



SEC Part 2A of Form ADV Firm Brochure

March 31, 2021

AZIMUTH CAPITAL MANAGEMENT LLC

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This Brochure provides information about the qualifications and business practices of Azimuth Capital Management LLC. If you have any questions about the contents of this Brochure, please contact us at (248) 433-4000 or at cco@azimuthcap.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.

We are a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Azimuth Capital Management LLC is available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 4: ADVISORY BUSINESS

Our Owners and Principals

Azimuth Capital Management LLC (“ACM,” “we,” “our” or “us”) is an investment advisory firm that provides investment advisory and related services to clients. We are a Michigan limited liability company registered as an investment advisor with the Securities and Exchange Commission under the Investment Advisers Act of 1940. We were established in 2004, and our principals are Ted Haddad, Janet Hewlett, Daniel McEnroe, and Paul Ragheb (our “Principals”).

We are majority owned and managed by Azimuth Capital Advisors, Inc., a Michigan corporation (“ACA”). ACA is owned collectively by entities controlled by our Principals, and each Principal sits on the Board of Directors of ACA. Furthermore, each of our Principals is a shareholder of ACA, and, specifically, an entity controlled by Mr. Haddad owns twenty-five percent (25%) or more of ACA’s common stock.

Our Advisory Services

We provide investment supervisory services, principally on a direct basis. We also provide these services on a subadvisory basis. In addition, we provide other general investment and financial advice. These services are explained in more detail below. Our investment advisory and related services are provided by the following individuals, each of whom is a member of our investment team:

Ted Haddad

Daniel McEnroe

Paul Ragheb

Janet Hewlett

Alan Freeman

Mark Van Faussien

Donald Lindow

William Gough

Investment Supervisory and Portfolio Management

We provide investment supervisory services to our clients in which we advise clients on the investment of their funds based on their individual needs. Based upon our discussions and a review of relevant documentation at the onset of our relationship with a client, we determine the appropriate investment restrictions and guidelines with the client, taking into consideration the client’s goals, risk tolerance, and any special or particular circumstance unique to the client. A broad description of initial investment restrictions and guidelines is incorporated into the investment management agreement entered into with the client. The statement of investment restrictions and guidelines incorporated in the investment management agreement is supplemented with other information we compile regarding a client’s perspective on return, liquidity, and risk, to collectively create the investment objectives for the client. We then use these investment objectives to construct and manage the client’s portfolio, with each portfolio designed and monitored in consideration of these objectives. Depending on the above factors, a client’s account may be comprised of equity-related securities, fixed-income related securities, other types of investment securities or instruments, or a balanced portfolio combining some or all

of these types of investments. Based on our ongoing communications with the client regarding factors such as market and portfolio developments, risk tolerance, liquidity, and any unique circumstances, the investment objectives for the client may be modified. We therefore encourage clients to promptly inform us of any changes in their financial condition or circumstances that may affect their objectives or the investment decisions we make on their behalf.

In managing the portfolios to meet our clients' investment objectives, we employ a variety of strategies. We have developed and maintain a series of equity portfolio model strategies, each one with a unique orientation, and we use these model strategies as a basis to invest client equity portfolios. Our equity portfolio strategies are generally designed to achieve long-term capital gains for our clients through diversified investments in equity-related securities. We may allocate a portion of the client's account assets in line with one or more of the specific equity strategies to meet the client's individual objectives and guidelines. Our fixed income portfolio strategy is highly customized for each client's needs and tax situation, and is generally designed to provide clients with a reliable return of principal, current income and liquidity. Based upon the client circumstances, we may also use other types of investments or investment securities as more fully described in the "ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS" section. A balanced portfolio strategy is achieved by using a combination of some or all of these strategies and is designed to offer clients a diversified investment approach relative to their specific investment objectives. The fees for each type of client account are discussed in more detail below in the "ITEM 5: FEES AND COMPENSATION" section.

Clients typically grant us investment discretion to manage their account. However, in certain instances, we may agree to manage an entire account, or certain securities within a discretionary account, on a non-discretionary basis. All clients retain individual ownership of all securities and have the opportunity to place, with our consent, reasonable restrictions on the types of investments to be held or acquired for their accounts or to determine certain securities to be held on a non-discretionary basis. See "ITEM 16: INVESTMENT DISCRETION" below for more information on how to place restrictions on discretionary accounts.

Subadvisory Services

We also entered into, and may also subsequently enter into, subadvisory agreements with other investment advisers or financial institutions in which we provide investment supervisory services either directly or indirectly to the primary advisor's clients.

Participation in Wrap Fee Programs

While we do not recommend wrap fee programs to our clients, we may provide investment management services to the sponsor of a wrap fee program (e.g., broker-dealer/investment advisers). In a wrap fee program, the client typically pays the sponsoring financial services firm a single fee, payable on a quarterly basis, to cover all costs in connection

with securities transactions effected by the firm for the client, investment management services and custody and related services. In such cases, if we are selected to provide investment management services, we are compensated directly by the firm sponsoring the “wrap fee” program. However, we are not a sponsor of a wrap fee program.

Other Services

Depending on our client’s needs, we also may furnish non-discretionary investment advice or analyses, such as providing customized reports and analyses to clients of the securities held in their accounts, allocation of assets or portfolio construction, and asset or security disposition. Additionally, in order to provide appropriate portfolio diversification, for some clients we may retain unaffiliated investment professionals to manage or provide advice with respect to asset classes or strategies for which we do not provide advice. We may also review and/or monitor the performance of other investment managers or advisers for our clients that either we retain on behalf of the client or retained directly by the client. When providing this service we will not receive any form of direct or indirect compensation from any such retained unaffiliated investment professionals in connection with those arrangements.

We may also from time to time at client request furnish advice on other assets held by clients or on financial management matters not involving securities, such as providing consulting or valuation services relating to clients’ business or financial affairs, capital or debt financing, tax consulting, participations in business ventures or partnerships, or investments in a range of other assets.

Assets Under Management

We manage client assets on both a discretionary or non-discretionary basis. As of December 31, 2020, our total assets under management were \$3,005,511,218 of which \$2,805,700,758 were in client assets managed on a discretionary basis and \$199,810,460 were in client assets managed on a non-discretionary basis.

ITEM 5: FEES AND COMPENSATION

Fees for Investment Supervisory Services

The fee schedule for our investment advisory services is generally based upon a percentage of the client’s assets under our management and the overall investment structure of the account. The specific manner in which we charge fees is established in our written agreement with the client. Although our fees for our services may be negotiated under certain circumstances, our standard fee schedule is as follows:

Equity or Balanced Account

<u>Assets</u>	<u>Annual Fee</u>
On the first \$5,000,000	1.00%
On the next \$20,000,000	0.75%
Amounts in excess of \$25,000,000	0.50%

Fixed-Income Account

<u>Assets</u>	<u>Annual Fee</u>
On the first \$2,000,000	0.50%
On the next \$3,000,000	0.40%
Amounts in excess of \$5,000,000	0.25%

Generally, each client account is subject to a minimum account size of \$1,000,000, but we may waive this requirement based upon our sole discretion.

For new client relationships, the fees for our investment supervisory services are generally billed quarterly in advance and are based on a percentage of the client's assets under our management. In certain circumstances, fees may be negotiated based upon considerations such as size or type of account, the complexity of the relationship, type of client, composition of assets, or specific investment or strategy. Negotiated fees may be higher or lower than those described in this Brochure. Any such negotiated fee schedules are set forth in the client's investment management or advisory agreement.

Furthermore, in certain situations where we have negotiated fees, those fees may vary based upon the portfolio structure of client account(s); for instance, we may have a different fee schedule for assets comprised of fixed income investments or strategies versus equities investments or strategies. Thus, in circumstances where we have negotiated a fee arrangement and the client agreement grants us discretion to allocate assets among different investments or strategies with different fee schedules, a potential conflict of interest may exist. We mitigate the potential conflict by (1) offering our standard balanced fee schedule where the client's fee is not dependent upon the type of investments or strategies the client assets are invested in, and/or (2) managing such relevant accounts consistent with our other client accounts, as more fully described elsewhere within this Brochure.

Clients generally elect to authorize the custodian to debit our fees directly from the client account. For clients that have chosen to have their fees debited from their account, we submit a statement to the client's custodian stating our fees for the quarter. Clients are sent a separate copy of the statement of fees with their quarterly reporting package. Accounts initiated during a calendar quarter are charged a prorated fee.

For purposes of calculating fees, we value a client's account as of the last business day of the quarter. Generally, the fee for a given quarter is calculated by applying the client's fee schedule to the quarter-end account value as reflected in our reporting system. More specifically, the billing system we employ determines the fee for any quarter by multiplying (1) the applicable annual fee percentage(s) from the client fee schedule by (2) the quarter-end value(s) of the client's account as reflected in our reporting system; and then dividing the result by four. Each quarterly bill contains a detailed description of how the fee is calculated. Please note that the values utilized to calculate fees may differ from those reported by the account custodian, as further described in the Custody section of this brochure.

We also have clients with existing relationships where the fee for investment advisory services is billed quarterly in arrears based on the average monthly value of the client's assets under our management. For these existing client relationships, the fee for a given quarter is generally calculated by applying the client's fee schedule to the average of an account's month-end values as reflected in our reporting system in any quarter. More specifically, under this method, the billing system we employ determines the fee for any quarter by multiplying (1) the applicable client fee schedule by (2) the average of the month-end values of the client's account for the quarter as reflected in our reporting system; and then dividing the result by four. Each quarterly bill contains a detailed description of how the fee is calculated.

Generally, the assets in client accounts are valued in our reporting system using prices obtained from third-party services or custodians. For purposes of determining the value of the assets in a particular strategy within a client account, we include accrued dividends, accrued interest as well as the value of any assets acquired using a Margin Loan (as described below). In addition, for any particular strategy within a client account with an allocation to cash, then the cash and cash equivalents, including bank deposits, "money market" mutual fund or ETF shares, U.S. Treasury bills and similar instruments will be included for purposes of determining the value of the assets in the particular strategy of the client account. In the case of a Margin Loan, the value of the assets in the account utilizing a Margin Loan for the purposes of calculating fees could be greater than the net account value (total account assets less Margin Loan amount).

If a market valuation for an asset in the client's account is not available, we will value that asset at other such reasonable value or cost as we may determine. Clients invested in pooled investment funds will also bear management fees and other expenses of those funds. We do not share in any of these separate fund fees or expenses. Any such fund fees and expenses are separate from and in addition to our management fees, which are based on the relevant fee schedule applicable to the client's account assets.

Our management fees are also exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third-party investment and other third parties such as fees charged by other managers, custodial fees, transaction processing fees, exchange or regulatory authority fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes imposed on the accounts and the securities transactions. Mutual funds, Exchanged Traded Funds ("ETFs"), master limited partnerships ("MLPs"), money market funds, or other similar funds or securities may also charge management fees, which are disclosed in a prospectus for the fund or security. Such charges, fees and commissions are exclusive of and in addition to our management fee, and we do not receive any portion of these other charges, fees, and commissions.

Certain of our clients, based on agreed terms with a margin lender who may be their account custodian, a related party to the account custodian, or a third party (any such party being a "Margin Lender"), have the opportunity to borrow funds against the value of the client account

assets; the term “Margin Loan” broadly refers to such types of borrowings. The proceeds of a Margin Loan can be used to purchase additional securities or may be withdrawn by the client in lieu of liquidating other securities positions. Clients authorize the availability of a Margin Loan in an agreement with their Margin Lender; such an agreement may also permit the Margin Lender to lend the securities in an account eligible for margin to third parties. With this authorization, we may be designated to provide instructions to the custodian or a Margin Lender determining the amount of the Margin Loan or the assets securing such loan. Because the value of assets acquired with a Margin Loan can be included in fee calculations, a potential conflict of interest may exist with our ability to affect the value of the account assets used in calculating management fees should we exercise our discretionary authority in employing or maintaining Margin Loans in managing the account assets. We mitigate the potential conflict by (1) obtaining client authorization to use margin in our written investment management agreement; (2) offering at any time to promptly liquidate securities in the account as an alternative to a Margin Loan; (3) if circumstances permit, obtaining client consent (which may be given orally) prior to initially employing a Margin Loan; and (4) basing our discretionary authority decisions regarding the management of account assets on the overall objectives for the client. We encourage clients to contact us if they have any questions or need further information related to Margin Loans or the use of leverage on an account.

Clients utilizing wrap fee programs will pay one fee to the wrap fee sponsor, which will include our management fee, any brokerage commissions or other transaction fees, and any other sponsor fees. Should we provide advice to clients utilizing a wrap fee program, we encourage those clients to carefully review the applicable wrap fee brochure for additional information on the program’s fees.

An investment management agreement may be terminated by the client or us, without penalty, upon 30 days written notice, or such other effective date of termination as may be mutually agreed to by both parties, and the investment management fee will be appropriately prorated through the date of termination. If a client relationship terminates and fees are paid in advance, we will refund a prorated amount of the fee to the client for the period from the termination date through the end of the billing period.

Subadvisory Services

We negotiate our fees for subadvisory services on a case-by-case basis. Our fee is often less than those set forth in our fee schedule above because the services we provide under a subadvisory arrangement are generally more limited than those services provided directly to our clients. The subadvisory fee will be set forth in the subadvisory agreement signed between the investment advisor and us. Typically, our fees for this service are billed quarterly, may be billed in advance or in arrears, and are based upon the prior quarter-end total value of the primary advisor’s client accounts or an average of the account’s month-end values as set forth in our agreement with the client. However, fees may be calculated in a different manner based on the primary advisor’s standard methodology.

Our Fees for Participating in Wrap Fee Programs

We may be hired by a wrap fee sponsor to act as a subadvisor for the sponsor's clients. In this situation, we sign a written agreement with the wrap fee sponsor and we do not have a contract with the sponsor's clients. Should we participate in a wrap fee program, we are compensated directly by the financial service firm sponsoring the program. For additional information regarding the fees for the wrap fee programs, clients should review the wrap fee disclosure documents prepared by the financial services firm.

Fees for Other Services

We negotiate fees for our other services with the client on a case-by-case basis. For example, we may render advice on other assets held by a client or on a client's existing or proposed participations in business ventures or partnerships, including, but not limited to, investments in private equity or venture capital, real estate, hedge funds, funds of funds or other assets or securities. In order to provide appropriate portfolio diversification, for some clients, we may retain unaffiliated investment professionals to manage or provide advice with respect to certain strategies or asset classes. Where we retain unaffiliated investment professionals to manage or provide advice with respect to certain asset classes or when we recommend investments in mutual funds, ETFs or MLPs, clients will pay advisory fees and/or other investment company or investment fund-related expenses relating to the investments in which their account assets are invested or the advice received from other investment professionals. In addition, we may render advice on portfolio construction, asset allocation, asset or security disposition, or review and monitor the performance of other investment managers or advisers for our clients. With respect to the services provided by other investment managers, depending upon the circumstances and the respective client agreement, we may or may not charge our investment management fee on such assets managed by unaffiliated investment professionals. We will not receive any form of direct or indirect compensation from unaffiliated investment professionals in connection with those arrangements. The fees for these services, together as applicable with such other advisory fees and other expenses, may be higher than fees charged by other advisors.

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

We do not charge any performance-based fees, which are fees based on only a share of capital gains on the assets of a client.

ITEM 7: TYPES OF CLIENTS

We offer portfolio management and other services to individuals, high net worth individuals, trusts, pension and profit-sharing plans, charitable institutions, foundations, associations, non-profit institutions, bank and thrift institutions, municipal entities and other U.S. institutions, corporations, or entities.

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

Methods of Analysis

We utilize a number of methods to analyze and monitor investments, incorporating both quantitative and qualitative elements in our process. In general, quantitative elements employed in our process tend to be specific data or statistics related to an investment, such as company financial figures, performance data, quality rankings, economic factors or comparative information. The qualitative elements we use tend to focus on our subjective assessment of quantitative information as well as other information, based on our experience and judgment. The significance we place on the elements in the investment decision process can vary based upon factors such as the type of investment, the overall strategy objectives, the quality of information and our experience. We use these elements in combination, with the objective of reaching a more comprehensive investment decision.

With regard to our quantitative methods for equity securities, we principally use proprietary dynamic databases focusing on a multitude of measures, including fundamentals, valuation and technical factors to evaluate and monitor a wide population of securities.

For fixed-income securities, the quantitative data is generally monitored on an individual issuer basis relative to comparable securities. We use this means to monitor key factors such as issue size and liquidity, yield, issuer financial strength, credit quality or ratings, indenture terms, price movement and priority of repayment, along with economic, industry, geographic, underlying interest rates, and political trends. We also monitor some corporate issuers through our equity quantitative database.

When examining equity or fixed-income securities for client investments, we employ fundamental, valuation or technical analytical methods in varying degrees. These methods may be used over a range of time frames, including in some cases over several economic cycles.

Fundamental analysis is a technique that focuses on the economic well-being of a financial entity as opposed to only its price movements to attempt to determine a security's value. When conducting fundamental analysis, we will review various documents and data, such as financial statements, annual reports, and SEC filings, as well as internally developed analysis for information regarding the company's financial well-being, performance (including absolute performance and consistency) and value. Because it can take a long time for a company's perceived value to be reflected accurately in the market, the risk associated with this method of analysis is, for example, that a gain is not realized until the security's market price rises to the company/issuer's true value.

Use of valuation methods involves techniques used to calculate a theoretical value for a security to estimate potential future market prices. Depending upon the characteristics of the security, one or more of several valuation methods may be employed. When utilizing these

valuation methods, we will review a number of factors, including a security's earnings per share, price to earnings ratio, the "quality" of earnings, growth rates, dividend yield and dividend growth, cash flow, capital structure, and comparable value.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze a company or issuer's value, but instead analyzes factors such as a security's price movement or trading volume. Charting is a form of technical analysis in which the various technical factors are diagrammed in order to identify and illustrate patterns. Technical analysis also studies the supply and demand in the market in an attempt to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and obtain information from a variety of sources.

With regard to qualitative methods, we rely upon the experience, knowledge and judgment of our investment team, both individually and collectively, within our investment process. For any unique investment decision, in addition to the above-mentioned quantitative factors, we also utilize the subjective assessment of factors such as the quality of the quantitative data, macroeconomic or industry trends, the caliber of the management team, company/issuer strategy or positioning, financial strength, government monetary and fiscal policy conditions, and overall portfolio considerations.

We obtain information from numerous sources, both public and by purchase, including financial publications and sources, inspections of corporate activities, research materials prepared by third parties, government data, regulations and policy statements, proprietary databases, corporate rating services, annual reports, prospectuses and filings with the SEC and company/issuer press releases. We believe these resources for information are reliable and regularly depend on these resources for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Investment Strategies

As previously mentioned, we employ a variety of investment strategies in managing the portfolios to meet our clients' investment objectives. We have developed and maintain a series of equity portfolio model strategies, each one with a unique orientation, and we generally use these model strategies as a basis to invest client equity portfolios. Our equity portfolio strategies are generally designed to achieve long-term capital gains for our clients through diversified investments in equity-related securities. We may allocate portions of the client's account assets in line with one or more of the specific equity strategies to meet the client's individual objectives and guidelines. The portion we allocate to any respective equity strategy will vary based upon the client's individual objectives. Our fixed income portfolio strategy is customized for each client's needs and tax situation, and is generally designed to provide clients with a reliable return of principal, current income and liquidity. Based upon the client circumstances, we may also use other types of investment securities as more fully described in the subsection "Types of

Investments and Risk of Loss” below. A balanced portfolio strategy is achieved by using a combination of some or all of these strategies and is designed to offer clients a diversified investment approach.

In conjunction with the implementation of our investment strategies, depending upon each client’s circumstances, needs and restrictions, we may recommend or implement such strategies using one or more approaches, including but not limited to: long-term purchases (held at least a year); short-term purchases (held less than a year), trading (held less than 30 days); short sales (selling of a security that the seller does not own based on the assumption that the seller will be able to buy the security at a lower amount than the price at which the seller sold short); margin or leverage transactions (purchase of a security on credit extended against the assets in an account by a lender); and option writing or buying (selling or buying an option).

We may implement these strategies or recommend implementation using several different investment types, including equity securities, fixed-income or debt securities, ETFs, mutual funds, municipal securities, money market funds, options and derivatives securities, real estate investment trusts (“REITs”), MLPs and other types of securities, investments or managers.

Types of Investments and Risk of Loss

We offer advice about a wide variety of investment types, including but not limited to U.S. and foreign corporate equities and fixed-income securities, municipal and U.S. government securities, ETFs, mutual funds, index funds, money market funds, REITs, master limited partnerships (“MLPs”), and options and derivative contracts, each having different types and levels of risk. We may also from time to time render advice on other assets or securities held by the client or on a client’s existing or proposed participation in business ventures or partnerships, including, but not limited to, investments in private equity or venture capital, real estate, hedge funds, funds of funds or other assets or securities.

While we tend to invest directly in individual securities in many of the client accounts we manage, we may supplement the individual securities or funds with positions of ETFs, mutual funds or similar instruments to meet specific strategy or portfolio objectives. In addition, we utilize an ETF model strategy, mutual funds or other securities, instruments, or funds where the size of the client account may preclude the use of individual securities to achieve desired diversification, or to meet special requirements. We also utilize bank deposits, money market funds, short-term U.S. Treasury securities or similar instrument types to hold cash and cash equivalents within a client’s account.

Mutual funds, ETFs and similar funds or investments typically charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. These fees will generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. If the fund also imposes sales charges, clients may pay an initial or deferred sales charge. We do not share or participate in these types of fees or expenses. These separate fees and expenses are disclosed in each fund’s current prospectus, which is

available from the fund or we can provide it to clients upon request. For any type of fund investment, it is thus important for clients to understand that they are paying an additional level of fees and expenses at the fund level over and above the management fees paid to us.

Most mutual funds offer several “classes” of their shares that may be purchased by different types of investors or investors with different investment objectives. These are also described in the mutual funds’ prospectuses. Depending on the client’s investable assets, investment objectives, and time horizon, different classes may be more appropriate for the client’s circumstances.

Investments such as REITs or MLPs may be exchanged-traded securities, yet the factors that determine their value or risk may differ from common stock equity securities. MLPs are limited partnerships that are generally engaged in certain businesses, primarily natural resources and transportation. MLPs may bear unique risks associated with commodity prices, geographic concentration, and cash distribution requirements. REITs own, directly or indirectly, various types of real property interests and, therefore, bear real estate-related risks, among others. Most REITs focus on particular types of commercial development, such as apartments or office buildings, exposing them to downturns in demand, occupancy, and prices for these kinds of real estate. Some REITs bear risks associated with high levels of debt, interest rate risk, geographic concentration, and poor property management practices.

Options and derivatives are complex securities that involve special risks. These types of contracts may expire on a stated maturity date and have no further value, or result in a further obligation. Unlike traditional securities, the value of an options or derivatives and the return from holding such a security varies with the value of the underlying security from which it derives and other factors.

In determining the investment objectives that will guide our investment advice for a client’s account, we will discuss with each client the risk associated with the different types of investments. We will also explain and answer any questions clients have about these kinds of investments and address special considerations such as those described in this section.

Investing in securities involves risk of loss that clients should be prepared to bear. Attempting to obtain higher rates of return on investments typically entails accepting higher levels of risk of loss. We work with clients to attempt to identify the balance of risks and rewards that are appropriate and comfortable for each client. However, it is still the client’s responsibility to ask questions if they do not understand fully the risks associated with any investment or investment strategy. We also encourage clients to promptly inform us of changes in their financial condition or other circumstances that may affect their tolerance for risk, their individual objectives or the investment decisions we make on their behalf.

While we strive to render our best judgment on our clients' behalf, many economic and market variables beyond our control can affect the performance of client investments. As a result, we cannot guarantee to clients any specific level of performance, nor can we assure clients that their investments will be profitable or assure clients that no losses will occur in their investment portfolio. Past performance is one consideration with respect to any investment or investment manager, but it is not a predictor of future performance.

Certain risks apply specifically to particular investment strategies or types of investments. The risks involved for different client accounts will vary based on each client's investment strategy and the type of securities or other investments held in the client's account. Likewise, the significance of any particular risk and its impact on the value of a security or portfolio will vary based upon investment strategy and the types of investments held by a client. Although not all possible risks are described, the following are descriptions of various risks related to our investment strategies:

- **Macroeconomic Risk** – The value of investments, both domestically and internationally, can be affected by the overall economic conditions or changes in the economic conditions of a particular country or region, including factors such as unemployment rates, inflation, consumption, domestic production and exports.
- **Government Regulation and Policy Risk** – The value of investments, both domestically and internationally, can be affected by the changes in regulations imposed by governments or the policies undertaken by governments, including tax regulations, import/export rules, central bank policy actions, capital controls, employment and other business-related regulations.
- **Market Risk** – The value of an investment can be affected by changes to tangible or intangible events and conditions. This risk is caused by external factors independent of a security's particular underlying circumstances, and can occur rapidly. Economic, political, or disruptive social conditions can generate market risk events.
- **Issuer or Company Risk** – The value of an investment can be affected by factors specific to the issuer of the securities, such as the size of an issuer (or company) as well as changes in the financial condition, competitive position or strategy, a distinct event or development, quality of management or credit rating of an issuer or company. Based upon these factors, the value of a security can experience higher volatility, can significantly decline in value or become worthless.
- **Liquidity Risk** – The value of an investment can be affected by the lack of marketability of the security, such that it cannot be bought or sold within a particular timeframe without incurring a significant change in value. This risk can be more relevant for thinly traded equity or fixed-income securities as well as asset-backed or other non-exchange traded securities.
- **Currency Risk** – The value of an investment or a portfolio can be affected by changes in domestic or international currency exchange rates.

- Interest Rate Risk – The value of an investment, in particular fixed-income related securities, can decline as interest rates rise or conversely the value of a security can rise as interest rates decline.
- Prepayment and/or Reinvestment Rate Risk – The value of an investment can be affected when the issuer of a fixed-income security or obligation exercises the right to pay the principal on an obligation earlier than the stated maturity (prepayment). Based on market conditions, the subsequent reinvestment of the prepayment proceeds may be into lower-yielding investments.
- Credit Risk – The value of an investment can be affected by the ability of the issuer of debt obligations to make principal and interest payments in a timely manner. This risk is more relevant to fixed-income securities, but can also affect the value of related equity securities.
- Asset Allocation and Investment Strategy Risk – The value of a portfolio can be affected by the types and amounts of particular asset types that comprise the portfolio as well as the strategies employed to manage the assets within the portfolio. The use of any particular asset allocation or investment strategy does not assure that the performance of a portfolio will be profitable or protected against losses. Furthermore, any particular asset allocation or investment strategy, while designed to manage risk and/or enhance returns, may not produce the desired results.
- Margin Loan or Leverage Risk – The availability and/or use of a Margin Loan, where a client borrows against the value of account assets, can impact the total value of an account as well as result in some additional risks and costs. With the account assets acting as collateral against the Margin Loan provided by the Margin Lender, a decline in the value of the account assets may create a situation where the collateral is insufficient to support the Margin Loan balance. Under these circumstances, the Margin Lender would take action to raise additional funds and/or reduce the Margin Loan balance. These actions could include the forced liquidation of any or all of the securities in an account, and potentially without advanced notice to a client or opportunity to take other action. As a result, the value of the account assets, and the performance of the account, could be negatively affected by such a liquidation, and it is possible that losses in the account could exceed the net account value (total account assets less Margin Loan balance) prior to liquidation. In addition, securities held in an account eligible for margin may be subject to additional risks if such securities can be lent by the Margin Lender to a third party, which may be permitted under the client's agreement with the Margin Lender. Lastly, the Margin Lender charges an interest rate, on the net Margin Loan balance. This interest rate generally is a variable rate, which may result in additional costs if relevant interest rates increase or if interest rate terms are changed.

ITEM 9: DISCIPLINARY INFORMATION

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of our firm or the integrity of our management. We have no legal or disciplinary events to disclose.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered investment advisers are required to disclose information regarding its business activities, other than giving investment advice, its other activities in the financial industry, and any arrangements with related persons that are material to its advisory business or clients. We have no other material business activity or arrangement with a related person to disclose.

We are also required to disclose if we receive cash or other economic benefits from a third party in connection with advising our clients. We do not receive any cash or economic benefit from a third party in connection with advising our clients.

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

Code of Ethics and Personal Trading

We have developed a Code of Ethics, which firm personnel are subject to, that addresses the handling of confidential information and personnel investment transactions. Our principals and representatives may from time to time buy or sell securities and funds for their personal accounts in instances where we likewise intend to buy or sell the same securities or funds for clients or recommend the purchase or sale of the same securities or funds to clients. When doing so, we must comply with all applicable state and federal securities laws in offering such investment opportunities to our clients. Employees of the firm involved with making securities recommendations, or that have access to such information or nonpublic confidential client information (our “access persons”) are required to provide to us with, no less than quarterly, reports of their securities trading activities and are required to provide a report of their securities holdings upon commencement of employment as well as on an annual basis thereafter. Transactions in securities to be made that are deemed to be in the personal interest of an access person of the firm are subject to our Code of Ethics regarding personal investments in securities. Under the Code of Ethics, specified access person trades, investments, and other activities are subject to pre-clearance requirements, as well as trading prohibitions and other restrictions designed to avoid conflicts of interest with clients.

Our Code of Ethics also specifies the obligations of our personnel to protect any confidential or personal information, and measures to be taken in order to prevent the unauthorized use or disclosure of such information.

Clients may obtain a copy of our Code of Ethics by contacting our Chief Compliance Officer, by phone at (248) 433-4000 or by email at cco@azimuthcap.com or in writing at the address specified on the cover page of this brochure.

Personal Investments Made by Related Persons

On occasion, our related persons buy, hold or sell private securities or investments that are personal investments not recommended or managed by us ("Outside Investments"). For some of these Outside Investments, certain clients of ours are involved in the issuer. In addition, while we do not provide advice or recommend Outside Investments to other clients, on occasion our clients have, on their own, invested in these Outside Investments. Outside Investments create a conflict of interest because these transactions could provide our related persons with an incentive to favor one or more clients, as applicable, over other clients, when, for example, placing trades, aggregating orders, allocating limited opportunity investments, as applicable, or negotiating fees. To mitigate this conflict, we have adopted policies and procedures to prevent us and our related persons from favoring one client over another. We additionally require related persons to obtain pre-clearance before making transactions involving Outside Investments and require periodic disclosure of these Outside Investments to us.

Treatment of Confidential or Material Non-Public Information

As required by the Investment Advisers Act of 1940, as amended (the "Advisers Act"), we have adopted policies and procedures designed to detect and prevent insider trading. It is possible that we may acquire confidential or material nonpublic inside information and, as a result, may be restricted from trading certain securities while we are in possession of such information or until such information is no longer considered confidential or material nonpublic in nature. Under our policies and procedures, we will not be free to disclose or affirmatively act upon such information, and as a result may not be allowed to initiate a transaction that we may otherwise have sought to initiate.

Participation or Interest in Client Transactions

"Principal" trades are trades in which securities are purchased for a client account or securities are sold from a client account to an investment adviser, any affiliate of the adviser or any advisor personnel, acting for their own account. In light of the complicated legal considerations and material anti-fraud liabilities surrounding such "principal" trades, our personnel may not, without the prior authorization of our Chief Compliance Officer or an authorized person under the Chief Compliance Officer's direction, cause any client to: (1) purchase portfolio securities from or sell portfolio securities to us, any of our affiliates, any account specifically related to our personnel or, except as provided in the following paragraph, any other client; or (2) purchase securities issued by another client.

From time to time, fixed-income securities held in an eligible client account for which we serve as the investment adviser may be purchased from or sold to another account for which we also serve as the investment adviser. These transactions are effected through various unaffiliated broker-dealers at prices determined solely by the executing broker-dealer based on current market prices of comparable securities. We receive no compensation in any form such as commissions, mark-ups or otherwise with respect to these transactions, other than the fees for

advisory services that we receive in the ordinary course of managing the client assets. Furthermore, these transactions are generally effected to provide liquidity to the selling client or another strategic portfolio purpose for both the buying client and the selling client. Thus, these transactions allow both the buying client and the selling client the opportunity to enter into a transaction involving a fixed-income security at terms negotiated to result in typically lower commissions, mark-ups or other transaction fees, thereby benefiting both clients. Should any client elect not to participate in transactions of this type, they may provide us with written notice of such election.

ITEM 12: BROKERAGE PRACTICES

We do not require clients to use a specified broker-dealer or custodian, and as a result we have established brokerage and custodial relationships with numerous financial institutions.

Trade Execution

For trade execution, in selecting a broker we consider not only the commission rate charged by the broker and the broker's execution capabilities, financial responsibility and responsiveness to instructions, but also the full range of services provided by the broker, including research and trade processing services. We may have an incentive to select or recommend a particular broker-dealer due to our interest in receiving research or other products or services. Specifically, we may receive services including but not limited to proprietary research, periodic access to analysts from broker-dealers, industry conferences, and transaction processing. Accordingly, clients may pay commissions in excess of those which the broker (or another broker) may charge for transactional services alone, in recognition of the additional services provided. Any products, research or services received from a broker-dealer may be the result of commissions paid by a particular account, and such products or services may be used on other accounts, including those accounts where the clients directed their brokerage, as described below. As a result, we receive a benefit because we do not have to produce or pay for any such research, products or services provided by a broker-dealer. This benefit provides an incentive to select or recommend a broker-dealer based on our interest in receiving the research, other products or services provided by broker-dealers, thus giving rise to a conflict of interest. We believe this conflict is mitigated because we must determine in good faith that the amount of any commission paid is reasonable in relation to the value of the brokerage and research services provided, viewed in terms either of a particular transaction or our overall responsibilities with respect to accounts as to which we exercise investment discretion. In addition, we have an obligation to make a determination that any services we receive provide lawful and appropriate assistance in the performance of our investment decision-making responsibilities.

Custodial Services

Clients select a qualified custodian to maintain the account to hold their assets, and enter into a separate agreement directly with the custodian. We advise on assets held in accounts at a

number of custodians. While we generally do not recommend a particular custodian to a prospective client, based on our experience and the client's unique circumstances, we may indicate which custodian(s) may be a better fit for the client. A qualified custodian is generally a broker-dealer or a bank, and they are compensated for providing custodial services by charging client commissions, fees based on the value of the assets in the client account, or other fees on transactions.

For trade- and transaction-related costs charged by a custodian/broker, we have an obligation to determine the costs are appropriate, and we undertake a process consistent with that described in the Trade Execution section above. We also receive certain products and services from custodians. The products or services we have access to may vary in availability and/or scope based on the individual custodian. In addition, some of these products or services may not directly benefit the client, and they may provide a benefit to client accounts held at other custodians. Specifically, in addition to the products and services that are described in the Trade Execution section above, we may also receive products and services such as (1) access to client data and reports via back-office systems; (2) securities pricing and other market data; (3) access to electronic data and communications systems; and (4) industry conferences and other information on subjects including compliance, technology, legal and business management. As a result, we receive a benefit because we do not have to produce or pay for such research, products or services that may be provided by a custodian.

This benefit provides an incentive to select or recommend a custodian based on our interest in receiving certain benefits from the custodian, thus giving rise to a conflict of interest. We believe this conflict is primarily mitigated by enabling the client to select the custodian. In addition, we must determine in good faith that the amount of any commission or fee paid is reasonable in relation to the value of the products and services provided, viewed in terms either of a particular transaction or our overall responsibilities with respect to accounts as to which we exercise investment discretion. In addition, we have an obligation to make a determination that any products and services we receive provide lawful and appropriate assistance in the performance of our investment decision-making responsibilities.

Contractual Third-Party Soft Dollar Arrangements

We have not entered into any contractual third-party soft-dollar arrangements; such as where an adviser would contractually commit to place a specific level of brokerage with a specific firm in return for which the brokerage firm will pay a third party on behalf of the adviser for various research-related products or services.

Directed Brokerage

Some clients direct us to utilize a specified broker-dealer, of the client's choosing, to effect transactions for or with the client's account, or the client's agreement states a directed brokerage arrangement with a specified financial services firm. For example, clients utilizing our investment advice on a subadvisory basis or pursuant to a wrap fee program often direct

brokerage to be effected through the primary adviser (or an affiliate of such adviser). The client should understand that, in the case of such a directed brokerage arrangement, (1) the client will be solely responsible for negotiating the terms and arrangements on which those brokers and dealers are engaged, and we will have no responsibility for reviewing the fairness of those terms and arrangements; (2) we will not seek better execution services or prices from other brokers and dealers in connection with transactions for the client's account; (3) we will not be able to "batch" or "aggregate" transactions for the account of the client with transactions for our other clients not subject to a similar such arrangement; (4) we will not monitor the performance of or the services provided by the brokers and dealers so designated; (5) and as a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. However, in some instances, if the designated broker or dealer is unable or unwilling to effect a particular transaction or transactions (which may occur, for example with certain fixed-income securities transactions), we may seek better execution services or prices from other brokers or dealers.

In order to execute client orders most efficiently, we generally execute transactions for a particular security on a particular day for discretionary client accounts before we execute orders for those client accounts with directed brokerage arrangements or non-discretionary client positions or accounts. Accordingly, the priority of execution may result in a price disadvantage for non-discretionary accounts and accounts having directed brokerage arrangements. In addition, a client that elects to engage us on a non-discretionary basis or utilizes a directed brokerage arrangement will restrict our ability to allocate shares of new issues, such as initial public offerings, to that client.

Many clients have their assets held in custody at a custodian with which we have an established relationship, often enabling us to obtain lower transaction charges (e.g., commission and/or ticket charges) or other services. In directed brokerage arrangements, in addition to exercising their authority to determine the custodian for their account(s), clients furthermore negotiate all custodian-related fees for their account. Accordingly, clients establishing a directed brokerage arrangement and electing to use a custodian other than one with which we have a relationship may experience higher costs, and furthermore may not have access to other services provided or all investment managers which maintain third-party arrangements with our primary custodians.

Initial Public Offerings

From time to time we may decide and have the opportunity to acquire on behalf of eligible client accounts securities issued in initial public offerings. In certain cases, the offered securities may trade, or be expected to trade, at a premium to their offering price upon commencement of secondary market trading. Securities acquired in initial public offerings often involve greater volatility, involve a higher degree of risk and generally have smaller market capitalizations than other types of equity securities purchased for client accounts. As a result, we generally sell such securities in the immediate after-market.

We utilize an alphanumeric allocation process to ensure that all clients for whom we manage eligible accounts have equitable access to initial public offerings over time. All accounts where we manage fee-paying discretionary equity investments are eligible, unless an account is precluded by rules and regulations of the SEC, or another regulatory body, regarding eligibility. All eligible accounts will be listed in alphanumeric order based upon our account coding. We shall make a determination of how to allocate the shares made available to the firm on behalf of its clients once the total number of shares to be made available to the firm has been communicated by the participating broker(s). The allocation of shares to eligible client accounts shall be made based on our determination taken into consideration (1) the relative respective amounts of assets in eligible accounts, and (2) the size and appropriateness of the investment for each account, based upon our discretion and taking into consideration the individual client's investment objectives. Where a particular client relationship involves multiple eligible accounts, we may also take overall portfolio considerations into account when allocating shares among multiple eligible accounts for the particular client.

Prior initial public offering losses, if any, may be considered in determining subsequent allocations. In order to avoid any potential conflict of interest, an account or related accounts of any person who is "restricted" under applicable "new issues" rules adopted by FINRA is not eligible to participate in initial public offerings.

Aggregation of Orders

Certain investments may be appropriate for more than one client. Investment decisions for our clients will be made with a view to achieving the clients' respective investment objectives after consideration of factors such as the size of their accounts, their current holdings, risk tolerance, tax considerations, and availability of cash for investment. In some cases, a particular investment may be bought or sold for one or more but fewer than all clients, or may be bought or sold in different amounts and at different times for more than one but fewer than all clients. Similarly, a particular investment may be bought for one or more clients when one or more other clients are selling the investment. In addition, purchases or sales of the same investment may be made for two or more clients on the same date. In such event, such transactions will be allocated among clients in a manner we deem to be equitable to each. Such aggregation of orders is a measure we undertake to achieve better pricing and minimize the overall costs of the transaction.

Transactions for each client are often effected independently. However, if we decide to purchase or sell the same securities for several clients at approximately the same time, and where we have the authority to select broker-dealers, we may, to the extent permitted by applicable law, but are not obligated to, combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have pertained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among our clients (which may include persons associated with us and clients in which persons associated with us have invested) in proportion to the purchase

and sale orders placed for each client account on any given day. Such aggregation of orders is done under the expectation that it will, on average, slightly reduce the overall costs of the transaction and/or improve transaction prices. Our policies for aggregation of transactions are as follows:

1. We will not aggregate transactions unless we believe such aggregation is consistent with our duty to seek best execution (which includes best price) for our clients and is consistent with the terms of our investment management or advisory agreements.
2. No client advisory account will be favored over any other account over time, and each account that participates in an aggregated order will participate at the average share price for all of our transactions in that security on a given business day, with all transaction costs shared on a pro-rata basis.
3. We will prepare, before entering an aggregated order, a written statement (generally in the form of a trade ticket, or the “Allocation Statement”) as to how the order will be allocated among the various accounts.
4. If the aggregated order is filled in its entirety, it will be allocated among the accounts consistent with the allocation in the Allocation Statement. If the order is partially filled, it will be allocated on a pro-rata basis among accounts consistent with the allocation in the Allocation Statement for the specific aggregated order.
5. If, however, based on the circumstances, it is deemed appropriate to allocate an order on a basis different than as specified in Item 4. above, such order may be allocated on a different basis provided that all clients’ accounts whose orders are allocated receive fair and equitable treatment over time. The reason for any such material difference in the allocation shall be explained and approved by our Chief Compliance Officer or another authorized person under the Chief Compliance Officer’s direction within a reasonably prompt timeframe following the execution of the order.
6. If an aggregated order is partially filled and allocated on a basis different from that specified in the Allocation Statement as provided for in Item 5. above, no account that is benefited by such different allocation may affect any purchase or sale, for a reasonable period following the execution of the aggregated order, that would result in it receiving or selling more shares than the number of shares it would have received or sold had the aggregated order been completely filled.
7. Our books and records will separately reflect, for each client account whose orders are aggregated, the securities held by, and bought and sold for, each account.
8. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients’ cash nor their securities will be held collectively for the clients any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis. Cash or securities held collectively for clients will be delivered out to the bank or broker-dealer having custody of the client’s account as soon as practicable following settlement.

9. We will receive no additional compensation or remuneration of any kind as a result of this procedure.
10. Individual investment advice and treatment will be accorded to each advisory client's account.

Trade Errors

We have adopted a policy regarding trade errors. We will correct any trade errors resulting in losses to a client, without disadvantage to the client. We will make the client whole to the full extent of our legal responsibilities to the client. In certain circumstances, where for example the trade error amount is minimal, the executing broker's policy may dictate that the trade be assumed by the broker or canceled. For any trade error resulting in an actual loss to a client, we will assume the trade(s) causing the error for our account or reimburse the client for the loss. When communicating the trade error loss to the client, we offer to reimburse the client account promptly, although the client may alternatively choose to have the amount of the trade error loss deducted from the next quarterly management fee invoice.

We also correct any trade errors resulting in gains to the client. Where the gains are (1) attributable to identifiable client account(s) and (2) involve transactions that may be effected by and are appropriate for the identifiable client account(s), we will allocate the gains to the specifically identified client account(s) to the full extent of our legal responsibilities to any such client. In determining whether the transaction(s) are appropriate for the client account, we consider factors such as the size of the transaction(s) relative to the size of the client account(s). For any trade errors resulting in gains that cannot otherwise be resolved as specified above, or if due to the size of the error amount relative to the potential number of client accounts involved, it is deemed impracticable to allocate such gain to client account(s), such respective gains may be accumulated by us. Any such accumulated gain amounts may be netted against trade errors resulting in losses during any particular appropriate timeframe and any gross or net remaining accumulated amount may be donated to charity by us at the end of any calendar year or another appropriate timeframe.

ITEM 13: REVIEW OF ACCOUNTS

All members of our investment team are considered managers for the purpose of conducting reviews of client accounts. While certain managers are responsible for reviewing certain specific accounts on a periodic basis, our managers also collectively receive summary information and analysis both in report form and through our portfolio management system to review for the accounts we manage and thus share some responsibility for reviewing elements of all of our client accounts. All of our managers are also members of our Investment Committee and participate in investment discussions regarding the investment outlook, portfolio and asset allocation as well as security analysis and selection.

We review our client accounts on an ongoing basis, utilizing a number of reports and analyses, with data also made available through our portfolio management systems to monitor the accounts. We review equity portfolios for overall holdings, security and cash weight, performance, and the consistency of holdings relative to model strategies. For fixed-income portfolios, we use reports to monitor consistency with desired targets of duration, credit ratings, yield, and diversification along with factors such as issuers, sectors, and geography. We also regularly prepare summary reports that allow the Managers to review cash balances and weightings within the portfolios. Client accounts are also monitored for asset allocation and strategy allocation relative to specified investment objectives as well as for securities that are not consistent with a model strategy. A number of supplemental reports and analyses are available to examine and monitor specific characteristics of client accounts and specific client account situations. As a result, we review the composition of and securities within client portfolios no less than on a quarterly basis and compare them with the client's relevant investment objectives. Subject to the client's objectives, we may adjust positions that are not in line with the respective portfolio strategies. As part of our ongoing review and interaction with the client, we may also adjust elements of the client's investment objectives based upon market conditions or changes in the client's financial circumstances.

In addition to the reports and analysis mentioned above, we prepare detailed reports on a quarterly basis, which are generally distributed to the client following internal review. Reports we provide typically include a summary of cash and securities, positions held, account activity, and income and expenses. For sub-advised and some dual-advised accounts, the primary adviser and/or the custodian generally provides the reports to the clients, and we provide supplemental reporting information as requested by the primary adviser or the client.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We are required to disclose if we receive an economic benefit from a third party, who is not a client, for providing investment advice or other advisory services to our clients. We do not receive any such economic benefit from a third party who is not a client.

We are also required to disclose whether we compensate anyone who is not a supervised person of our firm for client referrals. We have entered into a written agreement with a third party who refers potential advisory clients to us. For those clients referred by the solicitor, we pay a portion of the investment advisory fees from those clients to the solicitor. A referred client does not pay any additional fee if a solicitor referred such client to us. If a solicitor referred a client to us, the referred client would receive a separate solicitor's disclosure statement describing our solicitation arrangement, the compensation we pay to the solicitor, and the terms of the compensation arrangement, including a description of the compensation paid or to be paid to the solicitor. A referred client will also receive a copy of this brochure.

We may consider referrals of new client relationships as an element of the compensation plan for employees, including employees that are not supervised persons. For certain supervised employees, whose responsibilities include generating new client relationships, we will pay a portion of the revenue generated from such new clients to the employee. Any such arrangement with an employee who is not a supervised person would comply with all applicable regulations.

ITEM 15: CUSTODY

We do not have custody of the assets in client accounts, other than solely as a consequence of deducting our advisory fees directly from a client account. Clients will receive at least quarterly statements from their qualified custodian, which is the broker-dealer, bank or another eligible firm that holds and maintains their investment assets. We ask that clients promptly notify us if they are not regularly receiving statements from their account custodian. Please note, our statements may vary from custodial statements due to items such as the timing of posting and settlement of transactions, the amortization or accretion of fixed-income securities, accrued dividends, securities pricing, the treatment of corporate reorganizations or other corporate actions, reporting dates, cost basis adjustments, differences in the methodology or interpretation of recording certain transactions and other differences. We urge clients to carefully review the custodial statements and compare such official custodial records to the quarterly account statements that we may provide to clients, as described in the section titled “ITEM 13: REVIEW OF ACCOUNTS,” and contact us should they believe there are any inconsistencies with these statements.

ITEM 16: INVESTMENT DISCRETION

We typically receive discretionary authority from clients at the outset of an advisory relationship in the investment management agreement. Discretionary authority grants us the ability to determine, without obtaining specific client consent, the securities to be bought or sold for the portfolio, the number of securities to be bought or sold, and in most cases, the broker or dealer to be used and the commission rate to be paid. In cases where we agree to a client’s desire to specify any accounts and/or securities as non-discretionary, we must obtain the client’s specific consent prior to executing any transactions for those non-discretionary accounts or securities, but we may still determine the broker or dealer to be used and the commission rate to be paid. As a result, the transaction price may be lower or higher than a transaction executed on a discretionary basis, due to market fluctuations, timing differences and variations in trading costs.

When selecting securities and determining amounts for any individual client account, we observe the stated investment restrictions and guidelines for the respective account. Any subsequent or additional restrictions beyond the investment restrictions and guidelines described in the investment management agreement that a client may want to place on an account (such as

the types of securities held in the account) are subject to our consent. Furthermore, we may require the client to provide us with instructions as to any such additional investment restrictions in writing.

ITEM 17: VOTING CLIENT SECURITIES

Generally, clients grant us the authority to vote proxies with respect to securities in their accounts. Rules under the Advisers Act addresses our fiduciary obligation to vote proxies in the best interest of our clients and to provide clients with information about how their proxies are voted. Pursuant to these relevant rules, we have adopted written policies and procedures to ensure that client securities are voted in the clients' best interests. Because we consider the reputation, experience and competence of a company's management when we evaluate the merits of investing in a particular company, in most instances we will be inclined to vote in accordance with management's recommendations. However, we will vote contrary to management's recommendations if we believe that the recommendations are not in the best interests of our clients or that, if implemented, they could adversely affect future share values. To assist us in exercising the proxy voting authority, we have developed proxy voting guidelines on various commonly presented proxy issues, and we will normally vote proxies in accordance with these guidelines unless our Proxy Committee determines our clients' best interests would be better served by voting contrary to these guidelines. Despite having granted proxy voting authority to us, a client may direct us in writing on how to vote a specific proxy issue, and we will vote a specific proxy issue as requested.

The Proxy Committee will address any potential conflicts of interest with respect to proxy voting, in consultation with our compliance personnel and, if necessary, legal counsel. Conflicts could arise due to a significant personal or business relationship that our supervised persons or we may have with the company soliciting the proxy or any other interested party. Should a conflict arise, we will notify all affected clients of the conflict and request a written direction to us either (1) to waive the conflict, in which case we would vote according to our proxy voting policies, or (2) to vote the proxy as specified by the client. If a conflict exists and the client does not provide us with such written direction, we will not vote the proxy.

Clients may obtain a current copy of our Proxy Voting Policy and information about how we voted proxies with respect to their securities by contacting our Chief Compliance Officer by phone at (248) 433-4000, by email at cco@azimuthcap.com or in writing at the address listed on the cover page to this Brochure.

We occasionally receive notices of legal actions such as class action settlements involving securities held or previously held in the clients' accounts. These notices generally provide the opportunity for the client to take action, such as participate in the settlement. With client consent, we may advise and act on behalf of a client on actions, such as where the account's holdings of a particular security are substantial enough to warrant filing a claim. We

may utilize a third party to process such claims on behalf of clients, and such a third party would be compensated with a percentage of the proceeds received from a claim. Alternatively, upon the request of any client, we will forward actions we receive relating to the client's account to the client and/or provide supporting information.

ITEM 18: FINANCIAL INFORMATION

As a registered investment adviser, we are required to provide clients with certain financial information or disclosures about our financial condition if we have financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients. We do not have any financial commitments that would impair our ability to meet any contractual or fiduciary commitments to our clients.