

Alan B. Lancz and Associates, Inc.

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This Brochure provides information about the qualifications and business practices of Alan B. Lancz and Associates, Inc. ("ABL, Inc." or the "Firm"). If you have any questions about the contents of this Brochure, please contact us at 419.536.5200 or abl@ablonline.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. As required by federal and state regulations, this brochure is on file with the appropriate securities regulatory authorities.

Alan B. Lancz & Associates, Inc. is an SEC-registered investment adviser. Registration of an investment adviser does not imply endorsement by the SEC of the qualifications of Alan B. Lancz & Associates, Inc. to provide investment advice. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Please contact ABL, Inc.'s Chief Compliance Officer, Alan B. Lancz, directly at (419) 536-5200 if you have any questions about the contents of this brochure.

Additional information about Alan B. Lancz & Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

This Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

We last updated our Firm Brochure (Form ADV Part 2A) on March 30, 2021. The materials changes since the last revision are listed below.

- **Item 4:** Added management of pooled investment vehicles
- **Item 5:** Updated Fees and Compensation related to pooled investment vehicles and additional compensation
- **Item 7:** Updated types of clients to include pooled investment vehicles
- **Item 8:** Added risk disclosures related to pooled investment vehicles managed by ABL, Inc.
- **Item 10:** Updated disclosure regarding ABL, Inc.'s financial industry affiliates
- **Item 15:** Updated custody of assets held in pooled investment vehicles and custody of assets by affiliates
- **Item 16:** Added disclosure regarding investment discretion for pooled investment vehicles

Our Brochure is available free of charge and may be requested by contacting our offices at 419.536.5200 or abl@ablonline.com. Our Brochure is also available on our web site, www.ablonline.com, free of charge.

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Alan B. Lancz and Associates, Inc.

Item 4 - Advisory Business

Alan B. Lancz and Associates, Inc. (hereinafter “ABL, Inc.” or the “Firm”) is an SEC-registered investment adviser organized in the State of Ohio. The Firm was formed in 1982, and its principal owner is Alan B. Lancz.

Alan B. Lancz is the President and sole owner of Firm. He graduated from the University of Toledo with a B.A. degree (Psychology), and established his own firm specializing in financial planning and investments in 1980. In 1981, Mr. Lancz became managing executive for the predecessor of Royal Alliance Associates, Inc. In 1985, Mr. Lancz incorporated this professional money management entity as a part of ABL, Inc. Since February 27, 2020, Alan B. Lancz has both his general securities and registered principal licenses with Crescent Securities, an SEC-registered broker-dealer that is not affiliated with ABL, Inc. Approximately one year prior Mr. Lancz resigned from International Assets Advisory, which held his licenses since 2018, MidAmerica Financial Services, Inc. held them the prior ten years and, Capital Investment Group held them for the ten years prior to MidAmerica. Please note that all final decisions concerning professional money management accounts are made by Alan B. Lancz.

As of May 1, 2021, Alan B. Lancz and Associates, Inc. manages \$174,986,801 of assets that are on a discretionary basis.

The Firm provides money management services, custom designed to each client’s specific goals, objectives, and risk tolerance. This ranges from guaranteed accounts and negotiating the most competitive interest rates and terms to a variety of non-guaranteed combinations, depending on each client’s objectives. This could encompass equities, fixed income, real estate, currencies, and commodities, all from a global perspective. Tax and risk management are critical components of ABL, Inc.’s services.

The Firm also advises both employers and participants on employee benefits, financial and estate planning, on a case by case basis.

ABL, Inc. emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or other conditions for the management of their account. **(See Item 13).**

ABL Portfolio/Wealth Management

Personalized Portfolio(s) are specially designed based on clients’ individual goals, objectives, risk tolerances and time horizon. This includes independent analysis of current portfolio(s) to coordinate proprietary portfolios toward clients’ stated goals and objectives. Portfolios may vary from guaranteed savings to income to aggressive growth, and any combination of these. Income oriented portfolios may have combinations of various bonds, dividend paying stocks, preferred stocks, and other types of income vehicles. Goals, objectives, and/or risk levels may be modified in writing by client at any time.

SOUND Investing Services

"SOUND Investing" is a service offered by ABL, Inc., for investors seeking personalized investment advice on no-load, low cost mutual funds, ETF's, as well as various other investment vehicles, including individual securities when applicable. This service can be utilized in conjunction with our advisory managed accounts or separately for those investors that do not meet the \$500,000 minimum for our money management services or would rather have an asset allocation program of mutual funds, Exchange Traded Funds, Structured Products, and CDs.

As part of ABL, Inc.'s SOUND Investing services, clients receive personalized portfolio analysis along with proprietary, discretionary asset allocation to match each client's specific goals and objectives.

Retirement Plan Consultation Services

As part of the consulting services that ABL, Inc. provides under the SOUND Investing program, ABL, Inc. may provide pension-consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset allocation advice, money management services, communication, and education services where ABL, Inc. will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring, and/or ongoing consulting.

Upon request, ABL, Inc. will hold educational meetings for the plan employees and provide information on the plan specifics and allocation choices. ABL, Inc. offers financial education and investment management guidance in the form of personal consultations through its SOUND Investing services. ABL, Inc. will also meet with plan participants individually or via educational webinars and offer personalized information based on their individual objectives.

Clients are expected to notify ABL, Inc. of any changes in their financial situation, investment objectives, or account restrictions.

Financial Planning Services

ABL, Inc. prepares individual financial plans and/or reports for clients. The report is based upon the information and assumptions provided by the client. This report provides broad and general guidelines on the advantages of certain financial planning concepts and does not constitute a recommendation of any particular technique and does not recommend the purchase or sale of specific securities. Nor does the plan or report provide legal, accounting, financial, tax or other advice. Rather, the report and any illustrations therein provide a

summary of certain potential financial strategies. The term “plan” or “planning” when used within a report does not imply that a recommendation has been made to implement one or more financial plans or make a particular investment. One should consult their tax and/or legal advisors before implementing any transactions and/or strategies concerning their finances. The plans and/or reports may be comprehensive or focused on certain specific goals. A Comprehensive Plan includes up to 16 hours of total effort working on Financial Position, Insurance Analysis, Tax Management, Investment Analysis and Planning, Estate Planning or any combination thereof. After the plan is complete and delivered to the client, the client’s investment advisory relationship with the firm ends. The firm will not automatically monitor or update the plan. Any plan updates will be a separate and distinct service and will involve a separate advisory relationship subject to a separate agreement between the client and the firm.

After receiving a financial plan, a client may decide to implement the plan. Implementing a financial plan involves purchasing products and/or services, separate and apart from the financial plan itself. Clients may implement the plan through ABL, Inc. or any unaffiliated financial institution of their choice. Since the financial planning relationship terminates upon completion and delivery of the financial plan to the client, any implementation of the plan with the firm or an affiliate is achieved through a separate relationship with the client. The nature and extent of the separate relationship will depend on the nature of the services and/or products the client selects and will be clearly specified in the documents provided to the client.

Retirement Plan Rollover Recommendations

If we recommend you roll over your account from a current retirement plan to an individual retirement account (“Rollover IRA”), managed by ABL, Inc., please know that the Firm and our investment adviser representatives have a conflict of interest. We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to a Rollover IRA managed by ABL, Inc. We will not earn investment advisory fees if you do not roll over the funds in the retirement plan to a Rollover IRA managed by ABL, Inc. Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to a Rollover IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in ABL, Inc. receiving unreasonable compensation related to the rollover of funds from the retirement plan to a Rollover IRA, and (iii) fully disclose compensation received by ABL, Inc. and our

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supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to a Rollover IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent we provide you investment advice as a participant in a retirement plan regarding whether to maintain investments or proceeds in the retirement plan, roll over such investment or proceeds from the retirement plan to a Rollover IRA, or make a distribution from the retirement plan, ABL, Inc. acknowledges our fiduciary obligations to you regarding these activities.

Consulting Services-Corporate

ABL, Inc. offers consulting services for businesses focused on particular issues such as business strategy, financial modeling, business continuation, business exiting strategies, qualified retirement plans, non-qualified deferred compensation, and executive/key person compensation. Compensation will be disclosed to businesses in writing and could range from hourly fees to granting of advisor shares, warrants, options, or any combination thereof. After receiving the consulting service, the client may decide to implement the recommendations resulting from the consulting service. In this case, similar conflicts as outlined under financial planning above apply. Investment, financial and retirement planning to principals, officers, executives, and other employees are available on a flat fee or hourly basis.

Pooled Investment Vehicles

ABL, Inc. also provides investment advisory services to a series of pooled investment vehicles (each a "Fund" and collectively the "Funds") that are exempt from registration under the Investment Company Act of 1940. The investment objective of Contrarian Assets Holdings, LLC (formerly Contrarian Assets Partnership) is to invest in S.T.L. Drilling Fund A, provide tax advantage through the Intangible Drilling Cost (IDC) deduction and distribute income distribution from producing partnership wells of S.T.L Drilling Fund. The investment objective of Contrarian Assets 2 Partnership is to invest in S.T.L. Drilling Fund B, provide tax advantages through Intangible Drilling Costs (IDC), and pay out proportionally distributions from the fund.

Item 5 - Fees and Compensation

A copy of ABL, Inc.'s Form ADV Parts 2A and Part 2B Disclosure Brochure are provided to clients before or upon execution of an Investment Advisory Agreement. Unless a client has received the Firm's Disclosure Brochure at least 48 hours before signing their Investment Advisory Agreement, the Investment Advisory Agreement may be terminated by the client within five business days of Agreement execution, without incurring any advisory fees.

Fee Disclosure

ABL, Inc.'s Advisory Fee payment is dependent upon the type of advisory services performed.

ABL Portfolio/Wealth Management

How fees are charged by ABL, Inc. is established in a client's written agreement with the Firm. Fees are based on a percentage of the total market value of assets in the investment account at the start of each three-month period. The fee is non-negotiable for accounts with less than \$2,500,000 in assets undermanagement. The current fee schedule is broken down as follows:

<u>Portfolio Value</u>	<u>Annual Fee</u>
\$1,000,000 - 1,499,999	1.0%
\$1,500,000 - 1,999,999	0.9%
\$2,000,000 - 2,499,999	0.8%
\$2,500,000 - or greater	Negotiable

* Accounts under \$1,000,000 and greater than \$750,000 are charged 1.2%, under \$750,000 yet greater than or equal to \$500,000 are charged 1.5%, and accounts under \$500,000 are accepted on a case-by-case basis with an annual fee of 2%. Family accounts may be aggregated to reach thresholds.

The Investment Advisory Agreement may be canceled at any time, by either party, with written notice. Fees are billed every three months in advance. If a client elects to margin their account(s), billing will be based on gross assets managed including any debt. In the event the investment advisory agreement is terminated, a pro-rated refund of unearned fees paid will be sent to the client upon written request. Fees for guaranteed accounts and cash management type services are negotiable, and generally one-tenth those of the above schedule.

ABL, Inc. will either invoice the client directly for management fees or payment will be made by the qualified custodian holding the client's funds and securities provided the client provides written authorization permitting the fees to be paid directly from their account. ABL, Inc. will not have access to client funds for payment of fees without the clients consent in writing. Further, the qualified custodian agrees to deliver a quarterly account statement directly to the client showing all disbursements from the account. The client is encouraged to review their account statements for accuracy. ABL, Inc. will receive a duplicate copy of the statement that was delivered to the client. **(See Item 15).**

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General Information of Advisory Services and Fees (excluding pooled investment vehicles)

ABL, Inc. is compensated only via the fee, or subscription income as described above, unless clients choose to purchase products that pay commissions, which would be at the request of the client.

Any service fees paid to Alan B. Lancz & Associates, Inc. are separate from the fees and expenses charged to shareholders of mutual fund shares by these funds or modest transaction charges (usually on funds with very low annual expenses). A complete explanation of these expenses is available upon request and the expenses charged by the mutual funds are contained in each mutual fund's prospectus.

ABL, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may 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 managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. As noted above, mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These charges, fees and commissions are exclusive of and in addition to ABL, Inc.'s fee, and ABL, Inc. shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that ABL, Inc. considers in selecting or recommending custodians and/or broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

SOUND Investing Services

SOUND Investing comes with a pro rata money back guarantee of ABL, Inc.'s quarterly fee at any time upon written request. In such case, the client will receive a pro rata refund of unearned SOUND Investing fees. SOUND Investing participants with assets between \$500,000-\$2,000,000 are assessed an annual percentage fee of 0.50%, billed quarterly in advance, based on total assets. The annual fee for accounts over \$2M is negotiable. Accounts under \$500,000 are billed at 0.65% annually with a \$250 minimum per quarter. A onetime \$200 initiation fee may also be charged for SOUND Investing accounts. Clients seeking access to severely discounted stock transactions along with our guidance are charged \$250 per quarter for 1-2 accounts and \$500 per quarter for up to 5 accounts (negotiable thereafter). Other potential services that are available through SOUND Investing for an additional fixed fee include a consolidated brokerage statement for numerous related accounts (i.e., IRA, personal, Joint, Trust, etc.), select no-load fund purchases, no fee IRA and low-cost retirement plan establishment.

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Retirement Plan Consultation Services

Much of this work is done as an independent consultant at the rate of \$275 an hour for work done by Alan Lancz, \$115 an hour for work done by our Research Associates, and administration/data entry at \$58 an hour. Payments are due monthly in arrears.

Financial Planning Services

The preparation of a financial plan is a one-time service with a \$500 cost for Retirement Income Planning or \$2400 for a full Comprehensive Financial Plan and does not involve an ongoing relationship between the firm and a client. One half payment will be made upon client completion of data with the balance due within 30 days of completion of the plan. Financial planning can also be completed on an hourly basis with the same terms and hourly structure as the retirement plan compensation.

While clients are under no obligation to purchase any additional services or products through ABL Inc. or an affiliate, if clients do purchase products or services from the firm or an affiliate, this may result in the payment of additional compensation to the firm and/or its affiliates. Such compensation might take the form of commissions and other payment streams tied to the sale of securities or insurance products, or it might take the form of investment advisory fees. As a result of such additional compensation being paid for the sale of products or services to implement the financial plan, a conflict of interest may arise.

Consulting Services - Corporate

Fees are billed at \$275 an hour paid monthly with granting of advisor shares, warrants, and options based on complexity and length of each project. All compensation will be disclosed in advance and authorized before work is initiated.

Pooled Investment Vehicles

As compensation for investment advisory services rendered to the Funds we receive annual management fees paid semi-annually near the end of each 6 month period. Management fees paid by a Fund are indirectly borne by the investors in such Fund. The precise amount, and the manner and calculation, of the management fee for each Fund is set forth in such Operating Agreement, limited partnership agreement (or analogous organizational document). And other documentation received by each investor before investment in such Fund. Fees may differ from one Fund to another.

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The Funds are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by ABL, Inc. Neither ABL, Inc. nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges.

Additional Compensation

Alan B. Lancz selectively invests and operates real estate investments. This is accomplished separately from ABL, Inc. Every private placement investment is structured in the form of individual Limited Liability Companies (LLC) solely for Mr. Lancz and select, accredited investors. Pro Data LLC is a separate LLC solely owned by Alan Lancz, and therefore is considered an affiliate of ABL, Inc. Pro Data manages and has custody of these LLCs for the following fees: There is a performance-based fee with each real estate LLC that pays 10% of any cash on cash annualized total return above 15%, or 20% depending on LLC. In addition, there is a 3.5% acquisition fee for due-diligence work with each acquisition, and an ongoing fee of up to a 3% annual fee of revenues generated on each real estate property, plus reimbursement of reasonable expenses. The payment that Mr. Lancz receives from Pro Data are separate and no offset of advisory fees are provided. Pro Data's management of real estate LLCs for ABL, Inc.'s clients creates a conflict of interest as the compensation received gives Mr. Lancz an incentive to recommend these products based on the compensation he receives rather than on the client's needs. To address these conflicts of interest, ABL, Inc. has adopted a Code of Ethics that contains provisions to deter misconduct and prevent conflicts of interest that occur.

While ABL, Inc. does not sell such securities products to its investment advisory clients, Alan B. Lancz, in his individual capacity as a registered representative of Crescent Securities, a FINRA-registered broker-dealer, may sell securities products to ABL, Inc. clients. In the event a client desires, it can engage Mr. Lancz (but not ABL, Inc.) to provide securities brokerage services under a commission arrangement. Under this arrangement, the client may implement securities transactions through these related persons in Mr. Lancz's respective capacity as registered representatives of Crescent Securities. Brokerage commissions may be charged by Crescent Securities to effect these securities transactions and thereafter, a portion of these commissions may be paid by Crescent Securities to Mr. Lancz. Before effecting any transactions, a client will be required to enter into a new account agreement with Crescent Securities. The brokerage commissions charged by Crescent Securities may be higher or lower than those charged by other broker dealers.

While Mr. Lancz endeavors always to put the interest of the clients first as part of ABL, Inc.'s fiduciary duty, clients should be aware that a conflict of interest exists to the extent that ABL, Inc. or Mr. Lancz recommends the purchase of securities where such individuals receive commissions or other additional compensation because of such recommendations. This is because the receipt of commissions could represent an incentive for Mr. Lancz to recommend products based on the compensation received, rather than on a client's needs. However, if a

client decides to purchase the recommended investment product(s), the client is not required to purchase it through Mr. Lancz and always has the option to purchase the investment product(s) through any broker, dealer, or insurance agent of their choice. On any of these type of products in addition to any private equity and real estate investments conflicts of interest occur.

Third-Party Charges

In addition to the above-listed fees, and dependent upon the type of advisory services or program selected, a client's custodial account may incur certain charges imposed by broker-dealers, custodians, plan administrators, or mutual fund companies that sell securities or provide additional services to ABL, Inc.'s clients.

Such fees may include but are not limited to custodial fees, charges imposed directly by a mutual fund or exchange-traded fund in the account (which will be disclosed in the applicable fund's prospectus), wire transfer and/or electronic fund fees, and other fees and taxes on brokerage accounts and/or securities transactions. Mutual fund fee and expenses are outlined in the applicable fund prospectuses. Such charges, fees, and commissions are exclusive of and in addition to any ABL, Inc.'s Advisory Fee. The Firm does not receive any portion of these commissions, fees, or costs.

Item 6 - Performance-Based Fees and Side-By-Side Management

ABL, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Any investments outside ABL, Inc. may have performance fees, which would be fully disclosed in writing to every such investor. For example, real estate investments may have performance based fees as detailed in Item 5, Additional Compensation.

Item 7 - Types of Clients

Alan B. Lancz and Associates, Inc. provides portfolio management services to high net worth individuals, corporate pension and profit-sharing plans, pooled investment vehicles (the Funds), charitable institutions, foundations, endowments, retirement plan participants, family offices and numerous trust accounts.

Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss

A. Methods of Analysis and Investment Strategies

Analysis of both individual securities and general market conditions are primarily done on a fundamental basis. Recommendations and forecasts are based on our assessment of current fiscal and monetary policy, investment fundamentals, along with the psychological aspect of each investment (business philosophy, strategy, attitude, record of accomplishment and background of top management, for example) which can be as much of a factor as fundamental aspects. Evaluation of a client's current investments is made to be certain that the fundamental features match the client's objective. Due primarily to the fact that each account is individually managed, Alan B. Lancz & Associates, Inc. may give advice and/or take action for some clients that may differ from advice given, or the timing or nature of action taken for others. Performance may vary dependent on a variety of factors, such as services utilized, brokerage firm selection and restrictions placed by clients on accounts, size of the account, plus numerous other factors since all accounts are managed in accordance to client's specific goals, objectives, and risk profile.

Investment Strategies

ABL, Inc. will use all or some of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizons, among other considerations:

- *Long-Term Purchases*
- Securities are purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- *Short-Term Purchases*
- Securities are purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- *Trading*
- Securities are purchased with the expectation that they will be sold within a very short period of time, generally less than 30 days, in an effort to capture significant market gains and avoid significant market losses during a volatile market.
- *Option Writing*

- An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. An investment strategy utilizing option writing involves selling (writing) an option. When an investor sells (writes) an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller receives from the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Sources of Information

In conducting its security analysis, ABL, Inc. may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission, data services, and company press releases.

Investing Involves Risk

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

- *Market Risk.* The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.
- *Interest Rate Risk.* Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations.
- *Credit Risk.* An issuer or guarantor of a fixed-income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit rating of a fixed-income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed-income securities with

lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

- *Allocation Risk.* The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.
- *Foreign (Non-U.S.) Risk.* A portfolio's investments in securities of non-U.S. issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.
- *Emerging Markets Risk.* Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.
- *Currency Risk.* Fluctuations in currency exchange rates may negatively affect the value of a portfolio's investments or reduce its returns.
- *Derivatives Risk.* Certain strategies involve the use of derivatives to create market exposure. Derivatives may be illiquid, difficult to price and leveraged so that small changes may produce disproportionate losses for a client's portfolio and may be subject to counterparty risk to a greater degree than more traditional investments. Because of their complex nature, some derivatives may not perform as intended. As a result, a portfolio may not realize the anticipated benefits from a derivative it holds or it may realize losses. Derivative transactions may create investment leverage, which may increase a portfolio's volatility and may require the portfolio to liquidate portfolio securities when it may not be advantageous to do so.
- *Capitalization Risk.* Investments in small- and mid-capitalization companies may be more volatile than investments in large-capitalization companies. Investments in small-capitalization companies may have additional risks because these companies have limited product lines, markets or financial resources.
- *Liquidity Risk.* Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing an investment manager from selling out of such illiquid

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

- *Issuer Specific Risk.* The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including, but not limited to, management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.
- *Reinvestment Risk.* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Concentrated Portfolios Risk.* Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.
- *Legal or Legislative Risk.* Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.
- *Infrastructure Risks.* Infrastructure-related investments are subject to a number of unique risks. These investments may be concentrated into a small number of projects, resulting in a high degree of risk with respect to each project. Further, these investments are often subject to foreign and emerging market risks.
- *Socially Responsible Investing.* Investments may focus on "low carbon" or other areas of socially responsible investing. This investment category represents a relatively new area of investment with a relatively limited performance track record. Due to the consideration of non-monetary factors in investment decisions, these investments may experience a lower rate of return. There may be a relatively limited number of investments to consider in this investment category, and available investments may be subject to increased competition.
- *Large Investment Risks.* Clients may collectively account for a large portion of the assets in certain investments. A decision by many investors to buy or sell some or all of a particular investment where clients hold a significant portion of that investment may negatively impact the value of that the investment.

- *Limitations of Disclosure.* The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in investments. As investment strategies develop and change over time, clients may be subject to additional and different risk factors. No assurance can be made that profits will be achieved or that substantial losses will not be incurred.

B. Risks Associated with Investment Strategies and Methods of Analysis

The analysis of securities requires subjective assessments and decision-making by experienced investment professionals, however, there is always the risk of an error in judgment.

ABL, Inc.'s securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While ABL, Inc. is alert to indications that data may be incorrect, there is always the risk that the firm's analysis may be compromised by inaccurate or misleading information.

Fundamental Analysis

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

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

C. Risks Associated with Specific Securities Utilized

Common Stocks

The major risks associated with investing in common stocks relate to the issuer's capitalization, quality of the issuer's management, quality and cost of the issuer's services, the issuer's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of

litigation risk and the issuer's ability to create shareholder value (i.e., increase the value of the company's stock price).

Preferred Stocks

Preferred stock dividends are generally fixed in advance. Unlike requirements to pay interest on certain types of debt securities, the company that issues preferred stock may not be required to pay a dividend and may stop paying the dividend at any time. Preferred stock may also be subject to mandatory redemption provisions and an issuer may repurchase these securities at prices that are below the price at which they were purchased by the investor. Under these circumstances, a client account holding such preferred securities could lose money.

Convertible Stocks

The value of a convertible security is a function of its "investment value" (determined by its yield in comparison with the yields of other securities of comparable maturity and quality that do not have a conversion privilege) and its "conversion value."

The investment value of a convertible security is influenced by changes in interest rates, the credit standing of the issuer and other factors. The conversion value of a convertible security is determined by the market price of the underlying common stock. A convertible security generally will sell at a premium over its conversion value by the extent to which investors place value on the right to acquire the underlying common stock while holding a fixed-income security. A convertible security will generally be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third party. Any of these actions could have an adverse effect on a client's ability to achieve their investment objective.

Warrants and Rights

Warrants are securities, typically issued with preferred stocks or bonds, that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of a warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors and failure of the price of the common stock to risk. If the warrant is not exercised within the specified time period, it becomes worthless.

Fixed-Income Securities

Different forms of fixed-income instruments, such as bonds, money market funds, and certificates of deposit may be affected by various forms of risk, including:

- *Interest Rate Risk.* The risk that the value of the fixed-income holding will decrease because of an increase in interest rates.
- *Liquidity Risk.* The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed-income securities are generally liquid (*e.g.*, corporate bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also the risk of not being able to purchase a particular issue at the desired price.
- *Credit Risk.* The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments.
- *Reinvestment Risk.* With declining interest rates, investors may have to reinvest income or principal at a lower rate.
- *Duration Risk.* Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

High-Yield Securities

High-yield corporate debt securities with credit rating below investment grade (commonly referred to a “junk bonds”) may be subject to potentially higher risks of default and volatility than other debt securities, including risks that the issuer may not be able to meet its obligations to repay principal or interest. These types of debt securities are more susceptible to credit risk than investment grade securities and are considered to be more speculative in nature than higher-quality fixed-income securities. In addition, issuers of high-yield securities may not be as strong financially as those issuing debt securities with higher credit ratings.

Municipal Bonds

In addition to the risks set forth under “Fixed-Income Securities” above, municipal bonds are susceptible to events in the municipality that issued the bond or the security posted for the bond. These events may include economic or political policy changes, changes in law, tax base erosion, state constitutional limits on tax increases, budget deficits or other financial difficulties and changes in the credit rating assigned to municipal issues.

Commercial Paper and Certificates of Deposit

Commercial Paper and Certificates of Deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity, there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

Federal Agency Securities

Although the issuer may be chartered or sponsored by an Act of Congress, the issuer is not funded by Congressional appropriations and its debt and equity securities are neither guaranteed nor insured by the U.S. Government. Without a more explicit commitment, there can be no assurance that the U.S. Government will provide financial support to such issuers or their securities.

Exchange Traded Funds (ETFs)

An ETF holds a portfolio of securities designed to track a particular market segment or index. Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV.

ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund. There is also the risk that a manager may deviate from the stated investment mandate or strategy of the ETF which could make the holdings less suitable for a client’s portfolio. ETFs may also carry additional expenses based on their share

of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. In addition, while many ETFs are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these ETFs or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of an ETF’s portfolio, may be considered “non-qualified” under certain tax code provisions.

There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Mutual Funds - Equity Funds

The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor’s shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, there is the risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund which could make the holdings less suitable for a client’s portfolio. Also, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund. Mutual funds may also carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Mutual Funds - Fixed-Income Funds

In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also have the same risks as set forth under “Fixed-Income Securities” listed above.

Mutual Funds - Index Funds

Index Funds have the potential to be affected by “tracking error risk” which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a “sample index” that

may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher “qualified dividend income” (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund’s portfolio, may be considered “non-qualified” under certain tax code provisions.

Structured Products

A structured product, also known as a market-linked product, generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a “principal guarantee” function, which offers protection of principal if held to maturity.

These products are not always Federal Deposit Insurance Corporations Insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: Fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and other events that are difficult to predict.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the

underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Real Estate Related Securities

Investing in real estate related securities includes, among others, the following risks: possible declines in the value of real estate; risks related to general and local economic conditions, including increases in the rate of inflation, possible lack of availability of mortgage funds, overbuilding, extending vacancies of properties, increases in competition, property taxes and operating expenses, changes in zoning laws, costs resulting from clean up of, and liability to third-parties for damages resulting from, environmental problems, casualty and condemnation losses, uninsured damages from floods, earthquakes or other natural disasters, limitations on and variations in rents and changes in interest rates. Investing in Real Estate Investment Trusts ("REITs") involves certain unique risks in addition to those risks associated with investing in real estate in general. REITs are dependent upon the skills of management, are not diversified and are subject to cash flow dependency, default by borrowers and self-liquidation.

Alternative Investments

The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

Private Equity and Private Equity Funds

Private Equity Funds may be affected by various forms of risk, including:

- *Long-term Investment.* Unlike mutual funds, which generally invest in publicly traded securities that are relatively liquid, private equity funds generally invest in large amounts of illiquid securities from private companies. Depending on the strategy used, private real estate funds will have illiquid underlying investments that may not be easily sold, and investors may have to wait for improvements or development before any redemption. Given the illiquid nature of the underlying purchases made by private equity and private real estate managers, private equity and private real estate funds are considered long-term investments. Private equity funds are generally set up as 10- to 15-year investments with little or no provision for investor redemptions. Private real

estate funds are generally seven- to ten-year investments and also have limited provisions for redemptions. With long-term investments, clients should consider their financial ability to bear large fluctuations in value and hold these investments over a number of years.

- *Difficult Valuation Assessment.* The portfolio holdings in private equity and private real estate funds may be difficult to value, because they are not usually quoted or traded on any financial market or exchange. As such, no easily available market prices for most of a fund's holdings are available. Additionally, it may be hard to quantify the impact a manager has had on underlying investments until those investments are sold.
- *Lack of Liquidity.* Private equity and private real estate funds are not "liquid" (they can't be sold or exchanged for cash quickly or easily), and the interests are typically non-transferable without the consent of a fund's managing member. As a result, private equity and private real estate funds are generally only suitable for sophisticated investors who have carefully considered their financial capability to hold these investments for the long term.
- *Capital Call Default Consequences.* Answering capital calls to provide managers with the pledged capital is a contractual obligation of each investor. Failure to meet this requirement in a timely manner could elicit significant adverse consequences, including, without limitation, the forfeiture of the defaulting investor's interest in the fund.
- *Leverage.* Private equity and private real estate funds may use leverage in connection with certain investments or participate in investments with highly leveraged capital structures. Although the use of leverage may enhance returns and increase the number of investments that can be made, leverage also involves a high degree of financial risk and may increase the exposure of such investments to factors such as rising interest rates, downturns in the economy or deterioration in the condition of the assets underlying such investments.
- *Lack of Transparency.* Private equity and private real estate funds are not required to provide investors with information about their underlying holdings or provide periodic pricing and valuation information. Therefore, investors are often putting their complete trust in the managers' abilities to meet their funds' objectives, without the benefit of knowing their investment selections. This lack of information may make it more difficult for investors to evaluate the risks associated with the funds.
- *Manager Risk.* Private equity and private real estate fund managers have total investment authority over their funds, and the managers' skill is normally responsible for the investment returns. Therefore, if the founder or key person departs, the returns of the fund may be impacted. Investors have no control or influence in the management of the fund, although they will receive periodic reports from the fund manager. Also, investment in one fund that uses a generally similar investment strategy as another fund could lessen overall diversification, and consequently, increase investment risk.
- *Regulation.* Private equity and private real estate funds are subject to fewer regulatory requirements than mutual funds and other registered investment company products and thus may offer fewer legal protections than an investor would have if they invested in more traditional investments.

Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective.

D. The Funds' Principal Risks

The Funds face several kinds of risk that are inherent in the energy sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in energy market conditions due, especially natural gas markets, to changes in global and national economic conditions; uncertainties in implementing drilling schedules; operational and production risks related to drilling; well concentration; competition from other drillers; depleting asset risk; no operating history; restricted units risk; liquidity risk; conflicts of interest; timing of distributions, if any; tax risk; adverse changes in governmental rules and fiscal policies; the impact of present or future environmental legislation and compliance with environmental laws.

The Funds' investments are highly illiquid, and each fund has a high degree of well concentration risk. As a result, the Funds are not diversified. There is a material risk of loss using any investment strategy. Although we manage Fund assets in a manner consistent with the Funds' stated objectives and strategies, we cannot guarantee that our efforts will be successful. Investors should consider the Funds to be highly speculative.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ABL, Inc. or the integrity of its management. ABL, Inc. has no legal or disciplinary events at this time.

Item 10 - Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration and Registered Representatives

ABL, Inc. is not registered, nor does it have an application pending to register, as a broker-dealer.

Alan B. Lancz is also a registered representative of Crescent Securities, a FINRA-registered broker-dealer. As a registered representative of Crescent Securities, Mr. Lancz is permitted to receive commissions on securities transactions.

To the extent that clients wish Mr. Lancz to implement any recommendations made by ABL, Inc., the purchase or sale of any securities in conjunction with the implementation of such recommendations is made through Crescent Securities. Clients are free, however, to implement ABL, Inc.'s recommendations through any broker-dealer that they choose. The

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receipt of commissions for recommended products could represent an incentive for these individuals to recommend products that pay a commission over other products, therefore creating a conflict of interest. Additionally, if a client implements the recommendation through these individuals, the client may be limited to those products or services available through Crescent Securities.

Commissions earned may be higher or lower at Crescent Securities than other broker-dealers. Notwithstanding the fact that Mr. Lancz is a registered representative of Crescent Securities, Mr. Lancz is solely responsible for the investment advice rendered. ABL, Inc.'s advisory services are provided separately and independently of Crescent Securities.

B. Futures and Commodity Registration

ABL, Inc. is not registered, nor does it have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. No management person is registered, nor does any management person have an application pending to register, as an associated person of a futures commission merchant, commodity pool operator or a commodity trading advisor.

C. Financial Industry Affiliations

ABL, Inc. services as the manager of Contrarian Assets Holdings, LLC and Contrarian Assets 2 Partnership.

Alan B. Lancz is also the President, Director of Research and sole owner of LanczGlobal, LLC ("LanczGlobal"), an independent research firm that provides proprietary investment research to investment managers, institutions, hedge funds, family offices and individual investors. ABL, Inc. clients may have securities that are the subject of LanczGlobal insights recommended to them. In addition, Mr. Lancz, clients of ABL and ABL employees may hold such securities in their individual portfolios.

Alan B. Lancz is also the Managing Member of Pro Data, LLC ("Pro Data"), a real estate management firm that provides services to series LLC that invest in commercial real estate. ABL, Inc. clients invest in such LLCs and pay additional compensation to Mr. Lancz and other affiliated persons of ABL, Inc.

Certain investment adviser representatives affiliated with ABL, Inc. are also licensed insurance agents that may receive additional compensation in the form of commissions on the sale of insurance related products. Clients are free, however, to implement ABL, Inc.'s recommendations through any insurance agent that they choose. The receipt of commissions for recommended products could represent an incentive for these individuals to recommend

insurance products that pay a commission over other products, therefore creating a conflict of interest.

Clients are under no obligation to act upon any recommendations of the adviser representatives or affect any transactions through the adviser representative if the client decides to follow the recommendations.

Item 11 - Code of Ethics

ABL, Inc. has adopted a Code of Conduct/Ethics for all employees of the firm, describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Conduct/Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees at ABL, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

The Firm or individuals associated with ABL, Inc. may buy or sell, for their personal account(s), investment products identical to those recommended to clients. Anytime when purchases or sales of securities are made for ABL, Inc., or individuals associated with the company, in conjunction with the client's purchases or sales, the client will always receive the preferential price, if there is one. In addition to preferential prices, client transactions will always be given preference with regard to timing of order placement, if applicable.

ABL, Inc. has also established policies and procedures to detect and prevent insider trading and money laundering. Such procedures and policies includes restricting access to files, providing continuing education, internal due diligence, restricting and/or monitoring trading on those securities of which ABL, Inc., associates and employees may have non-public information and monitoring the securities trading of the firm, its employees, and associated persons. In addition, ABL, Inc. has established a Disaster Recovery and Contingency Plan in accordance with Rule 204 under the Investment Advisers Act. This plan, along with ABL, Inc.'s policies and procedures, are presented to each associate/employee upon employment and reviewed annually thereafter.

Additionally, it is fully disclosed on the front page of each publication received by subscribers that ABL, Inc., or individuals associated with the company, may have positions in securities or commodities mentioned in the newsletter. As these situations, may represent a conflict of interest, ABL, Inc. has established the following restrictions in order to ensure its fiduciary responsibilities:

- The firm emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions of the overall management of their account.

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- Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the investing public on reasonable inquiry.
- No associated person of the Firm shall prefer his or her own interest to that of the advisory client. Whenever purchases or sales of securities are made for ABL, Inc., or individuals associated with the company, in conjunction with the client's purchases or sales, then the client will always receive the preferential price, if there is one.
- The Firm and its employees may not participate in private placements or initial public offerings (IPO's) without pre-clearance from ABL, Inc.'s Compliance Officer.
- Records will be maintained of all securities bought or sold by ABL, Inc., associated persons of the Firm, and related entities. A qualified representative of ABL, Inc. will review these records on a regular basis.
- Any employee, who does not comply with the above restrictions, will be placed on probation and be subject to termination of employment.

A copy of the Firm's Code of Conduct/Ethics is available to you upon request.

Item 12 - Brokerage Practices

Factors in Selecting or Recommending Broker-Dealers

ABL, Inc. will recommend firms that provide brokerage and custodial services to its clients in need of such services. The recommended broker might charge a higher fee than another broker charges for a particular type of service, such as commission rates. Clients may utilize the broker-dealer of their choice. They have no obligation to purchase or sell securities through any broker that the Firm recommends. ABL, Inc. does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

In placing orders for the purchase and sale of securities and selecting brokerage firms to effect these transactions, ABL, Inc. considers a number of factors including the nature of security being traded, execution, clearance, settlement and custodial capabilities, the financial strength and stability of the broker, the efficiency with which the transactions are effected, the ability to affect the transactions at all where a large block is involved, as well as the availability of the broker to stand ready to execute possible difficult transactions in the future and willingness to negotiate competitive commission rates.

Except for directed brokerage accounts, all other accounts will utilize very competitive (or zero) commission rates even though the absolute lowest rate possible may not be used due to a number of other factors in determining net cost/benefit. Those factors include no or low cost custodial, administration and retirement plan services, as well as other services, in addition to the above-mentioned best execution criteria.

Directed Brokerage

On a very selective basis, clients may choose a brokerage firm or specific broker for a managed account. It should be noted that when a client directs the use of a broker for an account, then ABL, Inc. may not be able to negotiate as competitive of a commission rate, participate in block trades, or average price trades, thus possibly negatively affecting net prices compared to ABL, Inc.'s other accounts. Any of these three areas could result in higher commissions from a client's chosen broker, than what ABL, Inc. clients would generally pay. If we do trade through other brokers or purchase certain mutual funds through them, clients may see additional charges or costs to their account. ABL, Inc. does not benefit from these charges.

Research and Other Soft Dollar Benefits

ABL, Inc. does not participate in any 'soft dollar' arrangements in which we guarantee order flow to brokers in return for research or other benefits.

Trade Aggregation

ABL, Inc. will aggregate the purchases and sales of securities for various client accounts and employee accounts where applicable. The Adviser provides the trade aggregation instructions to the custodian or broker-dealer. Trade aggregation will not be affected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client as prices for purchases and sales are averaged for each day.

Associates who are registered representatives of a broker-dealer may suggest that clients implement recommendations through brokerage accounts held at the broker-dealer as opposed to advisory accounts. If the client so elects, these Associates would receive normal and customary commissions as sales agents resulting from any securities transactions, presenting them with a conflict of interest. In implementing a plan through relationships maintained by adviser representatives, clients may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. Clients are advised that they are under no obligation to implement the plan or recommendations through the adviser representatives in their capacities as registered representatives of a broker-dealer, and Associates should explain if transactions are recommending through advisory accounts or brokerage accounts, to avoid any confusion.

Trade Error Corrections

ABL, Inc.'s policy and procedures provide for the following procedures should a trading error occur: First, ABL, Inc. is responsible for correcting the error as soon as possible which may include moving the trade to an error account held by ABL, Inc. Secondly, ABL, Inc. bears all cost (if any) of correcting the error and risk in holding the position should the firm decide to do so. Accordingly, if the error results in a gain, then such gain would be part of the ABL, Inc. error account, as would any loss and every losing position in error. No client account will be responsible for losses from any trade errors made by ABL, Inc.

Item 13 - Review of Accounts

Upon initiation of each account, the client discloses their specific goals and objectives and elects which investment direction best suits these objectives. These objectives can be changed at the client's discretion by written notice to ABL, Inc. It should be noted that all investment decisions are made in accordance with the guidelines and restrictions established for each account. The accounts are continuously monitored to make sure the guidelines and restrictions are followed. In addition to the custodian's brokerage firm regular brokerage statements, ABL, Inc. will furnish monthly Portfolio Progress Reports upon request for accounts of \$5 million and more. Otherwise, quarterly portfolio progress reports are furnished on a timely basis. These summary reports include a transaction journal and a listing of current holdings. Customized reports may be provided based upon each client's specific needs and preferences. Clients under SOUND Investing (generally no load mutual funds, ETFs, etc.) will also be provided progress reports upon request.

Item 14 - Client Referrals and Other Compensation

ABL, Inc. does not accept nor disseminate any economic benefits to or from clients or non-clients for any client referrals.

ABL, Inc. is compensated only via the fee, as described in Item 5 above in regard to its Portfolio/Wealth Management and Sound Investing services.

Item 15 - Custody

Separately Managed Accounts

Clients will receive at least quarterly statements from the qualified custodian that holds and maintains the client's investment assets. ABL, Inc. urges you to carefully review such

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statements and compare such official custodial records to the account statements that we may provide to you. Our statements may occasionally vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. (See Item 5).

Pooled Investment Vehicles

The investments ABL, Inc. makes on behalf of the Funds are primarily related to interests in energy or natural gas partnerships. ABL, Inc. maintains possession of the documentation that demonstrates each Fund's ownership interest in these investments. Cash and other liquid assets of each Fund are held in custodial accounts that are in the name of the specific Fund or one of its subsidiary entities. Under the terms of each Fund's limited partnership agreements (or other organizational document), asset management fees and distributions are paid out of the Fund's bank account. For these reasons, ABL, Inc. is deemed to have custody of Fund assets. Each Fund is subject to an annual audit, and audited financial statements are

distributed to each Fund investor. The auditor is an independent public accountant registered with and subject to regular inspection by the Public Accounting Oversight Board. The audited financial statements are prepared and distributed within 180 days of each Fund's fiscal year end. Fund investors should carefully review the audited financial statements of each Fund.

Real Estate LLCs

Mr. Lancz selectively invests and operates real estate investments through Pro Data LLC, a separate LLC solely owned by Mr. Lancz; Pro Data is an affiliate of ABL, Inc. As the managing member of series LLCs, Pro Data has custody of these LLCs assets, including investments made by ABL, Inc.'s clients.

Item 16 - Investment Discretion

Separately Managed Accounts

Although clients give ABL, Inc. complete discretion over the selection and amount of securities to be purchased or sold for their account without obtaining their prior consent or approval, ABL, Inc. may be subject to specified restrictions, guidelines, or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of their portfolio, or place restrictions or prohibitions of transactions in the securities of a specific industry, and/or directed brokerage. Investment guidelines and restrictions must be provided to ABL, Inc. in writing. ABL, Inc. does not take custody of money or securities in separately managed advisory accounts.

Pooled Investment Vehicles

As the manager of pooled investment vehicles, ABL, Inc. may elect to sell investments on behalf of each Fund, subject to any limitations in the offering memorandum or operating agreement without contacting Fund investors before doing so.

Item 17 - Voting Client Securities

ABL, Inc. will not vote proxies on behalf of client's accounts. However, on rare occasions and only at the client's request, ABL, Inc. may offer clients advice regarding corporate actions and the exercise of proxy voting rights.

Item 18 - Financial Information

ABL, Inc. is required to provide you with certain financial information or disclosures about its financial condition. ABL, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has never been the subject of a bankruptcy proceeding. . No member of management, an officer or a principal of the Investment Adviser has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500 in an activity involving investment or investment-related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

Further, no member of management, an officer or a principal of the Adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment-related activity; fraud, false statements, or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

ABL, Inc. has not been the subject of a bankruptcy petition. There is no financial condition that is reasonably likely to impair the Adviser's ability to meet its contractual commitments to its clients.