

Maytal Asset Management LLC  
d/b/a

# Downtown Investment Advisory Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Downtown Investment Advisory. If you have any questions about the contents of this brochure, please contact us at (917) 363-4919 or by email at: [salo@downtownllc.com](mailto:salo@downtownllc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Downtown Investment Advisory is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Downtown Investment Advisory's CRD number is: 168812.*

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*Registration does not imply a certain level of skill or training.*

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## **ITEM 2: MATERIAL CHANGES**

This item discusses specific material changes to the Maytal Asset Management, LLC d/b/a Downtown Investment Advisory (“DIA”) disclosure brochure.

Pursuant to current SEC regulations, DIA will ensure that clients receive a summary of any materials changes to this and subsequent brochures within 120 days of the close of its fiscal year which occurs at the end of the calendar year. DIA may further provide other ongoing disclosure information about material changes as necessary.

DIA will also provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

DIA has the following material changes to report. This list summarizes changes to policies, practices or conflicts of interests only. Since the date of DIA’s last annual filing (January 3, 2017), DIA has made the following material changes:

- DIA has transitioned its registration as an investment adviser to the U.S. Securities and Exchange Commission.

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## **ITEM 4: ADVISORY BUSINESS**

### Description of the Advisory Firm

Downtown Investment Advisory (hereinafter “DIA”), a New York Limited Liability Company, has been registered with the U.S. Securities and Exchange Commission since 2017. The firm was formed in July 2013 and from 2013 to 2017, was registered as an investment adviser in the State of New York. The principal owner of DIA is Salo Aizenberg. DIA is an investment advisory firm that manages investments in separate managed accounts. Separate managed accounts are where the client opens an account and custodies their assets at a third party custodian (e.g. a brokerage firm) and then utilizes an investment manager to manage a particular portfolio of investments. DIA does not take possession of client assets as all securities and monies are held by the custodian.

### Type of Advisory Services

DIA offers the following services to investment advisory clients:

#### ***Investment Advisory Services***

DIA offers customized investment advisory services to individuals and institutions (as further described in Item 7 below). DIA’s goal is to create a long term investment plan for each client and to implement this plan by selecting and managing a portfolio of investments.

DIA’s investment decisions for each client are made in accordance with the fiduciary duties owed to its accounts and without consideration of DIA’s economic, investment or other financial interests. DIA will manage client accounts on either a discretionary or non-discretionary basis. For accounts managed on a discretionary basis, the client will give DIA full authority to manage the client’s assets in accordance with what DIA deems to be in the client’s best interest based on the client’s investment objectives and guidelines. For accounts managed on a non-discretionary basis, DIA must obtain the client’s approval prior to executing any transactions in the client’s account. Clients will retain individual ownership of all securities in their account.

To meet its fiduciary obligations, DIA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, DIA’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is DIA’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

#### ***Investment Planning Services***

DIA also offers clients one-time investment planning services whereby DIA will assist a client in assessing their current investments and then can propose an investment plan for the client based on this assessment. In this case DIA would not be selecting individual investments or servicing the client on an ongoing basis.

### Client Tailored Services and Client Imposed Restrictions

DIA takes a holistic approach to understanding the investment goals of each client, incorporating a multitude of factors. DIA begins by listening closely to client needs and concerns in a “discovery meeting” (one or more, as necessary) where, the end goal is to create an investment plan to aid in the selection of a specific portfolio of investments that matches each client’s situation. Key factors in the client evaluation conducted by DIA include:

- Assessing current investments, income, tax status, wealth transfer events, etc.
- Understanding the client's time horizon and retirement goals
- Discussing long term investment objectives such as college savings and other future cash needs
- Assessing risk tolerance
- Developing a detailed investment strategy based on all these factors

In the case of charitable institutions, DIA will also evaluate factors such as the mission of the organization, the cash operating needs of charitable giving goals of the organization, and the current investment profile. DIA typically avoids the use of "model portfolios" to allocate assets (for example, allocating a percentage of assets to stocks simply based on the age of the client) instead tailoring an asset allocation plan according to the specific profile of each client with a particular emphasis on risk tolerance.

In certain cases, clients may not want a complete financial assessment or detailed investment plan, instead, engaging DIA to simply manage a specific investment account. In these cases, DIA will discuss in detail the specific investment goals for the account in question, and implement an investment plan based on these goals.

DIA has specialized expertise in creating custom fixed income portfolios comprised of a core of individually selected bonds. DIA closely follows and evaluates over 200 fixed income investments, including bonds, preferred stock and exchange traded debt, to diversify an income portfolio. Depending on the needs and risk profile of clients, fixed income portfolios can typically target yields (based on the stated yield of the fixed income security) ranging from 4%-8% per annum. For certain clients, DIA implements a "leveraged income strategy" whereby the investment account utilizes margin borrowings to further invest in bonds to boost the net yield of the account.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs, although DIA will strongly consider such requests and attempt to accommodate such requests.

### **Publication of Periodicals or Newsletters**

DIA periodically publishes articles on the financial websites providing information on various financial topics, including, but not limited to fixed income. In addition, DIA publishes a monthly newsletter providing information on fixed income investments. While specific investment recommendations are recommended, the information presented does not purport to meet the specific objectives or needs of any individual.

### Wrap Fee Programs

DIA does not sponsor or participate in any wrap fee programs.

### Assets under Management

DIA has the following assets under management:

Discretionary Amounts: \$ 46,750,000

Non-Discretionary Amounts: \$0

Date Calculated: 12/31/2016

## **ITEM 5: FEES AND COMPENSATION**

### Investment Advisory Service Fees

DIA charges for its Investment Advisory Services by charging a fee (the "Fee") based on the market value of a client's account. The Fee is generally negotiable and DIA reserves the right to negotiate, reduce or waive the Fee for certain client accounts for any period of time as determined by DIA. DIA charges a Fee of 1.00% per annum of client assets under management, for clients that are not charitable organizations. Accounts of this type over \$2,000,000 are charged a 0.90% per annum Fee. DIA charges a Fee of 0.90% per annum of client assets under management, for clients that are charitable organizations. Accounts of this type over \$2,000,000 are charged a 0.80% per annum Fee.

The specific manner in which the Fee is charged by DIA is established in a client's written agreement with DIA and the final fee schedule is attached as an Exhibit to the Investment Advisory Contract. The Fee is withdrawn directly from the client's account with the client's written authorization. Clients may also choose to be invoiced and billed directly. Clients may select the method in which they are billed. DIA's fees are exclusive of all third party fees, such as custodian fees, brokerage commissions and transaction fees which shall be incurred by the client. Please see Item 12 of this brochure regarding broker-dealer/custodian.

The Fee shall be paid in either monthly or quarterly in arrears (not in advance) with specific payment terms outlined in the Investment Advisory Contract, which DIA will co-execute with each client prior to beginning its advisory services.

### Investment Planning Service Fees

DIA offers a fixed rate and hourly rate for Investment Planning Services. The fixed rate for providing one-time investment planning services is between \$250 and \$1,000. The hourly fee for these services is between \$250 and \$500. These fees are negotiable and the final fee schedule will be provided to the Client. Investment Planning Services fees are billed to the client either monthly or quarterly in arrears and paid to DIA via check.

### Publication of Periodicals or Newsletters Fees

The annual subscription fee for DIA's newsletter is \$375 which may also be paid monthly at the rate of \$36 per month. The subscription fee is payable in advance. The fee for financial website articles is determined on a case-by-case basis.

### Termination of Agreement

Clients may terminate the Investment Advisory Contract agreement without penalty, for full refund of DIA's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract at any time (DIA must provide 30 days' written notice), although advance notice is requested as a courtesy. If an account is terminated during a calendar quarter, the Fee will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the advisory agreement was effective. Because DIA's fees are paid in arrears, the client will not be due any refund.

### Outside Compensation for the Sale of Securities to Clients

Neither Salo Aizenberg nor DIA accepts compensation for the sale of securities to clients.

### Additional Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than DIA, in connection with investment made on behalf of the client's account[s]. The client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by DIA is separate and distinct from these custodian and execution fees.

In addition, all fees paid to DIA for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A client could invest in these products directly, without the services of DIA, but would not receive the services provided by DIA which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial situation and objectives. Accordingly, the client should review both the fees charged by the fund[s] and the fees charged by DIA to fully understand the total fees to be paid.

Fees do not include the services of any co-fiduciaries, accountants, broker dealers or attorneys. Accordingly, the fees of any additional professionals engaged by a client, will be billed directly by such professional(s)

### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

DIA does not charge or accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client. Our fees are only charged as disclosed in Item 5.

### **ITEM 7: TYPE OF CLIENTS**

DIA generally provides services to individuals, high net worth individuals, and charitable organizations. There is an account size minimum of \$200,000, which may be waived by DIA in its sole discretion.

DIA also acts as a Registered Investment Advisor and fiduciary to retirement plans, such as 401(k) and 403(b) plans.

### **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF INVESTMENT LOSS**

Investing in securities involves risk of loss that clients should be prepared to bear. The value of a client's investment may be affected by one or more of the following risks, any of which could cause a client's portfolio return, the price of the portfolio's shares or the portfolio's yield to fluctuate:

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Management Risk.* A client's portfolio is subject to management risk because it is actively managed by DIA investment professional. DIA will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and DIA's judgment will produce the intended results.
- *Quantitative Tools Risk.* Some of DIA's investment techniques may incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts,

reduce risks or otherwise produce the intended results.

- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.
- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.
- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing the Company from selling out of such illiquid securities at an advantageous

price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.

- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

A brief discussion of the investment process at DIA follows.

#### Methods of Analysis and Investment Strategies

Our overarching investment philosophy rests on several key principles:

- Asset allocation is a critical investment decision and the key to the investment roadmap that DIA will use to construct a portfolio;
- Stocks are volatile and are only suited to those clients with high risk tolerance and a 15-20 year minimum investment horizon;
- Picking stocks is not a successful long-term investment strategy; selecting among sectors and index funds is a better method;
- Market timing will lead to underperformance; once an allocation to stocks is determined, it should be maintained long term;
- Fixed income investments should be more highly weighted, especially for clients in or approaching retirement, or for investors with low risk tolerance;
- Individually purchased bonds should form the core of the fixed income portfolio

Asset allocation is a key element of our investment strategy. Asset allocation is the process of developing a diversified investment portfolio by combining different asset classes in varying proportions. Based on the request and needs of the client, DIA will develop an asset allocation plan for each client that will pursue varying objectives of growth and income. Greater allocations to equities are typically used to meet growth objectives, while greater allocations to fixed income are typically used to meet income objectives.

DIA's investment strategy in equities is primarily focused on the selection of equity index ETFs for the equity portion of a client's portfolio. DIA typically avoids the selection of individual stocks. DIA's investment strategy in fixed income is primarily focused on the selection of individually selected fixed income securities (typically corporate and municipal bonds). DIA will also consider additional income producing investments such as REITs, MLPs, BDCs, and certain Closed End Fund. In certain cases, DIA may select individual dividend paying securities. DIA will also consider certain other types of investments such as Gold. DIA will also consider certain options strategies (including covered options, uncovered options, or spreading strategies), although such option strategies will typically be limited to the most conservative

strategies, primarily covered calls.

DIA employs a range of fundamental, technical, and credit analysis methods, which vary by each type of investment and portfolio strategy employed for each client.

Fundamental analysis is a method of evaluating securities by attempting to measure the intrinsic value of a stock. Fundamental analysts study the overall economy and industry conditions, the financial condition of a company, details regarding the company's product line, and the experience and expertise of the company's management. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Technical analysis involves the examination of past market data rather than specific company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, changes in volume, among many others. These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

Equity Index and ETF analysis involves the assessment of the wide range of equity index funds and equity ETFs to identify the best-of-breed ETFs that meet the investment objectives of each client. We examine the composition of each index and ETF, historical performance and other factors in determining which ETFs are best suited for each client. DIA may also select certain individual equity securities, with a particular emphasis on dividend paying securities such as REITs, BDCs and MLPs. Our method of analysis for these types of securities include fundamental and technical analysis methods, as well as an assessment of dividend payment history. DIA employs fundamental credit analysis for fixed income investments which involves the analysis of key credit metrics such as leverage ratios and debt/equity ratios, interest coverage and free cash flow analysis, valuation analysis, and review of credit analysis by third parties such as Moody's and S&P.

#### Material Risks Involved

##### *Risks Involved with Methods of Analysis:*

Fundamental analysis, when used in isolation, has a number of risks:

- Information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- The data used may be out of date.
- It ignores the influence of random events such as oil spills, product defects being exposed, acts of God and so on.
- It assumes that there is no monopolistic power over markets.
- The market may fail to reach expectations of perceived value.

The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that the Company will be able to accurately predict such a reoccurrence.

Equity Index and ETF analysis concentrates on understanding the various equity indexes and corresponding ETFs available for investors. There is a risk that the markets tracked by these indexes

will decline due to market conditions and other factors, or that certain indexes will underperform other indexes. Credit analysis for fixed income investments involves the risk that the assessment of credit risk is incorrect and that the credit risk incurred for a particular fixed income security is not properly reflected in the yield provided by such fixed income security.

*Risks Involved with Investment Strategies:* The investment strategy implemented for each client can expose a client to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk. Options writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

*Risks of Specific Securities Utilized:* Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

*Mutual Funds:* Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

*Equity Investments* generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

*Fixed Income Investments* generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

*Exchange Traded Funds (ETFs):* ETF performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) may be negatively impacted by several factors, among them (1) large sales by

the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

*Real Estate Funds* (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

*Non-U.S. Securities* present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

*Index funds* present the risk of that the markets tracked by these indexes will decline due to market conditions and other factors, or that certain indexes will underperform other indexes.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear. Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.**

## **ITEM 9: DISCIPLINARY INFORMATION**

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

- A. Criminal or Civil Actions: There are no criminal or civil actions to report.
- B. Administrative Proceedings: There are no Administrative Proceedings to report.
- C. Self Regulatory Organization Proceedings: There are no Self Regulatory Organization Proceedings to report.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither DIA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Neither DIA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Salo Aizenberg acts as a paid consultant for a third party institutional fund that provide loans to small businesses. Mr. Aizenberg's activities are typically limited to the referral of potential small businesses to these funds. This institutional fund is completely unrelated to client accounts managed by DIA.

DIA does not receive, directly or indirectly, compensation from other investment advisers that it recommends or selects for its clients.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

DIA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

DIA does not recommend that clients buy or sell any security in which DIA, or a person related to DIA, has a material financial interest.

DIA or individuals associated with DIA may, from time to time, buy, sell, or hold in their personal accounts the same securities that DIA recommends to or purchases for its clients and in accordance with the DIA's internal compliance procedures. To minimize conflicts of interest, and to maintain the fiduciary responsibility DIA has for its clients, DIA has established the following policy: An officer, manager, director, member or employee of DIA shall not buy or sell securities for a personal portfolio when the decision to purchase is derived by reason of their association with DIA, unless the information is also available to the investing public as a whole. No person associated with DIA shall prefer his or her own interest to that of any client. Personal trades in securities being purchased or sold for clients may only be made simultaneously with or after trades are made for clients. DIA's personnel may not anticipate trades to be placed for clients.

From time to time, representatives of DIA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of DIA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, DIA will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **ITEM 12: BROKERAGE PRACTICES**

DIA does not have the authority to determine the broker-dealer to be used or the commission rates paid.

### Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an investment adviser must consider the full range and quality of a broker-dealer's services, including, among other things, execution capability, commission rates, the value of any research, financial responsibility and responsiveness.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while DIA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. DIA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-

dealer/custodian. DIA recommends either The Charles Schwab Corporation or Interactive Brokers.

DIA shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution.

#### Broker Analysis

DIA evaluates a wide range of criteria in seeking the most favorable price and market for the execution of transactions. These include the broker-dealer's trading costs, efficiency of execution and error resolution, financial strength and stability, capability, positioning and distribution capabilities, information in regard to the availability of securities, trading patterns, statistical or factual information, opinion pertaining to trading and prior performance in serving DIA.

Also in consideration is such broker-dealers' provision or payment of the costs of research and other investment management-related services (the provisional payment of such costs by brokers are referred to as payment made by "soft dollars", as further discussed in the "Research/Soft Dollars Benefits" section immediately below). Accordingly, if DIA determines in good faith that the amount of trading costs charged by a broker-dealer is reasonable in relation to the value of the brokerage and research or investment management-related services provided by such broker, the client may pay trading costs to such broker in an amount greater than the amount another broker might charge.

DIA continuously monitors and evaluates the performance and execution capabilities of brokers that transact orders for client accounts to ensure consistent quality executions. In addition, DIA periodically reviews its transaction costs in light of current market circumstances and other relevant information.

#### Soft Dollars

While DIA has no formal soft dollars program in which soft dollars are used to pay for third party services, DIA may receive research, products, or other services from its broker/dealer in connection with client securities transactions ("soft dollar benefits") consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended, and may consider these benefits in recommending brokers. There can be no assurance that any particular client will benefit from any particular soft dollar research or other benefits. DIA benefits by not having to produce or pay for the research, products or services, and DIA will have an incentive to recommend a broker dealer based on receiving research or services. Clients should be aware that DIA's acceptance of soft dollar benefits may result in higher commissions charged to the client.

DIA uses Charles Schwab & Co.'s ("Schwab"), Schwab Institutional (Schwab Institutional) service. There is no direct link between DIA's use of Schwab Institutional and the investment advice it gives to its clients, although DIA receives economic benefits through its participation in the program that are typically not available to Schwab retail investors.

As a user Schwab Institutional, Schwab makes available to DIA other products and services that benefit DIA, but may not benefit its clients' accounts. Some of these other products and services assist DIA in managing and administering clients' accounts, including:

- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk serving Schwab Institutional participants exclusively;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;

- Ability to have investment advisory fees deducted directly from client account;
- Access, for a fee, to an electronic communication network for client order entry and account information;
- Receipt of compliance publications; and
- Access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Schwab Institutional also makes available to DIA other services intended to help DIA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab Institutional may make available, arrange and/or pay for these types of services rendered to DIA by independent third parties.

Additional benefits received because of DIA's use of Schwab Institutional may depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. DIA is required to maintain a minimum level of client assets with Schwab Institutional to avoid a quarterly service fee. While as a fiduciary DIA endeavors to act in its clients' best interests, DIA's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to DIA of the availability of some of the foregoing products and services and not solely on the nature cost or quality of custody and brokerage provided by Schwab which may create a conflict of interest.

DIA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### Directed Brokerage

DIA may permit Clients to direct it to execute transactions through a specified broker-dealer. If a client directs brokerage, the client will be required to acknowledge in writing that the Client's direction with respect to the use of brokers supersedes any authority granted to DIA to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless DIA is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

#### Trade Aggregation and Allocation

DIA may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts.

### **ITEM 13: REVIEW OF ACCOUNTS**

DIA reviews each client investment portfolio on a regular basis to ensure that investments are made in conformity with client's objectives. All client accounts managed under DIA's Investment Advisory Services are reviewed at least quarterly by Salo Aizenberg, Managing Member, with regard to clients' respective investment policies and risk tolerance levels.

Portfolio management reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). With respect to financial plans provided under Investment Planning Services, DIA's services will generally conclude upon delivery of the financial plan.

Each Investment Advisory Services client will receive at least annually a written report, typically sent by email, that details the client's account performance. DIA relies on the custodian's monthly and yearly statements to provide details on asset holdings and values. Each financial planning client will receive the financial plan upon completion.

#### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

DIA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to DIA clients. DIA may enter into written arrangements with third parties to act as solicitors for the DIA's investment management services. All compensation with respect to the foregoing will be fully disclosed to each Client to the extent required by applicable law. Any solicitor will be properly licensed in New York and any other necessary jurisdictions.

#### **ITEM 15: CUSTODY**

Other than obtaining authorization for deducting investment management fees, DIA does not take custody of client assets. DIA must have written authorization from the client for the deduction of such fees. Clients will receive all account statements, which includes detail on fees paid to DIA; Clients should carefully review those statements for accuracy.

#### **ITEM 16: INVESTMENT DISCRETION**

DIA provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading and clients will execute a limited power of attorney in connection with granting trading authority for the custodian and/or adviser. Where investment discretion has been granted, DIA generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share.

#### **ITEM 17: VOTING CLIENT SECURITIES (PROXY VOTING)**

##### Proxy Voting

DIA does not vote proxies on behalf of its clients. Therefore, although DIA may provide discretionary investment advisory services relative to client investment assets, it is the client that maintains exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceeding or other type events pertaining to the client's investment assets. DIA and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. Clients can contact DIA about a particular solicitation by calling (917) 363-4919.

### Legal Proceedings

Although DIA may have discretion over client accounts, DIA will not be responsible for handling client claims in class action lawsuits or similar settlements involving securities owned by the client. Clients will receive the paperwork for such claims directly from their account custodians. Each client should verify with their custodian or other account administrator whether such claims are being made on the client's behalf by the custodian or if the client is expected to file such claims directly.

### **ITEM 18: FINANCIAL INFORMATION**

DIA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure. Neither DIA nor its management has any financial condition that is likely to reasonably impair DIA's ability to meet contractual commitments to clients. DIA has not been the subject of a bankruptcy petition in the last ten years.