this arrangement, Orion will have access to client accounts, but Orion will not serve as an investment advisor to Azzad clients. The portal may contain a client's balance, initial deposits, and other summarized information.

Clients investing directly in the Azzad Funds receive their account statements from the Funds' transfer agent at least once a quarter. They will receive a variety of reports including semi-annual and annual reports with respect to their shares, as required by the Investment Company Act of 1940. They may also access their account information online at <https://www.mutualss.net/azzad/login.aspx> and log in with their investor number and password. Investors may obtain their login information by calling the funds' transfer agent at 888-350-3369.

# **14. Client Referrals and Other Compensation**

## **A. Other Compensation**

Azzad and its IARs do not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

## **B. Client Referrals**

Azzad employees market services to clients on a direct basis in accordance with the new Marketing Rule 206(4)-1. Azzad does not direct brokerage transactions to any third party in return for client referrals. Azzad does not have any referral or solicitation arrangements with third parties.



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## **15. Custody**

All client funds, securities and accounts are held by independent third-party custodians. Azzad does not take possession of a client's securities or funds. Clients will receive account statements directly from their third-party custodians for the accounts and should carefully review these statements. Clients should contact Azzad immediately if they do not receive account statements from their custodian on at least a quarterly basis. As noted in Item 13, Azzad may provide clients with separate reports or account statements providing information about their account. Clients should compare these carefully to the account statements received from the custodian. Azzad's statements may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. In the event of any discrepancies, you should rely on the statement you receive from the custodian of your assets. If clients discover any discrepancies, they should contact Azzad immediately.

## **16. Investment Discretion**

For the Ethical Wrap Program, most of our other advisory relationships and Azzad Funds, we have discretionary authority to make determinations regarding the securities that are purchased and sold, as well as the quantities of such securities. Discretion over the account is obtained when the client signs the investment advisory contract. Azzad exercises its investment discretion consistent with its investment philosophy, ethical investment guidelines and any other restrictions imposed by the client and accepted by Azzad. Any additional investment guidelines and restrictions must be provided to Azzad in writing. If client is a profit-sharing plan, trust, estate, charitable organization or other business entity, Azzad may comply with such limitations as may be imposed by the individuals, board of directors or trustees of such entities and with the stated investment objectives of such clients of the plans involved.

Azzad normally sells some or all the securities in a client's account after the initial receipt of the account or the deposit of additional securities into the account. Some securities may be retained in the account to the extent that they are included in our normal holdings for such an account or at a client's request. The client is solely responsible for any tax liabilities that result from such transactions. If a client makes a special request to hold or purchase securities, then they will be held in a sub-account. The client is solely responsible for the management of any securities held in a sub-account.

For the Azzad Funds (which are registered investment companies) Azzad's authority to trade securities may be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

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A non-discretionary investment account means the client retains full discretion to supervise, manage, and direct the assets of the account. The client maintains full power and authority to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the account in any manner deemed appropriate and to place all orders for the purchase and sale of account assets with or through brokers, dealers, or issuers selected by the client. The client is free to manage the account with or without our recommendations and all with or without prior consultation with us.

## **17. Voting Client Securities**

Unless directed by the client in writing, Azzad will vote proxies on behalf of our advisory accounts. Azzad also votes proxies on behalf of the Azzad Funds. Azzad votes client securities in the best interests of the clients and then in accordance with its ethical investment philosophy and guidelines. In general, this entails voting client proxies with the objective of increasing the long-term economic value of client assets. Azzad seeks to avoid the occurrence of actual or apparent material conflicts of interest in the proxy voting process by voting in accordance with predetermined voting guidelines. In all cases in which there is deemed to be a material conflict of interest, Azzad will seek to resolve the conflict in the clients' best interests. Clients may obtain a copy of Azzad's complete proxy voting policies and procedures upon request. Clients may also obtain information from Azzad about how we voted proxies on behalf of their accounts(s). Please contact our Chief Compliance Officer at 888-862-9923.

## **18. Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you and we have never been the subject of a bankruptcy proceeding. Azzad does not require prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, a balance sheet is not required and not attached.