

Brochure

Form ADV, Part 2A

ITEM 1 – COVER PAGE



Zulauf Asset Management AG

CRD # 110597

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The brochure provides information on the qualifications, advisory business, fee arrangements, types of clients, investment strategies, code of ethics, custody policies and financial information of Zulauf Asset Management AG (“Zulauf” or “Registrant”). 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.

If you have any questions about the contents of this brochure or would like to request a brochure, please contact Cornelia Kehl, Zulauf’s Chief Compliance Officer at 004141-724-5701 or by email at zam@zuam.ch. Zulauf is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Zulauf is available on the Securities Exchange Commission’s website at www.adviserinfo.sec.gov.

ITEM 2 - MATERIAL CHANGES

This is our initial Form ADV, Part 2A.

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ITEM 4 - ADVISORY BUSINESS

Zulauf was formed in October 1990. Zulauf's principal owner is Felix W. Zulauf.

Zulauf primarily produces and publishes independent financial research and advisory services to institutional clients. Zulauf markets its services primarily to financial institutions and market participants including investment advisers, brokerage-dealers, and asset management firms and organizations.

Zulauf's research publication focuses on current and estimated future trends in global macro-economics and how they influence global financial markets. The research is designed to be useful to professional money managers particularly with respect to asset allocation. The publication describes economic developments, interest rates and bond yields, foreign exchange of major currencies and other factors that are important for the world economy and global financial markets, equity markets as well as commodities and gold.

The publication frequency depends to some extent on economic and market developments but the goal is to publish one or two reports per month.

Clients who purchase Zulauf's research products and services also receive access to Mr. Zulauf for direct consultation on market or investment advice.

Zulauf manages a private fund that is presently in the process of winding down. Zulauf continues to manage the assets of the fund, although trading activity within the fund is generally limited. Zulauf expects that this fund will be dissolved within a year.

As of March 31, 2016, Zulauf had approximately \$12.83 million of regulatory assets under management on a discretionary basis. Zulauf does not offer nor participate in any wrap-fee programs.

ITEM 5 - FEES AND COMPENSATION

Fees for Research and Advisory Consultation Services

Zulauf will negotiate fees for research and advisory consultation services with each consulting client based on various factors. These factors include the number of users at each client firm, the size and type of client firm, and anticipated level of direct access to and interaction with Mr. Zulauf. Fees for research and advisory consultation services are typically payable in advance on a quarterly basis unless otherwise negotiated.

Fees for Management of the Private Fund

Zulauf receives compensation for managing a private fund. Its compensation is described in detail in the offering memorandum provided to investors in the private fund. Zulauf receives an advisory fee of 1.5% of the net asset value of the fund paid quarterly in arrears. Zulauf receives a performance fee of 20% of net quarterly appreciation, calculated on a per share basis and subject to certain adjustments including a high water mark. The offering memorandum describes the performance fee calculation in detail. Zulauf is entitled to an initial fee of up to 2% of the subscription price, but it has generally not charged such fees. Zulauf receives its fees directly from the private fund.

The private fund will pay operational expenses of the investment, including but not limited to investment, administrative, valuation, audit, tax, legal, directors' fees, litigation, indemnification, and other organizational and operating costs in connection with managing the investment. Some of these expenses will be paid directly by the private fund, and for others, Zulauf may advance the payment and receive reimbursement from the client or vehicle. The offering memorandum provides additional details about expenses and costs borne by the private fund.

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

Zulauf receives performance fees from the private fund it manages. These performance fees give Zulauf additional compensation based on quarterly appreciation of the net asset value of the private fund, subject to various adjustments including a high-water mark.

As a result, the Zulauf may have a conflict of interest between its responsibility to manage each investment and its interest in maximizing any performance-based fee. For example, the performance-based fee may create an incentive for Zulauf to select investments that are riskier or more speculative than would be the case if such arrangement were not in effect. In addition, because the performance-based fee is calculated on a quarterly basis, it may create an incentive for Zulauf to engage in transactions more likely to yield short-term profits.

Zulauf addresses such conflicts by disclosing the relevant facts and circumstances.

ITEM 7 - TYPES OF CLIENTS

Zulauf provides research and advisory consultation services to institutional and high-net worth investors and clients. Zulauf manages investments exclusively for a private fund that is presently winding down.

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

Methods of Analysis and Investment Strategies

Zulauf uses various methods of analysis and strategies in formulating specific investment advice provided in its research reports and advisory consultation services and in managing assets, as described below. Investing in securities and other investments involves the risk of loss, including the possible risk of losing the entire investment. Clients and investors should be prepared to bear such a loss.

Zulauf believes that changing economic fundamentals over the course of a business cycle and changing economic policies by governments and central banks will change prices of the different asset classes. For instance, an expansive economic policy and a growing economy will most likely lead to higher equity and commodity prices. At the same time, it may lead to a weaker currency versus currencies of countries where economic growth is high, but monetary policy is restrictive. Moreover, a booming economy and a relaxed economic policy runs the risk of higher inflation rates and therefore the risk of higher interest rates in due time along the whole yield curve.

Zulauf's focus may change from asset class to asset class according to the opportunities present in the different markets. In equities, Zulauf will focus more on markets and industry groups than on individual stocks, although Zulauf may also consider individual stock investments if it sees attractive opportunities.

The private fund managed by Zulauf has the flexibility to invest in a wide range of instruments including listed and unlisted equities, debt securities, money market instruments, financial futures, financial options, equity swaps, commodity futures, physical commodities, currencies and derivatives. Zulauf will take long and short positions over a variety of time periods and may also retain amounts in cash or cash equivalents, pending reinvestment, if this is considered appropriate to the objective of maximizing absolute returns.

Zulauf's investment process is based on a top-down macro-economic and market analysis approach. Zulauf believes that the economy goes through different stages during a business cycle and so do the prices of the different assets and asset classes. Zulauf analyzes economic and market trends leads and estimates where the economy is in its business cycle and attempts to identify based on these estimates which asset classes should rise or fall in value. Zulauf may further attempt to identify sub-classes (e.g., industry groups in equities, individual commodities, etc.) that it believes will rise or fall in value.

Zulauf intends to purchase (or to recommend buying) asset classes, sub-classes and even individual assets (stocks, commodities, bonds, currencies) that it believes will rise in value and to sell short (or to recommend short-selling) asset classes, sub-classes and even individual assets that it believes will fall in value. Zulauf employs market analysis tools, such as relative strength, trend and momentum measures, and sentiment statistics for asset classes, individual markets, industry groups, individual stocks, individual commodities or currencies to help confirm its fundamental analysis and to evaluate timing.

Zulauf selects industry groups and individual stocks based on conventional analysis of profitability, balance sheet, and cash-flow. Zulauf may employ ratio analysis (e.g., price-to-earnings, price-to-book value, price-to-dividends) to evaluate absolute and relative attractiveness. Zulauf may use dividend discount models and discounted free cash flow to estimate fair values. Moreover, Zulauf sometimes uses money-flow analysis to monitor inflow or outflow of assets.

For commodities, the business cycle is of paramount importance. Zulauf analyzes the future trend of commodity prices by studying current and future demand/supply for individual commodities based on general macro-economic assumptions and analysis. Moreover, geopolitical trends may at times play an important role, particularly on the supply side, and are monitored and re-evaluated. Zulauf may use technical analysis to identify trends, trend quality and strength.

Zulauf believes that inflation and interest rates, from short to very long duration, may rise or fall based on the stage of the business cycle. Zulauf uses macro analysis of the global, regional and national economies to look for fixed-income markets or segments of them that are mispriced and where the next step in the chronological sequence of a business cycle leads to an attractive move of rates or yields, either up or down.

Currencies fluctuate from undervaluation relative to other currencies back to overvaluation on a cyclical basis driven by relative developments of economic fundamentals. Zulauf believes that over- or under-valuation can be detected of one currency against another one at times. Zulauf may purchase/recommend long currencies that appear undervalued and ready to correct that condition relative to other currencies that appear overvalued. Conversely, Zulauf may sell/recommend short currencies that appear overvalued and ready to correct.

Material Risks

Zulauf's research and advice often involves international investments and strategies and commodities and may be highly speculative, involve a high degree of risk, and for which market or valuation information may be limited. Such investments can carry a significant risk of loss. Zulauf may not be successful in identifying all risks associated with such investments or may fail to project accurately or precisely the future cash flows and other valuation information of such investments. The client or investor should be prepared to bear a complete loss of its investment.

The following is a summary of the typical, significant material risks associated with investments that Zulauf may recommend for a client and its private fund. The client or investor should review thoroughly the particular risk disclosures contained in offering or other documents associated with any particular investment.

- **Credit or Default Risk:** Many investments, such as debt instruments or real estate leases or other interests, are exposed to the risk that the debtor, lessee, or another counterparty may experience difficulty paying its obligations. The debtor, lessee, or other counterparty may seek bankruptcy protection which can limit or impair the rights of the investor.
- **Interest Rate Risk:** Many investments earn fixed interest rates which lose intrinsic and market principal value in an environment of rising interest rates.
- **Market or Principal Risk:** Many investments are exposed to declining market valuations due either to the specific market for the investment declining or the overall level of market prices declining. Real estate and other investments may come in and out of favor with investors, which may cause the market value to fluctuate with or without any inherent change in the underlying asset. The investor may receive less than the invested amount if the market value of the investment declines after the investment is made. Some investments may lose all their value if the issuer or obligor fails.
- **Inflation Risk:** Some investments risk failing to keep pace with inflation, and consequently purchasing power will be reduced. Inflation may also negatively impact the return of an investment through increased operating and other costs.
- **Subordinated priority risk:** Certain investments have subordinated priority and are exposed to the additional and special risk that if the issuer or asset fails to perform as expected, creditors or investors with higher priorities may recover, while the subordinated investor will not.
- **Reinvestment Risk:** Some investments, particularly fixed-rate investments, present the risk that the investor will be unable to reinvest principle or earnings at the same rate of return earned by the initial investment.

- **Currency Risk:** Investments denominated in foreign currencies are exposed to the risk that those currencies will decline in value relative to the U.S. dollar (or other local currency of the client) and that converting those foreign currencies back to U.S. dollars (or other local currency of the client) will have an unfavorable exchange rate and transaction cost.
- **Prepayment Risk:** Some investments allow the issuer to return principal or capital to an investor prior to expiration of the investment's expected or hoped-for full term. The investor may be unable to re-invest at the same or more favorable terms, creating **Reinvestment Risk** described above.
- **Economic Risk:** Many investments will experience appreciation or depreciation or may experience an increase or decrease in cash flows or other investment return based on changes in the general or local economic conditions.
- **Industry / Sector Risk:** Certain investments are exposed to the performance of a particular industry or sector which may impact the value of the investment.
- **Company or Asset Specific Risk:** Most investments are exposed to the risk that the particular issuer, obligor, or asset may fail to meet expectations, fail to pay dividends or interest, or succumb to competition or other forces. This risk is particularly acute for start-up and early stage ventures. While some investments have security interests in property or other collateral, such property or collateral may be inadequate to cover the investment, and may require time and expense before the security can be liquidated under the security agreements.
- **Liquidity Risk:** Most investments are exposed to the uncertainty of obtaining a fair price due to lack of a liquid market, thinly traded market, or poor market environment.
- **Regulatory / Environmental / Tax Risk:** Some investments are exposed to the uncertainty as to whether governments or regulators may change or impose regulations or tax laws that adversely affect the investment.
- **Management/ Operational Risk:** Investments relying on third party managers, processes or systems are exposed to the risk that the particular people, processes or systems will perform poorly relative to expectations or competition.
- **Legal Risk:** Investments, particularly those involving membership interests in entities managed by third parties, are exposed to a risk of financial or reputational loss arising from: regulatory or legal action; disputes for or against the company; failure to correctly document, enforce or adhere to contractual arrangements; inadequate management of non-contractual rights; or failure to meet non-contractual obligations.
- **Information Technology Risk:** Investments, particularly those involving emerging technologies, are at risk for general IT threats (such as hardware and software threats, malware, viruses, spam, scams and phishing); criminal IT

threats (such as hackers, fraud, security breaches, password theft and denial of service) and natural disasters (such as fire, floods, and damage to buildings or hardware).

- **Imperfect Correlation Risk:** Hedging positions designed to offset or eliminate particular risks are subject to the possibility that the hedging product will not perform as expected due to imperfect correlation or other reasons, and the risk intended to be hedge will materialize without the expected protection.
- **Event Risk:** Some investments are exposed to the danger of sudden, calamitous news or other events that directly and adversely affects the value, liquidity, or return of the investment, and for which the loss is uninsured. These may include acts of war, terrorist activity, data breach, compromise or failure of current or emerging information technology, storms, natural disasters, and other such events.
- **Fraud Risk:** Many investments are exposed to the risk of fraud by an issuer, manager, or some third party that adversely and materially affects the value of the investment.
- **Actuarial Risk:** Insurance-related investments are subject to the risk that the expected insured risk materializes at a different rate and adversely to the projected and assumed risk underlying the investment obligation.
- **Demand Risk:** Certain investments, particularly consumer and entertainment companies and assets, have the risk of changing consumer tastes and preferences and falling out of favor with the public, which can diminish the cash flow and value of the asset.
- **Political Risk:** Certain investments may be subject to domestic and foreign political situations and other factors.
- **Competition for Investments:** Zulauf may compete for the acquisition of assets or other investments with many other investors, some of which will have greater resources or interest in a particular investment than Zulauf or its clients or private fund. Competition for these assets or other investments may result in less favorable investment terms than would otherwise be the case.
- **Use of Leverage:** Zulauf may use leverage in connection with some or all of its investments. In such cases, a third party (e.g., a lender) may be entitled to cash flow generated by such assets prior to the investor. Leverage may increase returns where the underlying investment performs as or better than expected, but leverage can also dramatically increase the risk of loss or underperformance with respect to an investment where the underlying investment underperforms the cost of the leverage.
- **Valuation Risk:** Some investments are not publicly traded and are required to be valued by Zulauf in accordance with Zulauf's valuation policies. When estimating

fair value, Zulauf will apply a methodology based on its best judgment that is appropriate in light of the nature, facts and circumstances of the investments. Valuations are subject to multiple levels of review for approval. Notwithstanding Zulauf's focus and effort on achieving a reliable valuation process, the nature of such assets makes them extremely difficult to value and a risk exists that Zulauf's valuations could exceed the ultimate price at which a willing and able buyer will pay for the asset.

ITEM 9 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose material facts about any legal or disciplinary event that is material to an investor, a client's or a prospective client's evaluation of Zulauf's advisory business or the integrity of the Registrant or its management personnel.

Zulauf has no legal or disciplinary events or findings to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Zulauf is registered as a commodity pool operator due to the nature of the investments managed on behalf of its one private fund client. The private fund is presently winding down, and when it is dissolved, Zulauf anticipates that it will withdraw its registrations as a commodity pool operator.

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

Code of Ethics

Zulauf's Code of Ethics (the "Code") incorporates the following general principles which all employees are expected to uphold: (1) employees must at all times place the interests of the clients first; (2) personal securities transactions must be reported and reviewed; (3) employees must not take any inappropriate advantage of their positions with Zulauf; (4) information concerning the identity of securities and financial circumstances of the clients and other investors must be kept confidential; and (5) independence in the investment decision-making process must be maintained at all times.

The Code is available to all clients, investors or prospective clients and/or investors upon request to Cornelia Kehl, Zulauf's Chief Compliance Officer at 004141-724-5701 or by email at zam@zuam.ch.

Participation in Client Transactions

Zulauf and affiliates serve as the manager of a private fund and has a minority interest in that fund. Zulauf receives management fees from the private fund, and may be entitled to receive performance and other compensation from that fund.

Personal Trading

As outlined above, Zulauf has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Zulauf's goal is to place client interests first. Consistent with the foregoing, Zulauf maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions. If a Zulauf associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

ITEM 12 - BROKERAGE PRACTICES

The investment transactions of the private fund managed by Zulauf generate commissions and other transaction-based compensation for financial institutions selected by Zulauf, and these commissions and other expenses are paid by the fund. Zulauf will have complete discretion in deciding what financial institutions the fund will use and in negotiating the rates of compensation. In addition to paying commissions to brokers acting as agents, the fund may buy or sell securities, futures, commodities, currencies and other products directly from or to dealers acting as principals at prices that include dealer markups or markdowns, and may buy securities or other products from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers. In selecting brokers to effect transactions, Zulauf will consider such factors as price and transaction costs, the ability of the brokers to effect the transactions (taking into account their size and difficulty), the brokers' facilities, reliability and financial responsibility, confidentiality of trading activity, any products or services provided by such brokers, access to particular markets and access to credit or favorable terms. We need not solicit competitive bids and do not have an obligation to seek the lowest available commission cost. Accordingly, in any transaction or series of transactions, the private fund may pay commissions or markup/markdown to a financial institution in an amount greater than the amount another broker might charge.

Subject to seeking best execution, we may also consider other relationships as factors in the selection of financial institutions. For example, brokers may refer investors to our private fund or engage in other transactions with us. Provision of services, including client referrals, could provide us with an incentive to select the respective financial institution for transactions without regard to best execution. We will, however, provide compensation that we consider to be arm's length in any case in which such services have material value and will endeavor not to allocate brokerage transactions to a provider of such services as compensation for client referrals or other services or otherwise in violation of our duties to our clients.

ITEM 13 - REVIEW OF ACCOUNTS

Mr. Zulauf makes all investment decisions for the private fund managed by Zulauf, and he reviews the holdings on at least a weekly basis. Zulauf's Chief Compliance Officer

periodically reviews Zulauf's investments to ensure consistency with applicable law and regulations.

Zulauf provides investors with unaudited statements of the fund's performance on a monthly basis and audited financial statements annually. These statements disclose the performance of the fund calculated by the administrator, a general description of the main factors influencing the net asset value of the fund, a description of the asset classes comprising the portfolio, and the portfolio's historical track record. All such statements are written.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Zulauf currently uses solicitors and, in the future, may enter into additional written arrangements with third parties to act as solicitors for Zulauf's investment advisory business. All such compensation is fully disclosed to each client consistent with applicable law. All such referral activities are conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act as well as relevant SEC guidance. In general, third party solicitors may receive a portion of the fees otherwise payable to Zulauf.

ITEM 15 - CUSTODY

Zulauf manages a single private fund, and has custody of the assets of that private fund by virtue of its status as investment manager. The qualified custodian presently used by Zulauf for the private fund is Morgan Stanley, London. Zulauf may use other qualified custodians in the future.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, Zulauf reasonably believes that all investors in the private fund will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days of the end of the fund's fiscal year. Investors should carefully review the audited financial statements of the fund upon receipt.

ITEM 16 - INVESTMENT DISCRETION

Zulauf has discretionary authority only over the private fund it manages. The private fund's governing documents grant Zulauf broad discretion to manage the investments of the private fund in accordance with the private fund's investment objective, policy and process and subject to certain investment restrictions as may be modified with stipulation by the directors of the private fund from time to time. Investors in the private fund do not have the ability to impose other limitations on Zulauf's authority.

Prospective investors receive an offering memorandum prior to their investment and are encouraged to carefully review the document, along with all other relevant offering documents, and to be sure the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription

agreement and which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms.

ITEM 17 - VOTING CLIENT SECURITIES

Zulauf understands and appreciates the importance of proxy voting and ensuring its proxy voting procedures are clearly described to investors. To the extent that Zulauf receives proxies on behalf of the private fund it manages, Zulauf will vote any such proxies in the best interests of the fund and its investors.

Prior to voting any proxies, Zulauf's Chief Compliance Officer will identify any potential conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then decide (which may be in consultation with outside legal counsel or third party compliance consultants) as to whether the conflict is material or not. If no material conflict is identified, a principal or designee will make a decision on how to vote the proxy in question. Zulauf may retain an independent third party to vote proxies in certain situations (including situations where a material conflict of interest is identified).

If you would like a copy of our proxy voting procedures or would like other information about how any proxies were voted, please call or email Cornelia Kehl, Zulauf's Chief Compliance Officer, by telephone at 004141-724-5701 or by email at zam@zuam.ch.

ITEM 18 - FINANCIAL INFORMATION

Zulauf is not required to disclose financial information because it does not solicit fees more than six months in advance, does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients, and has not been subject to any bankruptcy proceeding during the past 10 years.