

FORM ADV PART 2 BROCHURE

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This brochure provides information about the qualifications and business practices of MJB Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at (212) 333-3733 or by email at rbregman@mjbam.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. Registration as an investment adviser does not imply a certain level of skill or training. Additional information about MJB Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

Our response to this item reflects only material changes that have been made since our last annual update of the brochure dated as of March 28, 2019.

MJB Asset Management LLC has in the past accepted authority to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) on behalf of clients related to investments in clients’ accounts. MJB no longer accepts such authority for new client relationships. See Item 17 in this Brochure for further discussion.

In the future, this Item will discuss material changes, if any, made to this brochure as part of our annual update. We may, at any time, update this brochure and either send you a copy of the brochure or a copy of the material changes with an offer to send you a copy of the brochure. You may also request the most recent version of this brochure by contacting Richard Bregman, Chief Executive Officer at (212) 333-3733 or rbregman@mjbam.com.

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ITEM 4 – ADVISORY BUSINESS

MJB Asset Management LLC (“MJB” or “us” or “we”) provides investment advisory services to individuals, businesses, not-for-profit organizations, high net worth individuals and institutional clients. Richard Bregman, the owner of the firm, founded MJB in 1997

Investment Management Services

We have historically provided investment management services to individuals on both a discretionary and a non-discretionary basis. Discretionary clients sign a trading authorization authorizing us to select investments that we deem most appropriate for a client’s investment goals; non-discretionary clients do not sign such limited powers of attorney and we only make investment recommendations that the non-discretionary client can choose whether or not to accept. For new individual clients we only provide investment management services on a discretionary basis; we no longer accept individual clients on a non-discretionary basis. We continue to provide non-discretionary investment management services to certain businesses, not-for-profit organizations and institutional clients.

For individuals, we begin the investment management process by evaluating the client’s specific investment goals based on the following factors, among others: the client’s tolerance for risk, investment time horizon, cash flow needs and tax considerations. We then formulate investment objectives and structure an investment portfolio designed to meet each client’s goals. We construct client portfolios using mutual funds (purchased on a no-load or load-waived basis), exchange traded funds (ETF) and in some instances, individual securities (e.g., stocks and bonds). Each client may impose reasonable restrictions with respect to investment in certain securities or types of securities. We monitor portfolios on a continuous basis and adjust portfolio composition when, in MJB’s opinion, adjustments are warranted as a result of changing economics, market conditions, client goals or other relevant factors.

Consultation Services for Qualified Plans

We provide services to sponsors of defined contribution retirement plans (e.g., 401k plans) depending upon each plan sponsor’s needs. We typically select and monitor a menu of mutual funds to be included as investment options for plan participants. Other services can include attending plan enrollment meetings and providing educational sessions to plan participants. We can also review plan expenses, identify service providers and provide guidance for dealing with service providers. These engagements require the payment of an annual retainer fee.

Assets under Management

As of December 31, 2019, MJB managed \$90,886,810 of client assets on a discretionary basis and \$124,405,716 of client assets on a non-discretionary basis.

ITEM 5 – FEES AND COMPENSATION

Investment Management Services

We calculate our fees as a percentage of assets under management. Our standard fees for portfolio management services are set forth below.

\$1 to \$3,000,000.00	1% per annum
Above \$3,000,000.00	0.75% per annum

Fees are generally not negotiable; however, MJB reserves the right to modify its fee structure in light of a client's special circumstances. Such circumstances can include, without limitation, the types of services provided, the complexity and level of service provided, the number of different accounts and the total assets under management for that client, other services provided by us, relationship to us and other factors that we deem relevant. For individual clients fees are deducted from client assets in arrears at the end of each calendar quarter.

► *Additional Expenses*

The management fees set forth above cover fees only for services that we provide. The fees do not cover any other fees incurred in connection with the implementation of a client's investment program, including, but not limited to: (1) the fees and costs associated with the ownership of investment products such as mutual funds (e.g., management fees and other expenses that clients pay indirectly on an ongoing basis); (2) transaction costs associated with the purchase of mutual funds and individual securities such as stocks, bonds and Exchange Traded Funds (ETF's); and (3) custody costs.

All mutual funds in client accounts are purchased on a no-load or load-waived basis. However, most custodians, including Charles Schwab & Co., Inc., charge a transaction fee to the client's account for the purchase and sale of certain but not all funds. We do not receive compensation of any kind from mutual funds or their affiliates or Charles Schwab & Co., Inc. in connection with making an investment recommendation that results in the purchase of mutual funds.

Investment Consultation Services.

We also provide ongoing investment consultation services to clients who do not provide us with discretionary authority over their investment accounts. The minimum annual retainer for these services is \$10,000. The fee is payable in four equal quarterly installments following the end of each quarter.

Consultation Services for Qualified Plans

We require an annual retainer fee for the services that we provide to various qualified plans (e.g. 401(k) Plans and 403(b) Plans). The fee is payable in four equal quarterly installments following the end of each quarter. The minimum annual retainer is \$10,000.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (i.e., performance-based fees). Our advisory fee compensation is charged only as disclosed in Item 5 – Fees and Compensation above.

ITEM 7 – TYPES OF CLIENTS

We provide advisory services to individual clients, high net worth clients, certain business organizations and qualified retirement plans. The minimum deposit to open an account for which portfolio management services will be provided is \$1,000,000. We reserve the right to waive this requirement in our sole discretion.

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

Investment Strategies

The investment strategies used to implement our investment advice include investing in liquid and widely available equity (both U.S. and non-U.S.) and debt securities, Exchange Traded Funds (ETF) and various mutual funds whose managers can invest in equities, debt and various hedging strategies. We tailor our investment advisory services to the individual needs of our clients based on their investment objectives and guidelines.

Methods of Analysis and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

We use fundamental security analysis for evaluating individual equity and debt securities, which entails examining overall economic and industry conditions, company-specific factors and other qualitative and quantitative factors to measure a security's intrinsic value. The main sources of information include inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, issuer press releases and financial newspapers and magazines.

We use technical analysis to help determine buy and sell decisions for ETF's and broad allocations between asset classes such as equities and bonds. Technical analysis uses charts to determine current supply and demand for individual securities, ETF's and broad markets and provides a basis to understand current buy/sell sentiment and price trends in securities markets.

We use quantitative and qualitative methods to analyze mutual funds. For quantitative analysis we utilize a commercial database that aggregates return and other statistical data for mutual funds. The qualitative analysis generally entails dialogue (telephonic or in person) with fund management regarding the managers' methods of analysis, investment strategies and risks associated therewith, a review of the relevant materials provided by the fund (for example, legal

documentation, marketing presentations, monthly/quarterly letters, regulatory filings and financial statements), and if necessary, reference, service provider and regulatory agency checks.

Material Risks

Below is a general summary of the material risks associated with the most common types of investments made by our clients. For additional information with respect to mutual funds (including specific investment strategies for and material risks related to a particular mutual fund), clients should review the relevant prospectuses for such funds provided by their custodian.

Fundamental Analysis. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Equity and Equity-Related Risks. Equity and equity-related investments carry a relatively high degree of risk due to the business and financial uncertainties facing individual issuers. The value of equity securities may fluctuate in response to specific situations for each company, industry or sector market conditions and general economic environments. For instance, certain issuers may experience financial difficulties, which they may not overcome. Additionally, changes in economic conditions, including interest rates, trends, tax laws and numerous other factors can affect substantially and adversely the prospects of any issuer.

Investment Company Securities/Mutual Funds. Different investment company securities have inherently different risk characteristics and should not be compared side by side. For example, a bond mutual fund with below-average risk should not be compared to a stock mutual fund with below average risk. Even though both funds have low risk for their respective categories, stock mutual funds overall typically have a higher risk/return potential than bond funds. There are several types of investment company securities can range from being very conservative to being very aggressive. Investment company securities, like other securities, face risks based on the investments they hold. For example, a bond mutual fund faces interest rate risk, income risk and credit risk. Similarly, a sector stock mutual fund is at risk that its price will decline due to developments in its industry.

Non-U.S. Investment Risk. Investing in securities and interests of non-U.S. governments and companies that are generally not denominated in U.S. dollars and utilization of currency forward contracts and options on currencies involve certain considerations not typically associated with investing in securities and interests of the U.S. government or U.S. companies. These considerations include changes in exchange rates and exchange control regulations, political and social instability, expropriations, imposition of non-U.S. taxes, less liquid markets and less

available information than is generally the case in the United States, higher transaction costs, less government supervision of exchanges, brokers and issuers, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Concentration of investments in certain countries, of course, will increase the client's risk of loss.

Reliance on Management of Issuers and Portfolio Managers. While it is our intent to invest in (or recommend) companies with proven operating management in place, there can be no assurance that such management will continue to operate successfully. Although we will monitor the performance of each investment, we will largely rely upon management to operate the portfolio companies on a day-to-day basis. With respect to portfolio managers of an underlying investment (e.g., mutual funds) in a client's account, the success of the client's accounts depends upon the ability of such portfolio managers to develop and implement investment strategies that achieve their investment objectives. Subjective decisions made by any portfolio fund manager may cause the underlying investment to incur losses or to miss profit opportunities, resulting in losses or missed profit opportunities for the client.

Hedging. For discretionary accounts, we may, but are not required to, engage in various portfolio strategies to seek to hedge against movements in the equity markets, interest rates and exchange rates between currencies by the use of options. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio position should increase. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged can vary. Moreover, for a variety of reasons, we may not seek or be able to establish a sufficiently accurate correlation between such hedging instruments and the portfolio holdings being hedged. Such an imperfect correlation can prevent the client from achieving the intended hedge or expose the client to risk of loss. Hedging can be employed to limit certain market risks and credit risks. As a general matter, a client's portfolio will still be exposed to basic event risk and other risks attendant to its investment strategy, which risks will not be generally hedged. Suitable hedging instruments may not be available with respect to securities of issuers on a timely basis and on acceptable terms. Furthermore, even if hedging techniques are available, we may only engage in hedging activities from time to time and not necessarily when market or currency movements occur. In addition, utilization of options transactions involves the risk of imperfect correlation in movements in the price of options and movements in the price of the securities, interest rates or currencies, which are the subject of the hedge. Hedging transactions in non-U.S. markets are also subject to the risk factors associated with non-U.S. investments generally, as discussed herein.

Tiered Fee Structure. Certain funds invest in other investment vehicles (e.g., fund of funds), thereby subjecting the client to an additional level of fees.

Stock Market Risk. Stock market risk is the possibility that stock prices overall will decline over short or extended periods. Investing in small- and medium-sized companies involves greater risk than is customarily associated with more established companies. Stocks of such companies can be subject to more volatility than stocks of larger companies. Among the reasons for the greater price volatility are the less certain growth prospects of smaller companies, the lower degree of liquidity in the markets for such securities, and the greater sensitivity of smaller companies to changing economic conditions. Small companies often have limited product lines, markets, or financial resources and their management might lack depth and experience.

Systemic Risk. World events and/or the activities of one or more large participants in the financial markets and/or other events or activities of others could result in a temporary systemic breakdown in the normal operation of financial markets. Such events could result in an investment losing substantial value caused predominantly by liquidity and other issues such as the inability for an issuer to receive financing for capital improvements, projects or other obligations, which could result in a client incurring substantial losses.

Risk of Loss and Past Performance. Investments in securities are speculative and investors may incur substantial losses on their investments. Any past investment performance of an investment or an investment manager should not be construed as an indication of the future results of these entities. There can be no assurance that any of them will achieve our clients' respective investment objectives or provide returns to our clients.

Concentration of Investments. Investment managers of underlying investments or a client might seek to concentrate their assets in one or more investments, investment strategies, sectors, geographies or other segments of the market. As a result, a client's portfolio could become highly concentrated with the performance of a few holdings substantially affecting its return and increasing its volatility relative to a more fully diversified investment portfolio.

Governmental, Legal, Tax and Regulatory Risks. The global financial markets are subject to pervasive and fundamental disruptions that have at times led to extensive governmental intervention. Intervention has in certain cases been implemented on an "emergency" basis with little or no notice, with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated or otherwise negatively implicated. Given the complexities of the global financial markets and the limited timeframe within which governments might be able to take action, these interventions can be unclear in scope and application, potentially resulting in confusion and uncertainty, which in itself can be materially detrimental to the efficient functioning of these markets as well as previously successful investment strategies.

Legal, tax and regulatory changes could occur that materially adversely affect a client's ability to pursue its investment objectives or strategies. It is impossible to predict with certainty what interim or permanent governmental restrictions might be imposed on the markets and/or the effect of these restrictions on a client's ability to fulfill its investment objective.

Insolvency Considerations with Respect to Issuers of Indebtedness. If, in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of indebtedness, a court were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness and that, after giving effect to this indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which its remaining assets constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay its debts as they mature, a court could determine to invalidate, in whole or in part, this indebtedness as a fraudulent conveyance, to subordinate this indebtedness to existing or future creditors of the issuer, or to recover amounts previously paid by the issuer in satisfaction of the indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts was then greater than all of its property at a fair valuation, or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was “insolvent” after giving effect to the incurrence of the indebtedness in which a client invested or that, regardless of the method of valuation, a court would not determine that the issuer was “insolvent” upon giving effect to its incurrence. In addition, in the event of the insolvency of an issuer of indebtedness in which a client invests, payments made on its indebtedness could be subject to avoidance as a “preference” if made within a certain period of time (which may be as long as one year) before insolvency. In general, if payments on indebtedness are avoidable, whether as fraudulent conveyances or preferences, they can be recaptured from the client to whom the payments were made, resulting in losses.

Indebtedness consisting of obligations of non-U.S. issuers can be subject to various laws enacted in the countries of their issuance for the protection of creditors. These insolvency considerations will differ depending on the country in which each issuer is located or domiciled and can differ depending on whether the issuer is a non-sovereign or a sovereign entity.

Non-U.S. Currency Transactions and Exchange Rate Risk. Non-U.S. currency transactions can be engaged in for a variety of purposes, including to “lock in” the U.S. dollar price of a non-U.S. security between the trade and the settlement date or to hedge the U.S. dollar value of non-U.S. securities held in a portfolio. These transactions can also be engaged in for non-hedging purposes to generate returns. To the extent un-hedged, the value of client assets will fluctuate with U.S. dollar exchange rates as well as with price changes of its investments in the various local markets and currencies. Options and other instruments can be utilized to hedge against currency fluctuations, but are not required to be utilized, and there can be no assurance that these types of hedging transactions will be available or, even if undertaken, effective.

ITEM 9 – DISCIPLINARY INFORMATION

Form ADV Part 2 requires investment advisers such as MJB to disclose legal or disciplinary events involving the firm or its partners, officers, or principals that are material to your evaluation of our

advisory business or the integrity of our management. At this time, we have no information to report that is applicable to this item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

MJB has no other financial industry activities or outside affiliations to disclose. Where we select and monitor other investment managers on behalf of our clients, we receive no compensation, directly or indirectly, from such investment advisers.

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

Code of Ethics

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the “Code”) to help us meet these standards. The Code is designed to ensure, among other things, that our employees conduct their activities in a manner where clients’ interests are placed first and foremost and are consistent with the law. In particular, the Code is designed to address certain violations of the Investment Advisers Act; violations of the insider trading laws, rules, and regulations; reputational harm to MJB; and regulatory fines and penalties for violations of the Code of Ethics.

An existing or prospective client can obtain a copy of the Code of Ethics by contacting Richard Bregman, Chief Executive Officer at (212) 333-3733 or rbregman@mjbam.com.

► *Participation or Interest in Client Transactions and Personal Trading*

It is our policy not to benefit in our own personal investments, directly or indirectly, at the expense of clients. Our policy is to purchase or recommend for purchase for client accounts only securities that we and/or related persons (“MJB Persons”) will also purchase. When we purchase such securities for clients and MJB Persons we at all times to the extent possible aggregate our orders with our clients’ orders into a “block trade” so that we and MJB Persons purchase such securities at the same time and price as our clients. Similarly, when such securities are sold, we will sell in a block trade so that we and MJB Persons sell at the same time and price as our clients. See Item 12 – Brokerage Practices for additional information.

On occasion, clients will ask us to purchase a specific security that we have not recommended for their accounts. In such cases we are under no obligation to purchase the same security for our accounts or the accounts of MJB Persons.

Notwithstanding the above in this Item 11, there are times when MJB Persons purchase or sell for themselves different securities as are purchased or sold (or recommended to) its clients. Additionally, MJB Persons will at times purchase or sell (or recommend the purchase or sale of) the same or different securities for different clients at the same or different times. For example,

the same security might be purchased for different clients' accounts at different future dates when their situations change, such as a change in investment objective, level of cash or otherwise.

There is an inherent conflict of interest between our obligation to act in the best interest of our clients and the economic interest of MJB Persons. To mitigate the conflicts of interest, we have implemented an investment policy for personal securities transactions in addition to how the above conflicts are addressed. All personal trades made by our access persons are reviewed by supervisory personnel (except transactions in investment company securities and/or other exempt transactions). Additionally, our policies and procedures prohibit the misuse of material non-public information and are designed to prevent insider trading by our representatives. Our employees conduct their activities in a manner where clients' interests are placed first and foremost and are consistent with the law.

We do not enter into a transaction where we buy or sell securities between us and any of our clients (i.e., principal transaction) or a transaction effecting as agent for our clients, a purchase or sale of securities or other assets between two or more clients (i.e., agency transaction). Should we ever enter in such transactions, they will be consistent with our duties to our clients and only after prior disclosure to and written approval from the client has been obtained, as required by applicable law.

► *Allocation of Investment Opportunities*

Under circumstances where we believe that a particular investment is suitable for more than one client, and where less than the maximum desired number of shares (or interests) to be purchased is available at a favorable price, we will generally allocate the investment on a pro rata basis (subject to certain exceptions as described below), provided that all participating clients are treated fairly on an overall basis and the variation from a pro rata allocation does not result in an unfair advantage or disadvantage to a client, or unfairly advantage us or our representatives. Notwithstanding the foregoing, a client's liquidity, investment minimums, the degree of control we exercise over the assets of a client, and other factors, consistent with the best interests of the clients, can prevent an investment from being purchased on a pro rata basis for all of those clients for which the investment was believed by us to be suitable. See Item 12 – Brokerage Practices for additional information.

ITEM 12 – BROKERAGE PRACTICES

General Brokerage Practices

MJB generally establishes brokerage accounts for its clients with the Institutional Division of Charles Schwab & Co., Inc. ("Schwab") to effect trades for their accounts. All client accounts at Schwab are in the clients' names. Schwab maintains custody of clients' assets. Schwab generally does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab. MJB is not affiliated with Schwab.

For accounts for which we have discretion, our discretion generally includes which securities to buy or sell, the total amount of securities to buy or sell, and the broker-dealer to be used in executing the transaction. Limitations on our authority are guided by (i) our responsibility to act as a fiduciary when handling clients' accounts and (ii) the obligation (subject to condition specified in this Item 12) to seek best execution on clients' trades.

In instances where we have discretion over which broker-dealer or other counterparty will be used in executing transactions, the primary goal is to achieve best execution on an overall basis — i.e., execution of client trades in such a manner that the client's total costs or proceeds in each transaction is the most favorable under all the circumstances. In connection with its determination of whether "best execution" has been obtained, we will consider the full range of services available from and the characteristics of each broker-dealer without a rigid formula in selecting a broker-dealer. Such services and characteristics may include, but are not limited to the following:

- commission rates, spreads and other costs and the reasonableness of such costs
- skills, reputation and dependability
- financial stability and responsibility
- capital strength and stability
- compatibility with the client
- execution, clearance and settlement capabilities
- nature and frequency of sales coverage
- depth of products and services provided including back office and processing capabilities
- the nature and character of the security or instrument being traded and the activity existing and expected in the markets on which it is purchased or sold

The selection of a broker-dealer is not based upon a financial arrangement between MJB and the recommended broker-dealer. We are not required to (i) obtain the lowest brokerage commission rates or (ii) combine or arrange orders to obtain the lowest brokerage commission rates. We are also not required to solicit competitive bids. We do not negotiate "execution only" commission rates. Thus, if we determine in good faith that the amount of commissions charged by a broker-dealer is reasonable in relation to the value of the brokerage and research products or services provided by such broker-dealer, viewed in terms of either the specific transaction or our overall responsibility to our clients, clients may pay commissions to such broker-dealer in an amount greater than the amount another broker-dealer might charge for "execution only" commissions or for other products and services to be included in the commission rate. We regularly evaluate the placement of brokerage and the reasonableness of commissions paid.

Clients should expect that their securities transactions will generate brokerage commissions and other costs, all of which are borne by the client.

► *Research and Other Soft Dollar Benefits*

The services provided by Schwab to our clients include brokerage and custody of assets. Schwab may also make available to MJB research or other products and services that may not provide a direct benefit to client accounts but assist us in managing and administering client accounts. These products and services also benefit MJB because MJB does not have to pay for such research, products or services. These benefits can include, among others, software and other technology that:

- Provide access to client account data (such as trade confirmations and account statements);
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts);
- Provide research, pricing information and other market data;
- Facilitate payment of our fees from client accounts; and
- Assist with back-office support, recordkeeping and client reporting.

Many of these services may be used to service all or a substantial number of MJB's accounts. From time to time, Schwab may also provide MJB with other services that are intended to help MJB manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. From time to time, Schwab may discount or waive fees that it would otherwise charge MJB for some of these services. These benefits create an incentive for MJB to select Schwab as the custodian for its clients' accounts. While as a fiduciary, MJB endeavors to act in its clients' best interests, MJB's decision to maintain client assets with Schwab may be based, in part, on the benefit to MJB of the availability of some or all of these products and/or services, rather than considerations relating to the nature, cost or quality of custody and brokerage services provided by the custodian. These competing considerations create a potential conflict of interest between MJB and its clients.

While clients benefit from many of the services obtained with soft dollars generated by client trades, each client will not benefit exclusively. In certain instances, brokerage and research products or services obtained with soft dollars generated by a client may be used to subsidize service for other clients that may not have generated such trades, and thus, such client whose trades provided for the products or services may benefit, or receive no benefit, from such products or services. Therefore, to the extent we have discretion to select broker-dealers, we may have an incentive to select broker-dealers based on interest in receiving the soft dollar products or services at a reduced cost to us, rather than based on the clients' interest in receiving most favorable execution.

► *Directed Brokerage*

MJB does not engage in directed brokerage. All client transactions are effected through Schwab; clients may not direct that their transactions be effected through particular brokers-dealers and may not require us to effect transactions through the broker-dealer that maintains custody of the clients' assets.

► *Aggregation of Orders*

In order to achieve more efficient execution, we may direct the broker-dealer to aggregate orders, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a trade is aggregated, each participating client receives a price that represents the average of the prices at which all of the transactions in a given aggregated order were executed. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis in proportion to each client's original order or in some other equitable manner.

Transactions for the accounts of our employees and advisory representatives may be included in the aggregated orders. Any such purchases and allocations will be done in a manner that is fair and equitable to our clients.

Trades are aggregated only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for non-discretionary client accounts are not aggregated with transactions for discretionary client accounts.

We are not obligated to include any client account in an aggregated order. Aggregated orders will not be placed for any client's account if doing so is prohibited or otherwise inconsistent with the client's investment management agreement. If orders are not aggregated, clients will not receive the benefit of better pricing that may be received from aggregated orders; thus, such transactions will be more costly for the clients.

ITEM 13 – REVIEW OF ACCOUNTS

We review client accounts on a periodic basis, which can be weekly or monthly or some other periodic basis, depending on a number of factors relevant to each client's situation. Reviews generally involve verification of compliance with investment objectives for the account, an assessment of diversification among asset classes and investments and/or an assessment of the investment performance of the account as compared to objective performance standards (i.e., benchmarks). We provide clients with unaudited quarterly written statements regarding their account(s) covering the current market value of their investments and performance information. All clients receive monthly statements from their custodian.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As a matter of policy, the firm does not currently compensate third parties for client referrals. In the event that the firm determines to change this policy, it will structure such arrangements in accordance with applicable regulations.

ITEM 15 – CUSTODY

We do not have custody of client funds or securities. Accounts are usually held in the client's name at Charles Schwab & Co., Inc., an independent and qualified custodian. We urge clients to review account statements received from the custodian and compare the statements received from the qualified custodian with the statements they receive from us.

ITEM 16 – INVESTMENT DISCRETION

We receive and exercise discretionary authority to manage investments on behalf of most clients. As noted in Item 4 – Advisory Business above, there may be times when clients impose limitations on this discretion with respect to: (i) the specific types of investments or asset classes that we will or will not purchase for their account; (ii) the nature of the issuers of investments that we will or will not purchase for their account (e.g., no “sin” issuers, such as companies primarily doing business related to alcohol or tobacco); or (iii) the risk profile of instruments we will or will not purchase for their account, or the risk profile of the account as a whole.

We typically assume this authority through a limited power of attorney or contract provision granted or entered into by a client.

ITEM 17 – VOTING CLIENT SECURITIES

We have in the past accepted authority to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) related to investments in clients' accounts. MJB no longer accepts such authority for new client relationships. For those existing clients for whom MJB has accepted voting authority, we vote in a manner that seeks to serve the best interests of our clients. Clients may contact Richard Bregman, Chief Executive Officer at (212) 333-3733 or rbregman@mjbam.com if they wish to know how their proxies were voted by us on their behalf.

For proxies for which we do not have the authority to vote, we will not take any action or render any advice to such client with respect to the voting of proxies solicited by, or with respect to, the issuers of any other securities held by any client or in any client's account. Clients will either retain such discretion or delegate such discretion to another party. Such clients will receive their proxies or other solicitation directly from their custodian.

Regardless of whether or not we have the authority to vote, or make recommendations to clients with respect to the voting of, proxies on behalf of clients, we will not render any advice or take any action on behalf of clients with respect to securities or other investments held in any account,

or the issuers thereof, that become the subject of any legal proceedings, including bankruptcies and litigations. Clients retain the right and obligation to take such legal action.

ITEM 18 – FINANCIAL INFORMATION

Form ADV Part 2 requires investment advisers such as MJB to disclose any financial condition reasonably likely to impair our ability to meet contractual commitments to clients. At this time, we have no information to report that is applicable to this item.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Form ADV Part 2 requires responses to Item 19 if an investment adviser is registered with one or more state securities authorities. This item is not applicable to MJB.