



AZZAD ASSET MANAGEMENT, INC.

FOR CLIENTS AND PROSPECTIVE CLIENTS OF AZZAD'S ETHICAL WRAP PROGRAM

WRAP FEE PROGRAM BROCHURE (APPENDIX 1 TO FIRM BROCHURE)

MARCH 19, 2020

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1. COVER PAGE

This wrap fee program brochure provides information about the qualifications and business practices of Azzad Asset Management, Inc. ("Azzad", or the "firm"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, Manal Fouz, at (888) 862-9923 or by email at manal@azzad.net. 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.

Azzad is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you can use to determine whether to hire or retain an Adviser.

Additional information about Azzad Asset Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by using a unique identifying number known as a "CRD number". Our firm's CRD number is 111291.



2. MATERIAL CHANGES

The following information discusses the changes made to our wrap fee program brochure since the last update on March 25, 2019:

There have been no material changes since the last update on March 25, 2019.



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4. SERVICES, FEES AND COMPENSATION

A. DESCRIPTION OF OUR SERVICES

Azzad Asset Management, Inc. (“we” or “Azzad”) sponsors a wrap program called the Azzad Ethical Wrap Program (“Ethical Wrap Program” or “Program”). The Program provides you with investment advice and investment management services for a wrap fee (See Item 4.B – Fees and Compensation). It provides access to independent and affiliated portfolio managers (“Manager”) by investing in model portfolios. Specific services or features offered in the Program include an assessment of your investment needs and objectives, ongoing monitoring and due diligence of each manager’s performance, asset allocation advice, account rebalancing and continuing evaluation of investment performance.

Azzad assigns you an Azzad Investment Advisor Representative (IAR) to gather information about your investment objectives. The Investment Advisor Representative will help you complete a questionnaire that will help us develop your Investment Policy Statement or “IPS” (incorporated herein by reference). Azzad will manage your account using this IPS, as well as, any additional written or oral investment instructions, objectives, and limitations regarding investments suitable for you. The questionnaire asks for information regarding your financial situation, investment objectives, investment time horizon and other relevant matters.

Your assets are allocated in one of five different Azzad strategies composed of various portfolios. Clients may also choose to work with their Investment Advisor Representatives to develop different variations of these five asset allocation strategies. The asset allocation strategies range from conservative to aggressive and differ in their allocations to Azzad’s proprietary mutual funds (Azzad Wise Capital Fund and Azzad Ethical Fund) and other equities. Various portfolios are managed by managers not affiliated with Azzad and other portfolios are managed by Azzad’s internal investment team (Unaffiliated and affiliated managers are collectively referred to as “manager(s)” or “portfolio manager(s)”). The managers, using various available sources of information, have developed methods of analysis, styles or specialties that we believe is suitable for your account. Each manager begins their investment process with our socially responsible investment philosophy. To assist managers in choosing stocks that comply with our investment philosophy, we created a proprietary software application called the Investment Screening Filtering Application (“ISFA”). ISFA helps managers automatically screen their stock universe(s) for compliance with our investment guidelines. Our managers also refrain from using certain investment techniques we believe are contrary to our investment philosophy. These include buying and selling on margin, short selling, hedging and using options trading.

Azzad manages the Program’s accounts on a discretionary basis and it has full authority to determine which securities are purchased and sold and in what amounts.



B. FEES AND COMPENSATION

The Ethical Wrap Program is available to you for an all-inclusive fee based on the market value of the account in accordance with the Schedule of Fees described below unless otherwise agreed to by both parties. The below fees do not include any fees assessed by mutual funds that may be included in your account. See 4.C. Additional Fees.

The fees are as follows:

<u>Market Value</u>	<u>Annual Fee</u>
First \$500,000	1.75%
\$500,001- \$4,000,000	1.5%
Over \$4,000,001	1.4%

You pay one twelfth of the annual wrap fee, which is deducted directly from your account at the beginning of each month. The first payment is due upon execution of an Investment Advisory Agreement (“Agreement”) and will be based upon the opening value of your account. In certain circumstances and in Azzad’s discretion, the wrap fee may be negotiated based on several factors including the account type(s), size of the account, portfolios selected for investment and other factors.

The account’s custodian debits all account wrap fees payable pursuant to the Agreement directly from your account. Fees due are debited first from free credit balances in the account, and second, from the liquidation of other securities in the account.

The Ethical Wrap Program allows you to pay a specified fee for investment advisory services and the execution of transactions. The advisory services include portfolio management and/or advice concerning the selection of other advisers. Approximately 0.35% of the total wrap fee is paid to our unaffiliated managers. The wrap fee is not based directly upon transactions in your account. By participating in a wrap fee program, you may end up paying more than you would through a non-wrap fee program where a lower advisory fee is charged or investments in securities or mutual funds, but trade execution costs are passed directly through to you by the executing broker.

Effective October 7, 2019, for Clients whose advisory accounts are held at Schwab, Schwab has eliminated commissions for online trades of U.S. equities, ETFs and options (subject to \$0.65 per contract fee). This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to Schwab. We encourage you to review Schwab’s pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. However, our investment portfolios are *not* available to clients outside the wrap fee program. To see what you would pay for transactions in a non-wrap account, please refer to Schwab’s most recent pricing schedules available at [schwab.com/aspricingguide](https://www.schwab.com/aspricingguide).



As Azzad absorbs certain transaction costs in wrap fee accounts, Azzad may have a financial incentive not to place transaction orders in those accounts since doing so increases its transaction costs. Thus, an incentive exists to place trades less frequently in a wrap fee arrangement.

C. ADDITIONAL FEES

Mutual Fund fees are separate from the fees stated above under the Ethical Wrap Program standard fees. Azzad waives the Ethical Wrap Program fee on assets invested in its proprietary funds, the Azzad Mutual Funds (namely, the Azzad Wise Capital Fund (WISEX) and Azzad Ethical Fund (ADJEX)). However, mutual funds have internal expenses such as portfolio management, legal and accounting, printing, marketing, distribution, trading costs and other administrative expenses, including fees paid to custodians. Fund expenses are more fully disclosed in the Azzad Mutual Fund's prospectus (for a free copy, please call 888.862.9923). As the Investment Advisor to the Azzad Mutual Funds, Azzad receives a management fee from assets invested in the Funds.

You have full discretion to request the removal of the Azzad Funds from your account. In addition, you may incur certain incidental service fees by the custodian for special services such as bank wires, transfer of securities between accounts, fees for trades executed away from the custodian, and other services. You may obtain a complete list of these service fees from Azzad by oral or written request. These fees will be automatically debited from your account.

Conflicts of Interest: As Investment Advisor to the Azzad Ethical Fund (ADJEX) and Azzad Wise Capital Fund (WISEX), Azzad Asset Management is contractually obligated to waive all or a portion of its management fees and to reimburse each Fund to the extent necessary to limit operating expenses to 0.99% of assets for the Azzad Ethical Fund and 1.29% for the Azzad Wise Capital Fund. By increasing the assets in the Azzad Funds, Azzad may be able to eliminate or reduce its reimbursement obligation. Therefore, Azzad has an incentive to allocate the Program's assets into the Azzad Ethical Fund and Azzad Wise Capital Fund. As broker-dealers for the Ethical Wrap Program Folio Investments, TD Ameritrade Institutional, and Schwab Advisor Services will receive a 12b-1 fee (an expense charge against fund assets by fund companies that are paid to broker-dealers to assist with marketing and servicing fund sales) from the Azzad Funds.

D. COMPENSATION TO OTHERS

Our Investment Advisor Representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our Investment Advisor Representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in our wrap fee program rather than a non-wrap fee program (such as direct investments in the Azzad Funds).

Additionally, other investment advisors recommending the Ethical Wrap Program to you receive compensation because of your participation in the Program. The amount of compensation may be more



than what the investment advisor would receive if you participated in other programs available through Azzad or paid separately for investment advice, brokerage, and other services. Therefore, the Investment Advisor Representative may have a financial incentive to recommend the Ethical Wrap Program over other programs or services.

5. ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

A. ACCOUNT REQUIREMENTS

For the Ethical Wrap Program, Azzad requires a minimum investment value of \$500,000 in any combination of cash and securities. This minimum may be the total sum of all accounts combined (i.e. IRA, Individual Investment, etc.) The minimum investment size may be waived at Azzad's discretion.

B. TYPES OF CLIENTS

Azzad serves many types of clients including individuals (some of which may be high-net worth individuals), pension and profit sharing plans, corporations, charitable organizations, trusts, and other business entities.

6. PORTFOLIO MANAGER SELECTION AND EVALUATION

A. SELECTION AND REVIEW OF PORTFOLIO MANAGERS

Azzad hires independent investment management firms ("managers") to manage various model portfolios in the Ethical Wrap Program. Generally, the program's managers must meet certain minimum requirements to be included in the Program including a performance track record prepared in accordance with the Global Investment Performance Standards (GIPS®) and third-party verification by an independent party. Azzad evaluates all investment managers who manage client accounts. Each manager provides Azzad with relevant documentation, which may include sample portfolios, regulatory and legal updates, and copies of Form ADV, past performance information, marketing literature, key personnel biographies and other relevant documents.

If, as a result of its ongoing evaluation, Azzad finds it necessary to either remove the portfolio managed by an investment manager or terminate the investment manager, then that action shall be carried out without your prior consent. Circumstances under which Azzad may replace a portfolio manager include (but are not limited to) poor performance results, significant failure to abide by its own compliance procedures, significant failure to abide by Azzad's socially responsible investment guidelines and detrimental financial condition.

Azzad claims compliance with the Global Investment Performance Standards (GIPS®) and is third party verified.



B. WHETHER AZZAD, RELATED PERSONS OR SUPERVISED PERSONS ACT AS PORTFOLIO MANAGERS

Azzad acts as a portfolio manager for a part of the Ethical Wrap Program. Azzad manages the REITs, Mid Cap Value and Dividend strategies. Azzad also acts as the Investment Advisor to the Azzad Funds and receives a fee for this service. This causes a conflict of interest because we may recommend that you purchase the portfolios we manage including the Azzad Funds (Azzad Ethical Fund (ADJEX) and Azzad Wise Capital Fund (WISEX)), as part of your Ethical Wrap Program.

We have created several policies and procedures to mitigate this conflict of interest. It is Azzad's policy that our Investment Advisor Representatives should make the recommendation to use the portfolios we manage internally, including the Azzad Funds, only when it is consistent with the client's investment objectives. In addition to its fiduciary duty to the client, Azzad has adopted a Code of Ethics that binds its Investment Advisor Representatives. Furthermore, Azzad waives the Ethical Wrap Program fee on assets from clients who hold the Azzad Funds in their accounts. Finally, clients have full discretion to request the removal of the Azzad Funds (and/or any portfolio managed internally) from their accounts.

Azzad holds itself to the same standards it requires of independent managers.

i. ADVISORY BUSINESS

Please see Item 4.A of this Wrap Fee Program Brochure for information about our wrap fee advisory program.

ii. TAILORED SERVICES

The Ethical Wrap Program is individualized or tailored to your needs, goals and objectives. Clients complete a risk assessment questionnaire and/or interview used to create an Investment Policy Statement tailored to meet client's current situation. The Investment Policy Statement outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a specific plan to aid in the selection of an appropriate portfolio. Clients may impose reasonable restrictions on their account investments. However, if the restrictions prevent Azzad or its representatives from properly servicing the account, or if the restrictions require Azzad to deviate from its standard services, Azzad reserves the right to terminate the relationship. Additionally, at your request, Azzad will remove the Azzad Funds from your Ethical Wrap Program account.

iii. WRAP FEE PROGRAM

Azzad does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. It manages all accounts according to its socially responsible investment philosophy. As further described in this Wrap Fee Program Brochure, Item 4.B & C, Azzad receives a portion of the wrap program fee for its services.

iv. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Azzad 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).



v. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Wrap accounts include portfolios consisting of securities selected by each respective portfolio's model manager. Each manager, using various available sources of information, has developed a method of analysis, style or specialty that we believe is suitable for our wrap account clients. Managers begin their investment process with our investment philosophy (described below). They generally do not have direct or indirect responsibility for client accounts nor do they communicate with clients. Their sole responsibility is to manage the model portfolios they are assigned within the wrap account. They will normally only recommend securities for a model portfolio, but have no or limited authority to effect account transactions.

Azzad's internal investment team and our unaffiliated managers may use the following methods of analysis when managing client assets for the wrap program:

FUNDAMENTAL ANALYSIS. The intrinsic value of a security is analyzed by reviewing economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (suggesting it may be a good time to buy) or overpriced (suggesting it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. There is risk in the fact that the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

CYCLICAL ANALYSIS. In this type of technical analysis, the movements of a stock against the overall market are analyzed to predict the price movement of the security.

QUANTITATIVE ANALYSIS. Mathematical modeling is used to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and to predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

QUALITATIVE ANALYSIS. In this type of analysis, factors that are difficult to quantify (such as quality of management, labor relations, strength of research and development factors not readily subject to measurement) are evaluated to predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

ASSET ALLOCATION. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities and fixed income will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. In addition, the fixed income portion of Azzad's Ethical Wrap Program



is not diversified because it invests solely in a proprietary mutual fund, the Azzad Wise Capital Fund (WISEX).

THIRD PARTY MODEL MANAGERS. A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, we do not control the underlying investments in a third-party manager's portfolio (other than enforcing our socially responsible screens). There is a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies. However, to mitigate these risks, Azzad conducts ongoing due diligence on the managers it hires in the Ethical Wrap Program.

SOCIALLY RESPONSIBLE INVESTMENT PHILOSOPHY. Our investment approach incorporates socially responsible investment screens with our affiliated and independent portfolio managers' specific investment process to deliver a portfolio that we believe is promising. These screens include avoiding companies that earn more than 5% of their revenue from the following lines of business: alcohol, tobacco, pork, gambling, pornography, nuclear weapons, insurance and interest lending arrangements (which means we avoid most banks and financial services companies). In addition to the above qualitative screens, we also incorporate financial screens in our investment philosophy such as avoiding companies with excessive debt.

To assist portfolio managers in choosing stocks that comply with our investment philosophy, we created a proprietary software application. ISFA (Investment Screening Filtering Application) helps managers automatically screen their stock universe(s) for compliance with our investment guidelines. Once a security passes, it must then pass the manager's investment process to be included in the portfolio. However, we recognize that companies are dynamic. Their balance sheets and lines of business can change periodically. Therefore, we continue to monitor all our and our managers' holdings to ensure that they remain in compliance with our investment philosophy.

Our managers also refrain from using certain investment techniques we believe are contrary to our investment philosophy. These include buying and selling on margin, short selling, hedging, and using options trading.

Investment Strategies

Client accounts are invested in one of five asset allocation strategies ranging from conservative to aggressive. Clients may also choose to work with their Investment Advisor Representatives to develop different variations of these strategies. The strategies vary in their exposure to different equity categories (diversified among international, large/mid/small, REITs, and others) and fixed income (as represented by the Azzad Wise Capital Fund). Due to Azzad's socially responsible investment philosophy,



the fixed income portion of the strategies is not diversified and limited to the adviser's proprietary mutual fund.

INVESTMENT RISKS

Although we work hard to preserve your capital and achieve real growth of client wealth, all investments bear different types and degrees of risk and **investing in securities involves risk of loss (including loss of principal) that clients should be prepared to bear.** No investment strategy can protect against risk of loss in the stock markets. Our managers use various investment techniques and strategies to try to control risk in the portfolios they manage. Still, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. Clients need to ask questions about risks they do not understand. We would be pleased to discuss them. Ultimately, however, there is no guarantee that your investments will not lose money. Clients should understand that they could lose some, or, all their investment, and should be prepared to bear the risk of such potential losses.

We strive to render our best judgment on behalf of our clients. Still, we cannot assure or guarantee you that investments will be profitable or assure that no losses will occur in an investment portfolio. Past performance is an important consideration with respect to any investment or investment advisor, but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

American Depository Receipts. We may invest in American Depository Receipts ("ADR"), also known as American depository shares. An ADR is a receipt for the shares of a foreign-based corporation held in the vault of a U.S. bank and entitling the shareholder to all dividends and capital gains. Instead of buying shares of foreign-based companies in overseas markets, Americans can buy shares in the U.S. in the form of ADRs. ADRs are available for hundreds of stocks from numerous companies. ADRs make trading foreign securities in the U.S. easier by eliminating currency exchange, legal obstacles, foreign ownership transfers and the need to trade on a foreign exchange. While an ADR removes direct foreign currency ownership, the value of the ADR share is still impacted by changes in the U.S. dollar to foreign currency exchange rate.

ADRs can be created/canceled through a custodian depository bank. The bank usually charges a fee for conversion. If the ordinary shares are bought in the foreign market, those shares are sent to the depository custodian where they are converted from ordinary to ADR form. In the case of a sale, the custodian cancels the ADR and delivers the ordinary shares. ADRs that are created in this manner may have low trading liquidity on the U.S. exchanges. Selling a low liquidity ADR on a US exchange may have



excessive transaction costs. Thus, such shares may need to be sold in their home foreign market and delivered through cancellation of their ADR.

Equity Securities. An account investing all its assets in common stocks bears the risk that the value of the stocks it holds may decrease in response to the activities of an individual company or in response to general market, business and economic conditions. If this occurs, the account value may also decrease.

Market Risk. This risk exists in all our accounts and means that the risk of the price of securities in a market, a sector or an industry will fluctuate and that such movements might reduce an investment's value.

Concentration Risk. Concentrating investments in a single country, region, market, and industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, and industry or asset class.

Non-Diversification Risk. Non-Diversification of investments means a portfolio may invest a large percentage of its assets in securities issued by or representing a small number of issuers. As a result, the portfolio's performance may depend on the performance of a small number of issuers.

Small Companies. Typically, securities of small companies are less liquid than securities of large companies. The stocks of small companies are generally more sensitive to purchase and sale transactions and, therefore, the prices of such securities may be more volatile than those of larger companies.

Socially Responsible Investing Risks. We will invest in securities only if they meet both our investment and socially responsible requirements, and as such, your return may be lower than if we made decisions based solely on investment considerations. Moreover, our screens typically exclude the stocks of most financial and utility companies. When these sectors are outperforming, our portfolios may underperform their benchmarks. If we believe that a company has violated our socially responsible investment philosophy, then we will request that the manager sell the security. This policy could result in the manager selling a security at an inopportune time from a purely financial point of view. Moreover, it can create higher turnover and lead to short term tax consequences.

Tax Considerations. Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.



vi. VOTING CLIENT SECURITIES

Unless directed by the client in writing, Azzad votes client securities in the best interests of its clients and then in accordance with its ethical investment philosophy and guidelines. In general, this entails voting client proxies with the objective of increasing the long-term economic value of client assets. Azzad seeks to avoid the occurrence of actual or apparent material conflicts of interest in the proxy voting process by voting in accordance with predetermined voting guidelines. In all cases in which there is deemed to be a material conflict of interest, Azzad will seek to resolve the conflict in the clients' best interests. Azzad also may consider proxies solicited by open-end mutual funds for which Azzad serves as an investment advisor. You may obtain a copy of Azzad's complete proxy voting policies and procedures upon request. You may also obtain information from Azzad about how we voted proxies on behalf of your accounts. Please contact our Chief Compliance Officer at 888-862-9923.

7. CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

We are required to describe the information about you that we communicate to the Program's portfolio manager(s), and how often or under what circumstances we provide updated information. We do not share information about you with any of the Program's unaffiliated portfolio managers. Your relationship is solely with Azzad and not with any of the portfolio management firms that may manage the portfolios in your account. There is no communication, including consultations, between you and any of your account's portfolio managers. All communications regarding your account should be directed to your Investment Advisor Representative at Azzad.

8. CLIENT CONTACT WITH PORTFOLIO MANAGERS

We are required to describe any restriction that is placed on the client's ability to contact and consult with a Program's portfolio manager. Clients may not contact and/or consult with the unaffiliated portfolio managers of the Program. All client communications regarding his or her wrap account should be directed to Azzad. Client relationships rests solely with Azzad and not with any of the investment management firms that may manage the portfolios in client Accounts.

9. ADDITIONAL INFORMATION

A. BROKERAGE PRACTICES

Azzad Asset Management generally recommends that clients utilize the custody, brokerage and clearing services of Folio Investments, a division of Foliofn ("Folio"), TD Ameritrade Institutional ("TD Ameritrade") or Schwab Advisor Services, a division of Charles Schwab & Co., Inc., ("Schwab") members FINRA/SIPC. We are independently owned and operated and not affiliated with either Folio, TD Ameritrade, or Schwab. We consider various factors in selecting a broker, including, but not limited to the broker's execution capability, custodial and other services provided by the broker that are expected to enhance our general portfolio management capabilities, sound financial condition, reputation and



integrity and the broker's knowledge of market, securities and industries, as well as, the broker's responsiveness. Commission rates paid on securities transactions must also reflect comparative market rates. However, the lowest possible commission cost alone does not determine brokerage selection. Another important consideration is acceptable record keeping, e.g., timely and accurate written confirmations and statements.

Azzad periodically and systematically reviews its policies and procedures regarding its recommendation of broker-dealers considering its duty to obtain best execution.

Wrap accounts are not charged a separate brokerage fee and do not incur commission costs outside of the wrap fee. Instead, their asset-based fees are included in the wrap fee charged to you. Schwab's asset-based fees applicable to our client accounts were negotiated based on our commitment to maintain \$65 million of our clients' assets in all accounts at Schwab. We believe this commitment benefits you because the overall asset-based fees you pay are lower than they would be if we had not made this commitment. No such commitment was made with Folio Investments.

Our firm receives economic benefits from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in our Firm brochure (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying specific securities for our clients.

The client may direct Azzad in writing to use a particular broker-dealer to execute some or all transactions for the client. In such cases, the client will negotiate terms and arrangements for the account with that broker, and Azzad will not seek better execution services or prices. As a result, the client may pay higher transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Azzad may decline a client's request to direct brokerage if, in Azzad's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

B. DISCIPLINARY INFORMATION

Neither Azzad Asset Management nor any of its officers or principals has been involved in any business litigation or other legal/regulatory proceedings, investigations or disciplinary actions relating to our investment activities since the Firm's inception.

C. OTHER INDUSTRY AFFILIATION

Azzad sponsors and acts as Investment Advisor to the Azzad Funds family of no-load mutual funds (investment companies) consisting of Azzad Ethical Fund (ADJEX) and Azzad Wise Capital Fund (WISEX). We provide administration and investment management services to the Azzad Funds. The portfolio



manager of the Azzad Funds (assisted by a financial analyst) also manages various portfolios in our wrap accounts.

We may also recommend that you open an insurance account that, in turn, invests in the Ethical Wrap Program, through an unaffiliated, third party company.

For your convenience, we may hold shares of our affiliated mutual funds in your wrap account so that you will have a complete picture of your assets. In such circumstances, we will not charge our wrap program fee on assets held in the Funds. However, you should understand that we will receive any fees paid by the mutual fund as disclosed in the applicable prospectus for the fund. That fee may be higher or lower than the fee you may be paying on other assets that we manage in your wrap account.

D. SELECTION OF THIRD PARTY INVESTMENT ADVISORS FOR CLIENTS

Azzad does not select third party investment advisors for its clients. It does select investment managers for the Ethical Wrap Program, but it does not receive any compensation from the investment managers. Information on how Azzad selects the investment managers can be found under Item 6.A, above.

E. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

i. DESCRIPTION

Azzad has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, 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 supervised persons at Azzad must acknowledge the terms of the Code of Ethics annually, or as amended.

A complete copy of Azzad's current Code of Ethics is available by sending a written request to Azzad Asset Management, Inc., Attn: Compliance, 3141 Fairview Park Dr. Suite 355, Falls Church, VA 22042, or by contacting Manal Fouz, Chief Compliance Officer, at 888.862.9923.

ii. MATERIAL INTEREST IN SECURITIES

When acting as a portfolio manager to the Ethical Wrap Program, Azzad may recommend inclusion of the Azzad Funds: Azzad Ethical Fund (ADJEX) and Azzad Wise Capital Fund (WISEX). This causes a conflict of interest because Azzad acts as the Investment Advisor to the mutual funds and receives a separate fee for this service. As a result of this conflict, Azzad has created several policies and procedures to mitigate the conflict of interest.

It is Azzad's policy that our Investment Advisors should only make the recommendation to use Azzad Funds when it is consistent with the client's investment objectives. In addition to their fiduciary duty to you, Azzad has adopted a Code of Ethics that binds its Investment Advisor Representatives. Furthermore,



Azzad waives the wrap program fee on assets invested in the Azzad Funds, but does receive a management fee on these assets. Finally, you have full discretion to request the removal of Azzad Funds from your account.

iii. INVESTING IN OR RECOMMENDING THE SAME OR RELATED SECURITIES

Subject to satisfying this policy and applicable laws, officers, directors and employees of Azzad and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for Azzad's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Azzad will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code of Ethics requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Azzad and its clients.

It is our policy that the firm will not affect any principal or agency cross securities transactions for client accounts. We also do not conduct cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

F. REVIEW OF ACCOUNTS

i. PERIODIC REVIEWS

Azzad's Investment Advisor Representatives regularly review your account's asset allocation plan, your investment objective(s), your investment guidelines, market conditions and changes (if any) in your financial status or objectives as communicated by you. At a minimum, Azzad's Investment Advisor Representatives communicate with you once a year or when you request. Azzad's investment team periodically reviews all portfolios in the Program and conducts ongoing supervision of the Program's



model portfolio managers. Azzad also monitors wrap fees assessed by the program's custodian through the firm's technology solution under the supervision of the firm's Chief Compliance Officer.

ii. OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation, investment objectives and guidelines, market conditions, reaching life milestones and so forth. Portfolios may also be reviewed as needed to update and confirm compliance with any guidance or restrictions communicated by you.

iii. REPORTS

Review of accounts will be done at least quarterly and upon your request. Reviews will be conducted by the Adviser. Additionally, Azzad's compliance officer will review a sampling of accounts periodically to compare trading in the account with a client's objectives and any restrictions.

You and your adviser can access monthly account statements, trade confirmations and performance reports from the custodian's website. The custodian will send e-mail notifications to you and your Adviser when statements and confirmations are posted to your account. If you wish to receive paper statements, you can request these documents from the custodian for an additional fee.

You may also access your performance information by using a portal maintained by an unaffiliated company called Orion Advisor Services, LLC ("Orion"). Azzad has contracted with Orion to utilize its technology platforms to support various administrative services including performance reporting for its wrap client accounts. Due to this arrangement, Orion will have access to client accounts, but Orion will not serve as an investment advisor to Azzad clients.

We urge you to carefully review your custodial statements with your performance reports. The information in your performance reports and/or client portal may vary from your custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities. In the event of any discrepancies, you should rely on the statement you receive from the custodian of your assets.

G. CLIENT REFERRAL AND OTHER COMPENSATION

i. OTHER COMPENSATION

Azzad and its Investment Advisor Representatives do not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

ii. CLIENT REFERRALS

Azzad employees market services on a direct basis. Azzad does not direct brokerage transactions to any third party in return for client referrals. In addition, there may be occasions when Azzad may enter into



solicitation arrangements with unaffiliated individuals or entities that may be compensated for client referrals. A solicitor who introduces a client to Azzad may be paid a solicitation fee in accordance with the requirements of Rule 206(4)-3 promulgated under the Investment Advisers Act of 1940 and the rules set forth by the respective state jurisdictions.

Prior to such an arrangement, Azzad and the solicitor will have executed a “solicitation” or “referral” agreement. Clients referred through such arrangements receive from the solicitor a copy of this brochure and a copy of the disclosure document before the client opens his/her account with us that will explain, among other things, the nature of our affiliation with the solicitor (if any) and a description of the compensation the solicitor will receive from us. While the specific terms of each agreement may differ, the referral source typically receives a percentage of the advisory fees from such accounts.

H. FINANCIAL INFORMATION

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you and we have never been the subject of a bankruptcy proceeding.