

**Form ADV Part 2A: *Firm Brochure***

**Item 1 – Cover Page**

**Ark Financial Management, LLC**

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This disclosure brochure provides information about the qualifications and business practices of Ark Financial Management, LLC (also referred to as we, us and Ark Financial Management throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Robert Wiedemer at 703-774-3520 or [rwiedemer@arkfinria.com](mailto:rwiedemer@arkfinria.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Ark Financial Management is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for Ark Financial Management, LLC or our firm's CRD number 174038.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since filing our last annual brochure filing, dated March 2017, we have made changes to this brochure to reflect the transition from registration with the U.S. Securities and Exchange Commission to the individual state level. Specifically, we have amended Item 5 – Fees and Compensation to describe our new process for sending fee invoices to clients at the time fees are debited from their account. We have also added Item 19 – Requirements for State-Registered Investment Advisors.

We have also updated Items 6, 10, and 11 to disclose our arrangements with Ark Strategic Investment Partners, LLC, which serves as general partner and investment manager of Ark Strategic Investments, LP, and Ark Partners Fund, LLC which serves as general partner and investment manager of The Ark Fund, LP.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

Ark Financial Management has been registered as an investment adviser since January 2015 and is a Delaware limited liability company (LLC) located in Herndon, Virginia.

- Robert Wiedemer is a Managing Member of Ark Financial Management and owns 60% of the firm. David Wiedemer owns the remaining 40%.

### **Introduction**

The investment advisory services of Ark Financial Management are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Ark Financial Management (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of Ark Financial Management. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Ark Financial Management before we can provide you the services described below.

**Asset Management Services** – Ark Financial Management offers and specializes in providing asset management services, which involves Ark Financial Management providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all

accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

We do not participate in wrap fee programs.

### **Types of Investments**

Ark Financial Management provides investment advice on the following types of investments:

- Mutual Funds
- Exchange-listed Securities (e.g. stock and equity positions)
- Municipal Securities
- US Government Securities
- Corporate Bonds (e.g. fixed income positions)
- Options Contracts on Securities
- Exchange Traded Funds (ETFs)

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

Ark Financial Management's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by Ark Financial Management**

Ark Financial Management has approximately \$48,035,287 in client assets under management as of October 12, 2017. The entire amount is managed on a discretionary basis (see Item 16).

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other

sources. The exact fees and other terms will be outlined in the agreement between you and Ark Financial Management.

### **Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. Fees charged during the first quarter of services provided after execution of an advisory agreement are billed on a monthly basis. After the initial quarter, billing is conducted on a calendar quarter basis.

Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period will be billed in arrears at the end of that billing period.

The asset management services continue until terminated by either party (i.e., Ark Financial Management or you) by giving thirty (30) days written notice to the other party. When fees are billed in arrears, Ark Financial Management will prorate the final fee payment based on the number of days services are provided during the final period. The amount of client assets on the termination date will be used to determine the final fee payment.

- The annual fee for asset management services will be between 0.50% and 1.50%

Fees charged for our asset management services are negotiable and therefore determined based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), and the total amount of assets under management for the client.

Ark Financial Management believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. When fees are deducted from an account, we are responsible for calculating the fee and delivering instructions to the custodian. At the same we instruct the custodian to deduct fees from your account; we will send you an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. The invoice will include a reminder that your custodian does not check or verify the accuracy of our fee calculations so we encourage you to double-check our fee calculations and let us know if you believe there is an error.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Ark Financial Management does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than Ark Financial Management in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Ark Financial Management are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We have an affiliated company, Ark Strategic Investment Partners, LLC that manages a private pooled investment vehicle designed under a private fund structure known as Ark Strategic Investments, LP. We have another affiliated company, Ark Partners Fund, LLC that manages a private pooled investment vehicle designed under a private fund structure known as The Ark Fund, LP. The two funds are hereinafter known as the “Ark Private Funds”. Ark Strategic Investment Partners, LLC serves as general partner and investment manager of Ark Strategic Investments, LP. Ark Partners Fund, LLC serves as general partner and investment manager of The Ark Fund, LP.

The term private fund has been defined by regulators to mean “an issuer that would be an investment company as defined in section 3 of the Investment Company Act of 1940 but for section 3(c)(1) or 3(c)(7) of that Act.” The offer and sale of interests in the Ark Private Funds are exempt from registration under the Securities Act of 1933 and similar state laws.

Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC are partially owned and operated by Ark Financial Management's owners and shares some advisory personnel and employees.

Because Ark Strategic Investment Partners, LLC serves as the sponsor, general partner and investment manager to Ark Strategic Investments, LP Ark Financial Management is not independent of Ark Strategic Investments, LP.

Ark Strategic Investment Partners, LLC serving as general partner or managing member of the Ark Strategic Investments, LP, may be awarded a share of the profits (or carried interest) in Ark Strategic Investments, LP. Under this arrangement, it is anticipated that Ark Strategic Investment Partners, LLC, serving as general partner or managing member of Ark Strategic Investments, LP, will receive up to 20% of all of the profits of said fund.

Similarly, Ark Partners Fund, LLC and The Ark Fund, LP are partially owned and operated by Ark Financial Management's owners and shares some advisory personnel and employees.

Because Ark Partners Fund, LLC serves as the sponsor, general partner and investment manager to The Ark Fund, LP, Ark Financial Management is not independent of The Ark Fund, LP.

Ark Partners Fund, LLC serving as general partner or managing member of the Ark Strategic Investments, LP, may be awarded a share of the profits (or carried interest) in The Ark Fund, LP. Under this arrangement, it is anticipated that Ark Partners Fund, LLC, serving as general partner or managing member of The Ark Fund, LP, will receive up to 6% of all of the profits from outperformance of the S&P 500 index of said fund.

The nature of this arrangement poses an opportunity for our affiliated companies, Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC, to earn more income than through our stand-alone asset based fee (as described in Item 5 – Fees and Compensation of this Disclosure Brochure). There are other potential conflicts associated with this arrangement that are not as common under an asset-based fee arrangement. The nature of a performance based arrangement can encourage unnecessary speculation within fund assets in order to earn or increase the amount of profits retained by our company. Although riskier investments could yield higher returns to a fund, they historically have a higher chance of losing value. However, Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC have implemented trading and management procedures designed to avoid or reduce this potential conflict of interest. Also, because Ark Strategic Investment Partners, LLC is allocated a percentage of its private fund's profits, the profits interest arrangement could be perceived as giving us an incentive to time transactions in the private fund to serve the interests of Ark Strategic Investment Partners, LLC (in order to manipulate the best performance allocation possible) rather than the best interest of the fund; Ark Strategic Investment Partners has strict controls to avoid any such trading bias or conflict of interest. This transaction timing issue does not apply to the Ark Partners Fund, LLC since it only invests in the funds of other private funds.

There are potential other conflicts of interest we face by managing performance based accounts through Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC at the same time as managing asset based, non-performance based accounts through Ark Financial Management. For example, the nature of a performance fee poses an opportunity for Ark Strategic Investment Partners to earn more compensation than under a stand-alone asset based fee through Ark Financial Management. Consequently, it could be perceived that we may favor performance fee accounts over those accounts where we receive only an asset based fee; again, we have strict controls to avoid any such bias or conflict.

See also Item 10 and Item 11 for more information.

## **Item 7 – Types of Clients**

Ark Financial Management generally provides investment advice to the following types of clients:

- Individuals (including trusts and estates)
- High net worth individuals (i.e. individuals with \$1,000,000 or more under our management or \$2,000,000 net worth not including the client's primary residence)

You are required to execute a written agreement with Ark Financial Management specifying the particular advisory services in order to establish a client arrangement with Ark Financial Management.

### **Minimum Investment Amounts Required**

Ark Financial Management requires a minimum of \$100,000 in order to open an account. To reach this account minimum, clients can aggregate all household accounts. Exceptions may be granted to this minimum at the discretion of Ark Financial Management.

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

### **Methods of Analysis**

Ark Financial Management uses the following methods of analysis in formulating investment advice:

- Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

- Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed.

Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

- Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

- Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown.

Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

### **Investment Strategies**

Ark Financial Management uses the following investment strategies when managing client assets and/or providing investment advice:

- Long term purchases. Investments held at least a year.
- Short term purchases. Investments sold within a year.
- Frequent trading. This strategy refers to the practice of selling investments within 30 days of purchase.
- Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk**. When investing in corporate and municipal bonds, there is the risk that the issuer will default on the bond and be unable to make payments (credit risk). Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. There is also liquidity risk which refers to the risk investors won't find an active market for the bond potentially preventing them from buying or selling when they want or at the price they seek.
- **U.S. Government Securities** – U.S. issued Treasury securities, including bills, notes and bonds are debt obligations issued by the U.S. Department of Treasury and considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The income from Treasury securities may be exempt from state and local taxes, but not from federal taxes. These securities are affected by interest-rate risk and inflation risk.
- **ETF and Mutual Fund Risk** – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an

ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.

- Options Contracts on Securities - Options like other securities carry no guarantees, and investors should be aware that it is possible to lose your entire initial investment, and sometimes more. For example, option holders risk the entire amount of the premium paid to purchase the option. If a holder's option expires "out-of-the-money" the entire premium will be lost. Option writers may carry an even higher level of risk since certain types of options contracts can expose writers to unlimited potential losses.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

### **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

### **Item 10 – Other Financial Industry Activities and Affiliations**

Ark Financial Management is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, or a real estate broker or dealer.

The firm does not select other investment advisers for clients.

#### **Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC**

Although Ark Financial Management is not engaged in any other business activities as of the date of this brochure, our advisory personnel have formed and manage private pooled investment vehicles designed as private funds through Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC. Ark Strategic Investment Partners, LLC serves as general partner or managing member of Ark Strategic Investments, LP. Ark Partners Fund, LLC serves as general partner or managing member of The Ark Fund, LP. Please refer to Item 6 and Item 10 of this brochure for more information.

Ark Financial Management is under common ownership with Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC, exempt reporting adviser firms which serve as investment managers to privately offered investment funds. Personnel and offices are shared between Ark Strategic Investment Partners, LLC, Ark Partners Fund, LLC and Ark Financial Management.

The investment strategies of the three firms are based on the same body of proprietary research which is shared across firms. While some investment strategies provided by Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC are similar to Ark Financial Management, the funds managed by Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC compared to accounts managed by Ark Financial Management are managed according to separate sets of pre-defined investing rules. Ark Financial Management clients and services are separate and distinct from Ark Strategic Investment Partners, LLC and Ark Partners Fund, LLC both of which were formed to develop pooled investment

programs designed as private investment partnerships (hedge funds) solely for accredited investors including high net worth individuals, family offices, and institutional investors.

Ark Partners Fund, LLC is the general partner and portfolio manager of The Ark Fund, LP, a private pooled investment vehicle designed under a private fund structure. It is our policy to not solicit or allow Ark Financial Management clients to invest in The Ark Fund, LP. Therefore clients of Ark Financial Management are not investors in The Ark Fund, LP.

Ark Strategic Investment Partners, LLC is the general partner and portfolio manager of Ark Strategic Investments, LP, a private pooled investment vehicle designed under a private fund structure.

Ark Financial Management clients are allowed to invest in the Ark Strategic Investments, LP. However, funds held in accounts managed by Ark Financial Management cannot be invested in Ark Strategic Investments, LP; investments as the two are mutually exclusive. It is our policy to never invest funds that are under the management of Ark Financial Management in Ark Strategic Investments, LP, in order to establish a 'wall' between the two and to mitigate potential conflicts of interest. Because Ark Financial Management and Ark Strategic Investments, LP are entirely separate entities with no overlap of assets under management (AUM), Ark Strategic Investments, LP's AUM will never be included in calculations of AUM for Ark Financial Management, and the fee structures of each entity are entirely separate and unrelated.

Please refer to Item 11 for additional information.

#### **Aftershock Publishing, LLC**

Robert Wiedemer, Chief Compliance Officer, Managing Member and majority owner of Ark Financial Management, and David Wiedemer, Managing Member and minority owner of Ark Financial Management, engage in publishing and speaking activities concerning the financial markets and investments. They do this through an affiliated company known as Aftershock Publishing LLC which is equally owned by Robert and David Wiedemer. While these activities are completely separate from the investment advisory services rendered by Ark Financial Management, they may result in the referral of new clients to our firm. Ark Financial Management does not compensate Aftershock Publishing LLC for client referrals. However, Robert and David Wiedemer have an economic incentive to refer clients to Ark Financial Management due to their affiliation with Ark Financial Management.

In addition, Ark Financial Management clients who have been referred to us through the publishing activities of Aftershock Publishing LLC are entitled to receive, at no cost, certain newsletters published and provided by Aftershock Publishing. Ark Financial Management clients may also participate in additional audio conferences produced and provided by Aftershock Publishing. Clients may decline to receive these third-party services. Ark Financial Management does not pay Aftershock Publishing or its owners for this service.

***Although Aftershock Publishing LLC and Ark Financial Management are affiliated companies, the services and publications of Aftershock Publishing LLC are completely separate from the activities provided through Ark Financial Management. Moreover, Ark Financial Management accepts no responsibility for the publications, commentary or opinions issued by or through Aftershock Publishing LLC.***

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

As an investment advisor, Ark Financial Management has established a Code of Ethics. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each client at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers Insider Trading and Personal Securities Transactions Policies and Procedures. We are committed to conducting business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided. Business and investor dealings will be honest, ethical and fair. We attempt to avoid or at least disclose all circumstances that might negatively affect or appear to affect our duty of loyalty to clients and investors of the funds we manage. This disclosure is provided as a summary of our Code of Ethics. However, if you would like to review our firm's Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Our affiliates may hold similar investments and positions to those also owned by the funds and individually owned accounts we manage. Our affiliates may also acquire, for their own accounts, investments which we do not purchase for accounts under our management, whether because of the greater degree of risk, the complexity of the investment, financing considerations or for other reasons.

As previously disclosed in Items 6 and 10, our affiliated companies, Ark Strategic Investment Partners and Ark Partners Fund, LLC form and manage private pooled investment vehicles designed as Private Funds. As general partners and investment advisors to such Private Funds, our advisory personnel have a material financial interest in the Private Funds. We permit our partners and employees to invest in the Private Funds. Partners and employees seeking to invest in any Private Fund, including those managed by our Firm, must first be approved by our Chief Compliance Officer prior to any purchase or redemption in the Private Funds.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our investment adviser representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".

Any supervised person not observing our policies is subject to sanctions up to and including termination.

### ***The Ark Fund, LP***

It is our policy to not solicit or allow you to invest in The Ark Fund, LP. Therefore clients of Ark Financial Management are not investors in The Ark Fund, LP.

### **Ark Strategic Investments, LP**

Ark Financial Management clients are permitted to invest in the Ark Strategic Investments, LP. However, client funds and assets held in Ark Financial Management managed accounts cannot be invested in Ark Strategic Investments, LP; investments in the two are mutually exclusive. It is our policy to never invest funds that are under the management of Ark Financial Management in Ark Strategic Investments, LP, in order to establish a 'wall' between the two and to mitigate potential conflicts of interest. Because Ark Financial Management and Ark Strategic Investments, LP are entirely separate entities with no overlap of assets under management (AUM), Ark Strategic Investments, LP's AUM will never be included in calculations of assets under management for Ark Financial Management, and the fee structures of each entity are entirely separate and unrelated.

Clients are not required or obligated to invest in the Ark Strategic Investments, LP. Only assets that are specifically not under management by Ark Financial Management will be permitted for investment in Ark Strategic Investments, LP.

Private investments like the Ark Strategic Investments, LP are often illiquid which means that the investments can be difficult to trade and consequently limits an investor's ability to dispose of such investments in a timely manner and at an advantageous price. Additionally, such investments will not register pursuant to the Securities Act of 1933, and therefore investors must complete a subscription agreement showing the investor is an "accredited" investor (as defined by applicable law, rules and regulations) and acknowledge that he or she has read and understands the confidential private placement memorandum and is aware of the various risk factors associated with such an investment.

## **Item 12 – Brokerage Practices**

When providing services through our Asset Management program we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

### **Brokerage Recommendations**

Ark Financial Management may recommend and, in some cases, require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc ("Schwab"), a FINRA-registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Ark Financial Management may recommend/require the clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Ark Financial Management is independently owned and operated and not affiliated with Schwab. Ark Financial Management may recommend additional unaffiliated broker-dealers to affect fixed income transactions.

Schwab provides Ark Financial Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained at Schwab Institutional. These services are not contingent upon Ark Financial Management committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

For Ark Financial Management's clients' accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Institutional also makes available to Ark Financial Management other products or services that benefit Ark Financial Management but may not directly benefit clients' accounts. Many of these products and services may be used to service all or some substantial number of Ark Financial Management' accounts, including accounts not maintained Schwab.

Schwab's products and services that assist Ark Financial Management in managing and administering clients' accounts include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Ark Financial Management's fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help Ark Financial Management manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Ark Financial Management. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Ark Financial Management personnel. While as a fiduciary, Ark Financial Management endeavors to act in its clients' best interests, Ark Financial Management's recommendation that clients maintain their assets in accounts at Schwab may take into account availability of some of the foregoing products and services and other arrangements not solely on the nature of cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Directed Brokerage**

Upon consent and approval of Ark Financial Management, you may be permitted to select the broker-dealer that will be used for your accounts in our Asset Management program. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Ark Financial Management after effecting trades for other clients of Ark Financial Management. In the event that a client directs Ark Financial Management to use a particular broker or dealer, Ark Financial Management may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Ark Financial Management to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Ark Financial Management believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Ark Financial Management uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. Ark Financial Management will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Ark Financial Management or our supervised persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our supervised persons receive any additional compensation as a result of block trades.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar is the main triggering factor, reviews can also be conducted at your request due to triggering factors such as, but not necessarily limited to, changes to investment objectives, mandates, life changes (e.g. retirement, new job status, marital status, number of dependents) and financial status. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Robert Wiedemer, Managing Member and Investment Adviser Representative, and

Cindy Spitzer, Investment Adviser Representative. Reviews are performed in accordance with your investment goals and objectives.

### **Statements and Reports**

For our asset management services, you are provided with written transaction confirmation notices and regular written quarterly account statements directly from the qualified custodian. Additionally, Ark Financial Management may provide written position or written performance reports to you quarterly and upon request.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### **Item 14 – Client Referrals and Other Compensation**

Ark Financial Management does not directly or indirectly compensate any person for client referrals. We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Please see *Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices*, for additional discussion concerning other compensation.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Ark Financial Management is deemed to have custody of client funds and securities whenever Ark Financial Management is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Ark Financial Management will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Ark Financial Management is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Ark Financial Management. When clients have questions about their account statements, they should contact Ark Financial Management or the qualified custodian preparing the statement.

Whenever Ark Financial Management deducts advisory fees from client accounts, Ark Financial Management will at the same time send an invoice to the client informing the client that fees are being deducted from the account. The fee invoice will provide an Itemization of the fee including the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. The invoice will include a reminder that your custodian does not check or verify the accuracy of our fee calculations so we encourage you to double-check our fee calculations and let us know if you believe there is an error.

### **Item 16 – Investment Discretion**

When providing asset management services, Ark Financial Management maintains trading authorization over your Account and provides management services on a **discretionary** basis. Such authorization will be memorialized in our client agreement with our firm. By using discretion, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Ark Financial Management so long as the limitations are specifically set forth or included as an attachment to the client agreement.

### **Item 17 – Voting Client Securities**

You may elect Ark Financial Management to vote proxies on your behalf. We will generally vote for routine matters proposed by issuer management, such as setting a time or place for an annual meeting, changing the name or fiscal year of the company, or voting for directors in favor of the management proposed slate. Other routine matters which will generally be voted along with company management include: appointment of auditors, fees paid to board members, and change in the board structure. As long as the proposal does not: i) measurably change the structure, management, control or operations of the company; ii) measurably change the terms of, or fees or expenses associated with, an investment in the company; and the proposal is consistent with customary industry standards and practices, as well as the laws of the state of incorporation applicable to the company, Ark Financial Management will generally vote along with management. Clients may obtain information from Ark Financial Management about how their securities are voted and may obtain a copy of Ark Financial Management's proxy voting policies are voted by contacting Robert Wiedemer at the phone number listed on the cover page of this brochure.

If you elect to vote your own proxies, you will receive proxies directly from your custodian or transfer agent and such documents will not be delivered by or from Ark Financial Management. While Ark Financial Management will not vote proxies on your behalf, if you ever have a question about a particular proxy you can contact your investment adviser representative.

### **Item 18 – Financial Information**

This *Item 18* is not applicable to this brochure. Ark Financial Management does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Ark Financial Management has not been the subject of a bankruptcy petition at any time.

## Item 19 – Requirements for State-Registered Advisers

### **Executive Officer and Management Personnel**

#### ***Robert Wiedemer, Managing Member and Chief Compliance Officer***

##### *Educational Background:*

- University of Texas at Austin, Bachelor of Arts - Psychology: 1981
- University of Wisconsin at Madison, Masters in Marketing: 1988

##### *Business Experience:*

- Ark Financial Management, Investment Advisor Representative, 01/2015 to Present;
- Ark Strategic Investment Partners, LLC, Investment Manager and Owner, 12/2014 to Present;
- Ark Partners Fund, LLC, Managing Member, April 2016 to Present
- MacroView Investment Management, Investment Advisor Representative, March 2010 to January 2015;
- Aftershock Publishing LLC formerly Foresight Group, Managing Member, 01/2004 to Present; and

Co-Author of the ***Aftershock*** series of books published in the United States by John Wiley & Sons and published outside the U.S. in four different languages. These books include:

- ***America's Bubble Economy*** (2006)
- ***Aftershock*** (2009)
- ***Aftershock, second edition*** (2011)
- ***The Aftershock Investor*** (2013)
- ***Aftershock, third edition*** (2014)
- ***The Aftershock Investor, second edition*** (2014)
- ***Aftershock, fourth edition*** (2015)

#### ***Matthew Piepenburg, Investment Advisor Representative***

##### *Educational Background:*

- Brown University, Bachelor of Arts - History: 1992
- University of Michigan Law School, Juris Doctor: 1995
- Harvard University, Master of Arts - Humanities: 1997

##### *Business Experience:*

- Ark Financial Management, Investment Advisor Representative, 01/2015 to Present
- Ark Strategic Investment Partners, LLC, Managing Director, 12/2014 to Present
- Ark Partners Fund, LLC, Chief Investment Officer, April 2016 to Present
- No Employment from 03/2014 to 11/2014
- Drake Libby, Chief Investment Officer, 05/2013 to 02/2014
- Massey Quick & Company, Managing Director, 04/2011 to 04/2013
- Tiedemann Wealth Management, Senior Vice President, 10/2010 to 03/2011
- Shepherd Kaplan LLC, Investment Advisor Representative and Sr. Vice President, 12/2009 to 08/2010

- Insight Partners, Financial Advisor, 01/2009 to 11/2009
- J. Howard Johnson Family Office, General Counsel and Chief Investment Officer, 01/2000 to 11/2009

***Cindy Spitzer, Investment Advisor Representative***

*Educational Background:*

- State University of New York, Purchase College, Bachelor of Liberal Arts - Biology: 1985
- University of Maryland, College Park, Master of Science degree in Science Journalism: 1988

*Business Experience:*

- Ark Financial Management, Investment Advisor Representative, 12/2015 to Present;
- Aftershock Consultants LLC, Managing Member and Macroeconomic Consultant, 02/2015 to Present;
- Aftershock Consultants LLC, Investment Advisor Representative, 07/2015 to 12/2015;
- Aftershock Consultants, Sole Proprietorship and Macroeconomic Consultant, 11/2010 to 02/2015; and
- Self-Employed, Writer and Book Author, 01/1993 to Present.

Co-Author of the ***Aftershock*** series of books published in the United States by John Wiley & Sons and published outside the U.S. in four different languages. These books include:

- ***America's Bubble Economy*** (2006)
- ***Aftershock*** (2009)
- ***Aftershock, second edition*** (2011)
- ***The Aftershock Investor*** (2013)
- ***Aftershock, third edition*** (2014)
- ***The Aftershock Investor, second edition*** (2014)
- ***Aftershock, fourth edition*** (2015)

***Dave Wiedemer, Managing Member***

*Educational Background:*

- University of Pennsylvania, Bachelor of Arts - Psychology: 1973
- University of Wisconsin at Madison, PhD - Economics: 1988

*Business Experience:*

- Ark Financial Management, Managing Member and Chief Economist, 01/2015 to Present;
- Ark Strategic Investment Partners, LLC, Managing Member and Chief Economist, 12/2014 to Present;
- Ark Partners Fund, LLC, Managing Member, April 2016 to Present
- MacroView Investment Management, Chief Economist, March 2010 to January 2015;
- Aftershock Publishing LLC formerly Foresight Group, Managing Member, 01/2004 to Present; and

Co-Author of the ***Aftershock*** series of books published in the United States by John Wiley & Sons and published outside the U.S. in four different languages. These books include:

- *America's Bubble Economy* (2006)
- *Aftershock* (2009)
- *Aftershock, second edition* (2011)
- *The Aftershock Investor* (2013)
- *Aftershock, third edition* (2014)
- *The Aftershock Investor, second edition* (2014)
- *Aftershock, fourth edition* (2015)

#### **Other Business Activities**

Ark Financial Management is not involved in any business activities outside of the services and fee arrangements previously disclosed in Items 4 and 5 of this brochure.

#### **Performance Based Fees**

Performance-based compensation may create an incentive for an investment adviser to recommend an investment that may carry a higher degree of risk to a client. Please refer to Item 6 of this brochure for additional information.

#### **No Arbitrations**

Ark Financial Management or any of its supervised persons have not been the subject of any client arbitrations or similar legal disputes.

#### **Issuer of Securities**

Please refer to previous information provided at Items 10 and 11 for the Ark private funds.

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