

Form ADV

April 6, 2011

Part 2A

Associated Professional Investments, LLC

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This brochure ("Brochure") provides information about the qualifications and business practices of Associated Professional Investments, LLC ("API"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 480-981-0551 or bbailey@apimesaaz.com. Additional information about API or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at www.adviserinfo.sec.gov.

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. API's response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to API.

II. Material Changes

Filing date of last annual ADV update: April 6, 2011.

On July 28, 2010, the SEC published Release No. IA-3060, titled, “Amendments to Form ADV” which announced the approval of the new amendments to Form ADV. This Brochure is a new document prepared according to the SEC’s new requirements and rules and as set forth in the ADV and its corresponding instructions. As such, this Brochure is materially different in structure and requires certain new information that our previous client disclosure document (i.e. Part II and Schedule F) did not require. In the future, this Material Changes section will discuss only specific material changes that are made to the Brochure and will provide you with a summary of such changes.

Since the filing of our most recent annual ADV update and aside from that overall formatting/layout change described above, there have been no other material changes between our old Part II and Schedule F and this new Brochure.

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Key Definitions

There are several terms used throughout this Brochure that are defined in the Glossary of the Form ADV. The full Form ADV and its glossary can be found on the SEC's web site at <http://www.sec.gov/about/forms/formadv.pdf>, however, several of the more important terms that are used throughout this Brochure are provided below for your reference. The definitions appear below as they appear in the glossary of the ADV so be mindful that all references made to "you," "your," or "yours" are intended to refer to API. Each term is presented in alphabetical order, not necessarily its order of appearance or use in this Brochure.

Advisory Affiliate: Your advisory affiliates are (1) all of your officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling or controlled by you; and (3) all of your current employees (other than employees performing only clerical, administrative, support or similar functions).

Control: Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership of securities, by contract, or otherwise. Each of your firm's officers, partners, or directors exercising executive responsibility (or persons having similar status or functions) is presumed to control your firm. A person is presumed to control a corporation if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation's voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation's voting securities. A person is presumed to control a partnership if the person has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership. A person is presumed to control a limited liability company ("LLC") if the person: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC. A person is presumed to control a trust if the person is a trustee or managing agent of the trust.

Management Persons: Anyone with the power to exercise, directly or indirectly, a controlling influence over your firm's management or policies, or to determine the general investment advice given to the clients of your firm. Generally, all of the following are management persons: Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions; The members of your firm's investment committee or group that determines general investment advice to be given to clients; and If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to clients (if there are more than five people, you may limit your firm's response to their supervisors).

Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

Related Person: Any advisory affiliate and any person that is under common control with your firm.

Self-Regulatory Organization or SRO: Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations.

Supervised Person: Any of your officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on your behalf and is subject to your supervision or control.

IV. Advisory Business

Item IV.(A). API at a Glance

Firm Profile

At Associated professional Investments LLC we have one goal, one focus: to help you meet your financial objectives. Our entire team is here in the service of this goal. You will find we are hands-on, active stewards of your money.

Years in Business

Date of formation: December 31, 2008.

Date of initial investment adviser registration: April 27, 2009.

Principal Owners

The following party(s) maintains at least 25% direct/indirect ownership in API.

IV.(B). API's Advisory Services

In this section, we will describe the services we offer as well as the fees that correspond to those services.

Product Type Limitations

We generally provide investment advice in relation to the following specific types of securities/investments.

| | | | |
|-------------------------------------|--|-------------------------------------|--|
| <input checked="" type="checkbox"/> | Exchange listed equities | <input type="checkbox"/> | Mutual funds (closed-end and open-end funds) |
| <input checked="" type="checkbox"/> | Over the counter equities | <input type="checkbox"/> | Real Estate Investment Trusts ("REITs") |
| <input checked="" type="checkbox"/> | Equities of foreign issuers | <input type="checkbox"/> | Exchange traded funds |
| <input checked="" type="checkbox"/> | Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving any of the following: <ul style="list-style-type: none">• Real estate• Oil and gas• Mortgages or other receivables/assets | <input checked="" type="checkbox"/> | U.S. government securities |
| <input checked="" type="checkbox"/> | Warrants | <input checked="" type="checkbox"/> | Options on securities |
| <input checked="" type="checkbox"/> | Corporate debt securities (other than commercial paper) | <input checked="" type="checkbox"/> | Options on commodities |
| <input checked="" type="checkbox"/> | Commercial paper | <input checked="" type="checkbox"/> | Options on futures |
| <input checked="" type="checkbox"/> | Certificates of deposit | <input checked="" type="checkbox"/> | Futures contracts (tangibles) |
| <input checked="" type="checkbox"/> | Municipal securities | <input checked="" type="checkbox"/> | Futures contracts (intangibles) |
| <input checked="" type="checkbox"/> | Variable life insurance | <input type="checkbox"/> | Other: |
| <input checked="" type="checkbox"/> | Variable annuities | <input type="checkbox"/> | Other: |

Our Services

| Service: | Ongoing Asset Management | | | | | | | | | | | | | | |
|--|--|--------------------------|--|----------------------------|-------------------|-----|-----------------|---|--|--|---|--|---|---------------------|---|
| Service description: | <p>Our ongoing asset management services can be described as follows:</p> <p>Discretionary Management: On a discretionary basis, we may design, revise, and reallocate a custom investment portfolio for you. Investments are determined based upon factors such as your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.</p> | | | | | | | | | | | | | | |
| Use of discretion: | <p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold <input checked="" type="checkbox"/> Amount of the securities to be bought or sold <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold <input type="checkbox"/> Broker-dealer and/or custodian to be used <input type="checkbox"/> Commission rates to be paid for securities brokerage activities <input type="checkbox"/> Other: <input type="checkbox"/> None </p> <p>Our specific discretionary authority will be set forth in your service agreement (“Agreement”) with us.</p> | | | | | | | | | | | | | | |
| Service fees: | <p>For the service described above, we will charge fees in the following manner:</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>Any</td><td>0.50 % - 2.00 %</td></tr> <tr> <td colspan="2">Other fee/account maintenance conditions...</td></tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td> <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ </td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td> <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ </td></tr> <tr> <td>Minimum annual fee:</td><td> <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ </td></tr> </tbody> </table> <p>All fee arrangements are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service agreement (“Agreement”) with us.</p> | Asset-Based Fee Schedule | | Account(s)/Portfolio Value | Annual Percentage | Any | 0.50 % - 2.00 % | Other fee/account maintenance conditions... | | Minimum account/portfolio balance (initial): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | Minimum account/portfolio balance (ongoing): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | Minimum annual fee: | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ |
| Asset-Based Fee Schedule | | | | | | | | | | | | | | | |
| Account(s)/Portfolio Value | Annual Percentage | | | | | | | | | | | | | | |
| Any | 0.50 % - 2.00 % | | | | | | | | | | | | | | |
| Other fee/account maintenance conditions... | | | | | | | | | | | | | | | |
| Minimum account/portfolio balance (initial): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | | | | | | | | | | | | |
| Minimum account/portfolio balance (ongoing): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | | | | | | | | | | | | |
| Minimum annual fee: | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | | | | | | | | | | | | |
| Other fees: | <p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p> | | | | | | | | | | | | | | |
| Fee collection: | For the service described above, we receive our service directly from the custodian | | | | | | | | | | | | | | |

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| | <p>holding your accounts/assets.</p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> • all amounts disbursed from the account, and • the amount of advisory fees deducted on our behalf. <p>Specific fee arrangements will be set forth in your Agreement with us.</p> |
| Fee frequency/timing: | <p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears. Specific fee arrangements will be set forth in your Agreement with us.</p> |
| Advanced billing and refunds: | <p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice. Specific fee arrangements will be set forth in your Agreement with us.</p> |

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| Service: | <i>Recommendation of Other Investment Advisers</i> |
| Service description: | <p>Under this service, we may select other investment advisers ("Sub-Advisers") on a sub-advisory basis to provide the specific investment management services related to your assets. Our services in relation to the Sub-Advisers we may recommend generally will include assisting you in choosing investment objectives and asset allocation, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering any of your questions. We will monitor such Sub-Advisers' performance with respect their management of your assets. A description of the specific services and fees available from each Sub-Adviser can be found in such the specific Sub-Adviser's current disclosure document(s) (i.e. Form ADV, Part 2A).</p> <p>We will retain the authority to engage or terminate each such Sub-Adviser. Any decision to engage or terminate a particular Sub-Adviser will be based upon continued suitability and performance of the Sub-Adviser in relation to its management of your assets.</p> <p>Alternatively, without specifically selecting other investment advisers to provide the specific investment management services related to your assets, we may simply</p> |

| | <p>recommend other investment advisers that would provide such services (not on a sub-advisory basis). Our services in relation to the other investment advisers we may recommend generally will include assisting you in choosing investment objectives and asset allocation, setting restrictions or limitations on the management of the account, explaining portfolio strategies and transactions and answering any of your questions. We will monitor such outside investment advisers' performance with respect their management of your assets.</p> <p>A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser's current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix 1 of Part 2A). We will NOT retain the authority to engage or terminate such other investment advisers. At all times, you will retain the authority to engage or terminate such other investment advisers that we may recommend.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------|------------------|--|--|----------------------------|---------|---------------------|------------------|-----|------|-------|--------|---|--|--|--|--|---|--|--|--|---|--|--|---------------------|---|--|--|
| Use of discretion: | <p>In connection with the services described above, we may retain the authority to engage or terminate each any Sub-Adviser we may select for you. Any decision to engage or terminate a particular Sub-Adviser will be based upon continued suitability and performance of the Sub-Adviser in relation to its management of your assets. We do not possess or exercise investment discretion in connection with the underlying assets managed by any Sub-Adviser or other outside investment adviser.</p> <p>Refer to your service agreement or other applicable advisory agreement ("Agreement") for more details.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Service fees: | <p>For the service described above, we will charge fees in the following manner:</p> <table border="1"> <thead> <tr> <th colspan="4">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th><th>Our Fee</th><th>Program Manager Fee</th><th>Total Annual Fee</th></tr> </thead> <tbody> <tr> <td>Any</td><td>1.0%</td><td>0.75%</td><td>1.75 %</td></tr> <tr> <td colspan="4">Other fee/account maintenance conditions...</td> </tr> <tr> <td>Minimum account/portfolio balance (initial):</td><td colspan="3"> <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ </td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td colspan="3"> <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ </td></tr> <tr> <td>Minimum annual fee:</td><td colspan="3"> <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ </td></tr> </tbody> </table> <p>All fee arrangements are negotiable at our sole discretion. Specific fee arrangements will be set forth in your service agreement ("Agreement") with us.</p> | Asset-Based Fee Schedule | | | | Account(s)/Portfolio Value | Our Fee | Program Manager Fee | Total Annual Fee | Any | 1.0% | 0.75% | 1.75 % | Other fee/account maintenance conditions... | | | | Minimum account/portfolio balance (initial): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | Minimum account/portfolio balance (ongoing): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | Minimum annual fee: | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | |
| Asset-Based Fee Schedule | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Account(s)/Portfolio Value | Our Fee | Program Manager Fee | Total Annual Fee | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Any | 1.0% | 0.75% | 1.75 % | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other fee/account maintenance conditions... | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum account/portfolio balance (initial): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum account/portfolio balance (ongoing): | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Minimum annual fee: | <input checked="" type="checkbox"/> None <input type="checkbox"/> \$ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other fees: | <p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Fee collection: | <p>For the service described above, we receive our service directly from the custodian holding your accounts/assets.</p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> • all amounts disbursed from the account, and • the amount of advisory fees deducted on our behalf. <p>Specific fee arrangements will be set forth in your Agreement with us.</p> |
| Fee frequency/timing: | <p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears. Specific fee arrangements will be set forth in your Agreement with us.</p> |
| Advanced billing and refunds: | <p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination (“Termination Notice”) as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p><i>Use of other Investment Advisers:</i></p> <p>If another investment adviser(s) is used to manage your assets, any available refund process for fees that may be collected in advance will be dictated by such other investment adviser’s disclosure document(s) and/or service agreement(s) with you.</p> <p>For more details, please refer to the Sub-Adviser’s or other investment adviser’s current disclosure document(s) (i.e. Form ADV, Part 2A and/or Appendix 1 of Part 2A). Your specific fee arrangements will be set forth in your Agreement with us.</p> |

IV.(C). Customization of Advisory Services

To the fullest extent possible, we will endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for an individual client, we will perform a review of our clients’ financial circumstances and other factors that may influence the investment recommendations we may make to you from time to time. Such review may include, but would not necessarily be limited to, investment objectives, consideration of a client’s overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client’s particular circumstances.

In making investment recommendations on behalf of a client, we will rely on a data gathering questionnaire or other similar type of instrument, which would be completed based on information provided by a client.

Our clients are free to impose any restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines that you impose on our investment management functions may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and you should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to you.

IV.(D). Wrap Fee Program Participation

None of our investment advisory services involve the use of wrap programs.

IV. (E). Assets Under Management¹ ("AUM")

| | |
|--------------------------|-------------------|
| AUM (discretionary): | \$ 28,400,000 |
| AUM (non-discretionary): | \$ 0 |
| Total AUM ² : | \$ 28,400,000 |
| Date of AUM calculation: | December 31, 2010 |

V. Fees and Compensation

V.(A). API Advisory Fees

Refer above to Item IV.(B).

V.(B). Fee Collection Process

Refer above to Item IV.(B).

V.(C). Other Fee/Expenses.

Refer above to Item IV.(B).

V.(D). Fees Charged in Advance

Refer above to Item IV.(B).

V.(E). Additional Compensation

Item V.(E) requires us to address situations in which we or any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Neither we, nor any of our supervised persons are party to such arrangements.

VI. Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees.

¹ The term, "assets under management" shall carry the same meaning as that term is defined by Form ADV.

² Rounded to the nearest \$100,000

VII. Types of Clients

We will generally provide our services to the following types of clients.

- Individuals
- High net worth individuals

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item IV.(B).

VIII. Methods of Analysis, Investment Strategies and Risk of Loss

VIII.(A). Methods of Analysis

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. A description of each key risk appears later in this section.

Charting / Technical –

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

Fundamental

Fundamental analysis is generally the considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company’s/issuer’s current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Cyclical

Cyclical analysis involves the evaluation of an investment instrument or perhaps its issuer for the purpose of identifying whether (and if so, to what extent) it/they may be impacted by fluctuations in the overall economic

conditions throughout time. As an example, as more and more people lose their jobs, broad industries like housing or the automotive industries can be negatively impacted because consumers are less able to purchase things like homes and automobiles.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, and Inflation Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

VIII.(A). (cont.) Investment Strategies

In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

Long-Term Purchases

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

Short-Term Purchases

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

Trading

Trading generally involve the acquisition of an investment instrument and holding it for a period of at not more than thirty days.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, and Strategy Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

VIII.(B). Risk Disclosures

Capital Risk

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

Credit Risk

Credit risk can be a factor in situations where an investment's performance relies on a borrower's repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

Currency Risk

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, Euro, Japanese yen, etc.).

Economic Risk

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Higher Trading Costs

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

Inflation Risk

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

Interest Rate Risk

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

Legal/Regulatory Risk

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

Liquidity Risk

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

Margin Risk

- You can lose more funds than you deposit in a margin account. A decline in value of securities that are purchased on margin may require you to provide additional funds to the custodian holding your margin account in order to avoid a forced sale of those securities or other securities in your account.
- The custodian holding your margin account can force the sale of securities in your margin account. If the equity in your account falls below the margin maintenance level required by law or below the custodian's "house" requirement, the custodian can sell the securities in your account to cover the margin deficiency. You will be responsible for any shortfall in the account after such sale.
- Securities can be sold without contacting you prior to sale. Some investors mistakenly believe they must be contacted before a margin call becomes valid and that securities in their accounts cannot be liquidated to meet the call unless they have been contacted ahead of time. Most firms will attempt to notify you of margin calls, however, they are not required to do so. Even if the custodian has contacted you to provide a specific date by which you can meet a margin call, the custodian can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to you.
- You are not entitled to choose which securities in your margin account are liquidated or sold to meet your margin call. Because the securities are used as collateral for the margin loan, the custodian has the right to decide which securities to sell in order to protect its interests.
- The custodian can increase its "house" maintenance requirement at any time and is not required to provide you with advance, written notice. These changes in policy can take effect immediately and may result in the issuance of a margin maintenance call. Your failure to satisfy this call may cause a forced liquidation in your account.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet margin requirements may be available to clients under certain conditions, a client does not have the right to the extension.

Market Risk

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

Operational Risk

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

Past Performance

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

Strategy Risk

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

VIII.(C). Investment-Specific Risks

There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

IX. Disciplinary Information

The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the items below, we shall provide details as to each applicable matter or we will answer “No.” This information is presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

IX.(A). Criminal or Civil Action

| In any domestic, foreign, or military court of competent jurisdiction, has API or any of its management persons... | | |
|--|------------------------------|--|
| Been convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Been found to have been involved in a violation of an investment-related statute or regulation; or | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

IX.(B). Administrative Proceedings

| | | |
|--|------------------------------|--|
| Has API or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which API or any of its management persons... | | |
| Was found to have caused an investment-related business to lose its authorization to do business; or | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority... | | |
| denying, suspending, or revoking the authorization of API or one of its management persons to act in an investment-related business; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| barring or suspending API or one of its management person’s association with an investment-related business; | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| otherwise significantly limiting API or one of its management person's investment-related activities; or | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

| | | |
|--|------------------------------|--|
| imposing a civil money penalty of more than \$2,500 on API or one of its management persons? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|--|------------------------------|--|

IX.(C). SRO Proceedings

| | | |
|--|------------------------------|--|
| Has API or any of its management persons been involved in a SRO proceeding in which API or any of its management persons ... | | |
| Was found to have caused an investment-related business to lose its authorization to do business; or | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

X. Other Financial Industry Activities and Affiliations

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

X.(A). Broker-Dealers

Neither API nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Further, none of our management persons are registered as or currently seeking registration as a registered representative of a broker-dealer.

X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators

Neither API nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

X.(C). Related Persons

The purpose of this section is to allow us the ability to identify any other entities that meet the definition of a "related person" of ours that fit one of the categories described below. Once identifying all of our related persons that fit one of these categories (if any), we need to explain to you certain details surrounding any material relationship between any of our related persons and our investment advisory business in general. Next, we will need to describe to you any material relationship between any of our related persons and our investment advisory clients. If there are no other entities in any of the categories introduced below that meet the definition of a related person of ours, then we obviously have no additional details to describe to you. If, however, we do have any related persons that fit one of those categories AND there is some material relationship between those parties and (1) our investment advisory business and (2) our investment advisory clients, we need to provide you some additional details accordingly.

Listed below are the specific categories of potential related persons of ours. In the event that we have a related person that is included in one of those categories, we will address not only the relationship or arrangement that is

material to our advisory business or our clients but also any conflict(s) arising out of this relationship/arrangement and how we address such conflict(s). It should be understood that if the checkbox immediately preceding a category is unselected, that category shall be deemed not applicable for the purpose of this item X.(C).

- ☐ **Broker-dealer, municipal securities dealer, or government securities dealer or broker**
- ☐ **Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)**
- ☐ **Other investment adviser or financial planner**
- ☐ **Futures commission merchant, introducing broker, commodity pool operator, or commodity trading advisor**
- ☐ **Banking or thrift institution**
- ☐ **Accountant or accounting firm**
- ☐ **Lawyer or law firm**
- ☐ **Insurance company or agency**
- ☐ **Pension consultant**
- ☐ **Real estate broker or dealer**
- ☐ **Sponsor or syndicator of limited partnerships**

X.(D) Use of Other Investment Advisers

As described previously in Item IV.(B), from time to time we may recommend or select other investment advisers for you and in return, we will participate in the compensation (i.e. solicitor/referral fees) derived from the services such other investment advisers provide in connection with your assets that they may manage throughout time.. In these cases, we will generally enter into a formal, written agreement (i.e. a solicitor agreement) with such other investment advisers. These sorts of arrangements are often times referred to as “solicitor arrangements” and under such arrangements, we would be serving the role of solicitor for the other investment adviser.

As a result of these such arrangements, we may be incentivized to recommend only the investment advisers from whom we receive solicitor/referral fees as opposed to another investment adviser from whom we do not receive such fees. We continually monitor other investment advisers that we might recommend under a solicitor arrangement in the event that such investment advisers are not meeting the standards that we believe meet your needs, we will seek other investment advisers that may be a better fit for your specific management needs.

Additional details about any such arrangement can be found in the applicable solicitor disclosure document that we are obligated to provide to each of our clients that we may refer to any other investment adviser under one of these solicitor arrangements. You are always welcome to request a copy of our current solicitor disclosure document for any investment adviser that we may have recommended or selected for you.

XI. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

XI.A Code of Ethics

We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

XI.(B) Participation in Client Trading

The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you. No such arrangements exist.

XI.(C) Trading Alongside Our Clients

On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our associated persons quarterly or more frequently if required.

Investment Policy

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client's purchase of that security; and

- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client's sale of that security.

As an alternative to the procedures described in the preceding points, we may include our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

XI.(D) Trading Around the Same Time as Clients

The information in this item is intended to address situations in which we or any of our related persons may invest in the investment instruments we may recommend to you. Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates. To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

XII. Brokerage Practices

The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

Factors that we consider in recommending certain broker-dealers or custodians to our clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, we or certain of our supervised persons may receive certain support services that may assist us in our investment decision-making process for all of our clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for the client's account transactions.

XII.(A).(1). Research and Soft Dollar Benefits

Soft dollar benefits are items such as research or other products or services (other than the pure execution and other brokerage services) that an investment adviser may receive from a broker-dealer(s) or other party in connection with the client securities transactions are directed to that particular broker-dealer(s). We do not participate in any soft dollar arrangements.

XII.(A).(2). Brokerage for Client Referrals

In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

XII.(A).(3). Directed Brokerage

This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e. using a particular broker-dealer for execution purposes).

XII.(A).(3)(b). Directed Brokerage – Permitted

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer, however, you may direct us to use a particular broker-dealer (subject to our right to decline such a request) to execute some or all transactions for your account or otherwise on your behalf. In such an event, we will not negotiate terms and arrangements for the account with the other broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” the transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

XII.(B). Order Batching

Transactions for the client’s account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or “batch” such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn’t guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large # of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

XIII. Review of Accounts

XIII.(A). Review of Accounts or Financial Plans

Review of client accounts.

We will review your accounts on an ongoing basis, but no less frequently than a quarterly basis. The designated reviewer(s) will review your accounts for best execution, suitability, and service. Not all transactions will be reviewed, rather, the designated reviewer(s) will perform a sampling-based review. The designated reviewer(s) will review the performance and cost basis for your transactions. Your investment objectives are used to review for suitability. Quarterly, transactions are reviewed referencing your investment objectives for any transaction that may not fit your stated objectives, or our understanding of your investment objectives will be flagged and reviewed with the investment adviser representative placing the trade.

The periodic review process described above will be performed by the API personnel with the following titles.

- Chief Compliance Officer

Review of Financial Plans.

Since we do not offer financial planning, this section is not applicable to us.

XIII.(B). Non-Periodic Account Reviews

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.

XIII.(C). Reports to Clients

Account statements will be provided no less frequently than quarterly by the custodian, not by us. Account statements will identify account positions, balances, and transaction details. Upon your request, a quarterly account appraisal (written or electronic) may be created for you as well as an annual year-end statement.

In the event we also send account statements to you in addition to those provided by the qualified custodian, you are urged to compare any account statements provided by us to those provided by the custodian.

XIV. Client Referrals and Other Compensation

XIV.(A). Compensation we Receive

Other than the compensation arrangements described above in Item IV.(B), API does not receive any other compensation in connection with the investment advisory services provided to our clients.

Certain of our associated persons, however, through such associated person's association as a licensed insurance agent, may also receive selling compensation resulting from the sale of insurance products to you or other clients of ours.

Arrangements involving someone's receipt of both advisory and brokerage or other compensation in connection with the advisory services we provide to you can be considered a conflict of interest. Such arrangements not only acceptable but are also completely appropriate and within the permissible activities of those individuals and entities who are properly registered and licensed to engage in such activities. You should be aware that some investment advisers do not receive commissions or other compensation for transactions they may effect on your behalf and as a result of dealing with other firms, you will not necessarily pay any less for the same services that you may receive from us, however, the individual that you may deal with or his/her sponsoring firm may not be eligible to receive commissions or other compensation other than the investment advisory compensation that you would normally expect to pay an investment adviser for the same services.

The general industry standard for a client's overall annual fee for investment advisory services is a cap of 3.0%. This means that most investment advisers will keep their service fees for investment advisory work below 3.0% (of the assets they have been engaged to manage) on an annual basis. That said, a client could easily pay in excess of 3.0% of the assets that their investment adviser has been engaged to manage in light of other fees such as brokerage

fees/commissions, execution costs, custodial fees, etc. We routinely monitor our fees to ensure that they are not only consistent with those found in the industry for similar services, but we also review our fees for the purpose of ensuring that our billing practices are consistent with the provisions set for in your advisory agreement with us.

XIV.(B). Compensation we Pay

Under certain circumstances, firms like ours may compensate other parties for having referred clients or potential investment advisory clients them. These sorts of arrangements are generally referred to as “solicitor” arrangements. We do not participate in any solicitor arrangements.

XV. Custody

We engage in certain activities that result in us being deemed to have custody of certain of our client’s funds and/or securities.

- ☒ Automatic fee deduction from your brokerage or other trading accounts
- ☐ Physical possession or control (even temporary) of client funds or securities
- ☐ The ability to gain access to any client funds and/or securities
- ☐ One of our related persons has custody of funds and/or securities subject to our investment advisory services
- ☐ We or one of our related persons serves as the general partner, managing member, or other similar type of control person to an investment fund to which we provide investment advisory services.

As stated previously in Item XIII.(C)., your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian.

XVI. Investment Discretion

In connection with our investment advisory services, we will generally seek and obtain your authorization to carry out part of our services on a purely discretionary basis. We will memorialize your authorization of our discretionary authority in our investment advisory agreement.

If you have authorized us to do so, we will exercise discretion over the following areas.

- 1) The specific securities to be bought or sold on the client’s behalf
- 2) The amount of securities to be bought or sold on the client’s behalf
- 3) Timing as to when such securities are to be bought or sold
- 4) The engagement of other investment advisers to provide the direct management of your assets

We will have authority to exercise complete discretion with regard to the above named factors without restriction. If done so on a non-discretionary basis, we will make certain recommendations that must be authorized by you prior to our facilitation of any such transactions. As may be separately agreed to in writing, we will observe any other specific limitations that may be imposed by you in relation to this discretionary authority.

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XVII. Voting Client Securities

XVII.(A). Proxy Voting

Proxy Voting Policies and Procedures and Client Instruction

We do not vote proxies on behalf of any securities you own.

XVII.(B). Proxy Voting

Since you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at 480-981-0551.

XVIII. Financial Information

XVIII.(A). Balance Sheet

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

XVIII.(B). Adverse Financial condition

In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

XVIII.(C). Bankruptcy-Related Matters

API has never been the subject of a bankruptcy petition.

XIX. Requirements for State-Registered Advisers

As a federally-registered firm, this portion of our Brochure is not applicable.