

# Musaffa LLC

## Wrap Fee Program Brochure

### ADV Part 2A Appendix 1

*This wrap fee program brochure provides information about the qualifications and business practices of Musaffa LLC. If you have any questions about the contents of this brochure, please contact us at +1 929-415-9392 or by email at: [info@musaffa.com](mailto:info@musaffa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Musaffa LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Musaffa LLC's CRD number is: 338525.*

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

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## Item 2: Material Changes

Musaffa LLC has the following material changes to report. Material changes relate to Musaffa LLC's policies, practices or conflicts of interests.

- We revised Wrap Fee Program fee structure.
- We revised Description of our Advisory Business
- We updated our methods of analysis and investment strategies.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Musaffa LLC (hereinafter “MUSAFFA”) provides portfolio management to clients under this wrap fee program as sponsor and portfolio manager.

#### 1. Program and Managed Portfolios Service Description

Musaffa provides investment advisory services primarily to individuals and other eligible clients through an internet-only digital platform (the “Musaffa Platform”), accessible via mobile application and web interface. MUSAFFA does not provide investment advisory services through in-person meetings, telephone consultations, live chat, or other offline methods.

Musaffa offers the following portfolio management services under the wrap fee program.

- **Discretionary Portfolio Management (“Managed Portfolios”):** Under discretionary accounts, clients grant Musaffa full investment discretion to (i) select securities; (ii) allocate assets among model portfolios; and (iii) execute trades without prior client approval.

Clients are assigned to portfolio strategies based on their investment objectives, financial circumstances, and risk profile. MUSAFFA currently maintains multiple portfolio strategies as further described below. Portfolios generally consist of Shariah-compliant equities, Sukuk ETFs, gold ETFs, and cash or cash equivalents.

Under discretionary Managed Portfolios, Musaffa has the authority to implement the selected portfolio strategy and rebalance holdings of the selected portfolios without obtaining prior approval for each transaction. Clients may elect to follow Musaffa's recommended allocation based on their suitability assessment or to select an alternative allocation from the available risk profiles. If a client chooses to override Musaffa's recommended allocation pursuant to their risk profiles, such decision is made independently and may result in an allocation that does not align with the client's investment objectives, risk tolerance, or financial circumstances. If a client believes that their circumstances or preferences have changed, they are encouraged to retake the suitability questionnaire before selecting a different allocation. If a client proceeds without retaking the questionnaire, **they acknowledge that** the selected allocation may not align with their investment objectives, risk tolerance, financial condition, or other individual circumstances. Clients should carefully review all available portfolio information before selecting a different allocation.

Whether a client elects to follow Musaffa's recommended allocation or selects an alternative allocation from among the available risk profiles, such election constitutes the client's initial portfolio construction and tailoring decision. Following such selection,

Musaffa retains full and exclusive discretionary authority over the client's account to perform all portfolio management activities customarily undertaken by registered automated investment advisory services, including, without limitation, security selection, asset allocation and reallocation, portfolio construction, portfolio rebalancing, trade execution, portfolio monitoring, cash management, dividend reinvestment, position sizing, portfolio optimization, and any other actions necessary or appropriate to manage and maintain the account in accordance with the client's assigned risk profile, all without requiring prior client approval for any individual transaction or portfolio management decision.

## 2. Fees.

Musaffa's asset-based wrap fees are calculated based upon the client's total assets under management ("Total AUM"), defined as the aggregate market value of all assets held in the client's Managed Portfolio account(s) as of the close of each calendar day. Wrap fees accrue daily and are charged monthly in arrears, typically as of the first business day following the end of each calendar month. Portfolio management fees vary depending upon the size of a client's portfolio pursuant to the following annual fee schedule. Fees are calculated using the daily closing value of the client's account; for flat-fee tiers, the daily rate equals the applicable monthly flat fee divided by the number of calendar days in the applicable month; for percentage-based tiers, the daily rate equals the applicable annual percentage rate divided by 365 (or 366 in a leap year). If a client's Total AUM crosses a tier boundary during a billing period, each day's fee will be calculated based on the tier applicable to the client's Total AUM as of the close of that day. As a result, the total monthly fee may vary based on the client's daily account balance throughout the month. The applicable fee schedule is as follows:

Total Assets Under Management	Wrap Fee
\$500 - \$4,999	\$5 per month
\$5,000 - \$14,999	\$10 per month
\$15,000 - \$99,999	0.75% annually
\$100,000 - \$499,999	0.65% annually
\$500,000 - \$999,999	0.55% annually
\$1,000,000 and above	0.45% annually

**Tier Transitions.** Fees accrue on a daily basis using the client's Total AUM as of the close of each calendar day. If the client's Total AUM crosses a tier boundary on any day during a billing period, the fee for that day will be calculated at the rate applicable to the tier into which the client's Total AUM falls on that day. For example, if a client's Total AUM is \$14,500 on a given day, the applicable fee for that day is the daily equivalent of the \$10 per month flat fee. If the same client's Total AUM rises to \$15,000 the following day, the applicable fee for that day is the daily equivalent of 0.75% annually applied to the \$15,000

balance. Accordingly, the total monthly fee may be higher or lower depending on the client's daily closing account balance throughout the billing period.

**Fee Collection.** Pursuant to authorization granted by the client in the Investment Advisory Agreement at the time of account opening, Musaffa will debit accrued fees directly from the client's account at the end of each monthly billing period. If there is insufficient cash in the client's account to satisfy the accrued fee obligation, Musaffa may instruct the custodian to liquidate a portion of the client's holdings in an amount sufficient to generate the cash necessary to cover the outstanding fee. Clients should be aware that such liquidation may have tax consequences.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement.

Clients may terminate the agreement without penalty, for full refund of MUSAFFA's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 10 days written notice.

## **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

## **C. Additional Fees**

MUSAFFA will wrap third party fees (i.e., custodian fees, brokerage fees, , transaction fees, etc.) for wrap fee portfolio management accounts. MUSAFFA will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that MUSAFFA has an incentive to limit trading activities for those accounts since MUSAFFA absorbs those transaction costs.

MUSAFFA's Wrap Fee is inclusive of all management fees, custodian fees, and transaction fees, **except for** any wiring, IRA, withdrawal or other miscellaneous Fees that are charged by the custodian, as more fully explained in the separate agreement between MUSAFFA and the custodian, a copy of which will be made available upon client's written request. Expenses charged by third-party ETF sponsors or mutual fund companies (except as otherwise expressly stated herein) are not included in the Wrap Fee. The broker-dealers, mutual fund companies, and other custodians who provide services for your account charge these fees ("third party fees"), and clients are responsible for payment of all third-party fees and expenses. For these clients, it is important to note that the advisory fees paid to MUSAFFA are separate and distinct from the maintenance fees and transaction

expenses charged by these third parties.

#### **D. Compensation of Client Participation**

Neither MUSAFFA, nor any representatives of MUSAFFA receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, MUSAFFA may have a financial incentive to recommend the wrap fee program to clients.

### **Item 5: Types of Clients**

MUSAFFA generally offers advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is an account minimum of \$500, which may be waived by MUSAFFA in its discretion.

### **Item 6: Portfolio Manager Selection and Evaluation**

#### **A. Selecting/Reviewing Portfolio Managers**

MUSAFFA will not select outside portfolio managers for management of this wrap fee program. MUSAFFA will be the sole portfolio manager for this wrap fee program.

MUSAFFA will use industry standards to calculate portfolio manager performance.

MUSAFFA reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is monthly and is reviewed by MUSAFFA.

#### **B. Related Persons**

MUSAFFA and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses MUSAFFA's management of the wrap fee program. However, MUSAFFA addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

## C. Advisory Business

MUSAFFA provides “robo-advisory” portfolio management services through an online platform. This entails the use of algorithm-based portfolio management advice, rather than in-person investment advice. These automated investment solutions are customized to each client and based on individual characteristics, such as the client’s age, risk tolerance, income, and current assets, among others. MUSAFFA’s investment advisory personnel oversee the algorithm but may not monitor each client’s account.

Prior to providing any investment service, the Firm conducts a suitability assessment through a standardized onboarding questionnaire (the "Client Profile"). Responses are evaluated using a structured scoring framework to determine the client's risk profile. This risk profile serves as the basis for portfolio assignment under the Firm's Managed Portfolio service.

Clients are encouraged to update their account/questionnaire with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio’s composition.

MUSAFFA will require discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

Risk tolerance levels and investment objectives are determined through our online questionnaire and documented in the client's account profile (in the form of Investment Policy Statement). Clients can review and update this information through their profile at any time.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. MUSAFFA will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, charges imposed directly by a mutual fund or exchange traded fund, 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, and other miscellaneous fees charged by custodian.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that MUSAFFA has an incentive to limit trading activities for those accounts since MUSAFFA absorbs those transaction costs. To address this conflict, MUSAFFA will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

## **Risk Profiling**

Each client is assigned a risk profile based on the MUSAFFA's onboarding assessment, which evaluates the client's investment objectives, time horizon, financial circumstances, and tolerance for loss. Clients are assigned to one of five risk profiles:

*Conservative* – Clients in this category prioritize capital preservation above all else. They prefer minimal exposure to market volatility and are uncomfortable with any significant losses. Investment decisions focus on maintaining value with modest, stable returns, typically suited to short time horizons or very low risk tolerance.

*Moderately Conservative* – Clients in this category prioritize capital preservation but are willing to accept limited market exposure for slightly higher returns. They can tolerate small, short-term fluctuations but remain sensitive to larger drawdowns. Suited to low-to-medium time horizons with a preference for stability.

*Balanced* – Clients in this category seek a balance between long-term growth and capital preservation. They are willing to accept moderate market volatility and temporary losses in exchange for returns that exceed inflation over time, but remain cautious about large or prolonged drawdowns. Investment horizons are generally medium to long term.

*Moderately Aggressive* – Clients in this category lean toward growth and are comfortable with meaningful short-term volatility. They accept the possibility of notable drawdowns in pursuit of stronger long-term returns, and typically have a medium-to-long time horizon with sufficient capacity to recover from market downturns.

*Aggressive* – Clients in this category are willing to accept significant short-term volatility in pursuit of higher long-term returns. They are comfortable with market fluctuations and temporary losses, including sharper drawdowns, and typically have a long investment horizon that allows time for recovery. Capital growth is prioritized over short-term stability.

## ***Services Limited to Specific Types of Investments***

MUSAFFA generally limits its investment advice to mutual funds, equities, ETFs, ETFs in the gold and precious metal sectors, REITs, and non-U.S. securities. MUSAFFA may use other securities as well to help diversify a portfolio when applicable.

## ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We also have a fiduciary duty under the Investment Advisers Act of 1940 with respect to all client accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);

- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### ***Client Tailored Services and Client Imposed Restrictions***

MUSAFFA’s robo-advisory platform invests exclusively in Shariah-compliant assets in accordance with Islamic principles. As the basis of our methodology, we adopt the AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions) Stock Screening Standards, which provide widely recognized qualitative and quantitative criteria for Shariah compliance. While this approach ensures strict Shariah compliance, it also limits the range of available investments and may reduce diversification compared to conventional portfolios. In addition, securities that were once compliant may later fail to meet AAOIFI standards. In such cases, we review and remove them from portfolios to maintain compliance, ensuring that client holdings remain aligned with Shariah principles.

### ***Wrap Fee Programs***

As discussed herein, MUSAFFA sponsors and acts as portfolio manager for this wrap fee program. The fees paid to the wrap account program will be given to MUSAFFA as a management fee.

### ***Amounts Under Management***

MUSAFFA has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-Discretionary Amounts:</b>	<b>Date Calculated:</b>
\$2,000	\$0	March 2026

### ***Performance-Based Fees and Side-By-Side Management***

MUSAFFA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

## *Methods of Analysis and Investment Strategies*

### Overview

MUSAFFA provides a systematic, rules-based, Shariah-compliant discretionary portfolio management service through its robo-advisory platform. Client portfolios are constructed using algorithm-based methodologies informed by client-specific inputs, including investment objectives, time horizon, financial circumstances, and risk tolerance, as collected through the onboarding questionnaire (Client Profile).

MUSAFFA constructs portfolios using benchmark-informed portfolio construction combined with Shariah compliance screening. The investment universe for each client is organized across four primary asset classes - Equity, Sukuk ETFs, Gold ETFs, and Cash or cash equivalents - each of which is subject to a distinct analytical and security selection methodology as described in the sections below. The strategic allocation between these asset classes is governed by the client's assigned risk profile and is addressed in the Investment Strategies section of this Brochure.

#### **1. Method of Analysis**

MUSAFFA employs a combination of quantitative, systematic, and benchmark-referenced analysis:

Within each asset class, MUSAFFA applies a separate investment selection methodology. For Equity allocations, securities are selected from broad universes of publicly traded companies in the United States and global markets using systematic quantitative screening processes. These processes evaluate companies based on factors such as market capitalization, valuation characteristics, earnings growth expectations, historical business performance, thematic relevance to long-term innovation trends, trading liquidity, and other portfolio construction criteria. Certain strategies may additionally incorporate natural language processing and thematic classification techniques to identify companies with meaningful exposure to structural economic and technological trends.

All selected securities are subject to the Firm's proprietary Shariah compliance screening process prior to inclusion in client portfolios. Eligible securities are then weighted using systematic methodologies that may consider factors such as market capitalization, factor scores, thematic exposure, and diversification objectives. Portfolios are reviewed periodically to maintain alignment with the Firm's investment methodology and portfolio objectives.

#### **Shariah Screening and Proprietary Methodologies**

All advisory services are limited to securities that meet Shariah-compliance standards derived from guidelines published by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") and the Firm's internal interpretation of such standards ("Shariah-Compliance Standards").

Shariah screening may involve qualitative and quantitative filters, including business activity exclusions and financial ratio thresholds.

The Firm is developing an additional evaluation framework referred to as “Musaffa Islamic Socially Responsible Investing (MISRI),” currently in beta form. MISRI is intended to assess companies based on ethical, social, governance, and environmental considerations into the investment evaluation process in a manner conceptually similar to Socially Responsible Investing (“SRI”) and Environmental, Social, and Governance (“ESG”) approaches. However, MISRI is rooted in Islamic ethical principles and integrates Shariah-based values such as justice, accountability, stewardship, human dignity, and avoidance of harm into its assessment methodology. The framework is designed to provide investors with additional insight into how a company’s operations, governance practices, and societal impact align with these principles, beyond financial metrics and traditional Shariah screening. As a beta framework, MISRI is subject to ongoing refinement and may change without notice.

Screening determinations reflect the Firm’s methodology at a specific point in time and may change. Musaffa does not claim access to material non-public information. Analyses and screening outputs are derived from publicly available financial data, third-party providers, and internal proprietary calculations.

There are potential limitations associated with allocating a portion of an investment portfolio in Shariah-compliant securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, gambling, etc.). The number of these securities are generally more limited compared to those that do not maintain such a mandate. Shariah-compliant securities could underperform broad market indices. Investors must accept these limitations, including the potential for underperformance. Correspondingly, the number of Shariah-compliant mutual funds and ETFs are few when compared to those that do not maintain such a mandate. As with any type of investment, including any investment and/or investment strategies recommended and/or undertaken by Musaffa, there can be no assurance that investments assessed under Shariah-compliance standards and/or MISRI will be profitable or prove successful. Shariah compliance determinations are subject to periodic review, and securities that subsequently fail applicable standards will be removed from client portfolios.

### **Portfolio Weight Construction**

Following the application of Shariah compliance screening, the Firm constructs portfolio weights using the following systematic process applied consistently across all four equity portfolios:

First, the weights of all remaining Shariah-compliant securities are aggregated, and each security's weight is proportionally normalized so that the portfolio's total weight equals 100%. Second, a minimum position threshold is applied to each security, ensuring that no eligible holding falls below a minimum operationally viable allocation. Securities falling below this

threshold are adjusted upward to the applicable minimum floor. Third, maximum concentration limits are applied to prevent undue exposure to any single security. Where a security's normalized weight exceeds the applicable concentration limit, its weight is reduced accordingly. Fourth, following the application of all constraints, portfolio weights are proportionally normalized a final time to ensure that the portfolio sums to exactly 100%, with all constraints maintained.

MUSAFFA may apply limited implementation adjustments to certain portfolio weights in order to address operational considerations, concentration management, liquidity characteristics, diversification objectives, and fractional-share implementation requirements. Such adjustments are designed to preserve the overall benchmark-informed exposure characteristics of the portfolio.

The weight construction methodology described above applies specifically to the equity component of client portfolios. The allocation between the equity component and non-equity asset classes - Sukuk ETFs, gold ETFs, and cash or cash equivalents - is governed by the strategic asset allocation framework applicable to each client's assigned risk profile, as further described in the Investment Strategies section below.

### **Analytical Framework – Supplemental Disclosure**

In addition to the systematic, rules-based approach described above, MUSAFFA's portfolio monitoring and oversight process incorporates the following complementary analytical considerations:

- **Quantitative Screening:** MUSAFFA applies measurable financial and market-based factors – including financial ratios, market capitalization, trading volume thresholds, and revenue exposure metrics – to filter and rank eligible securities within each portfolio universe prior to Shariah screening.
- **Benchmark-Relative Construction:** Each equity portfolio is constructed with reference to a benchmark index that reflects the relevant investment universe. Portfolio weights are derived from, and monitored relative to, these benchmark references.
- **Ongoing Monitoring:** Portfolio exposures are monitored on a periodic basis. MUSAFFA reviews benchmark drift, Shariah compliance status of existing holdings, liquidity conditions, and concentration parameters to determine whether implementation adjustments to individual holdings are warranted. For rebalancing triggers and mechanics applicable to the overall portfolio, see the Rebalancing section under Investment Strategies below.

## **2. Investment Strategies**

The investment strategies employed by MUSAFFA describe how client assets are allocated and managed over time, following the application of the analytical and security selection methodologies described in the Methods of Analysis section above. Whereas Methods of Analysis addresses how MUSAFFA evaluates, screens, and weights individual securities for inclusion in

client portfolios, Investment Strategies addresses how those portfolios are structured across asset classes, how they are assigned to each client, and how they are maintained, rebalanced, and monitored throughout the advisory relationship. Each client's portfolio is managed in accordance with their assigned risk profile, which determines the governing strategic asset allocation and all portfolio management decisions within that profile, as set forth below.

### **Strategic Asset Allocation**

Each client's assigned risk profile determines their strategic asset allocation across equity, Sukuk, gold, and cash. MUSAFFA maintains five risk profiles - Conservative, Moderately Conservative, Balanced, Moderately Aggressive, and Aggressive - each with a fixed asset class allocation established by MUSAFFA as part of its investment methodology. These fixed allocations represent the governing portfolio structure for each risk profile and are not subject to client modification. The proportional split between equity, Sukuk ETFs, gold ETFs, and cash or cash equivalents within each risk profile is determined solely by MUSAFFA and does not vary based on individual client preference.

### **Client Risk Profile Selection**

Clients may elect to follow MUSAFFA's recommended risk profile based on their suitability assessment or to select an alternative risk profile from among the five available profiles identified above. This election constitutes the client's portfolio-level decision. Clients may update their risk profile selection at any time through the Musaffa Platform. Clients are strongly encouraged to retake the suitability questionnaire before selecting a different risk profile to ensure that any change reflects their current investment objectives, risk tolerance, financial condition, and other individual circumstances. If a client selects a risk profile other than MUSAFFA's recommendation, such decision is made independently and may result in a portfolio that does not align with the client's investment objectives, risk tolerance, or financial circumstances. For the avoidance of doubt, the client's ability to select a risk profile does not extend to modifying the fixed asset class allocations applicable to that profile; once a risk profile is selected, MUSAFFA's discretionary authority over all portfolio management decisions within that profile is exclusive.

### **Discretionary Management Authority**

MUSAFFA exercises full discretionary authority over client portfolios within the Managed Portfolio service. This includes all decisions related to security selection, portfolio construction, weight assignment, and rebalancing. MUSAFFA acts in accordance with each client's assigned risk profile at all times. Clients may not override individual security selections, portfolio weights, or asset class allocations within their assigned risk profile. All such decisions rest exclusively with MUSAFFA and are implemented in accordance with the fixed strategic asset allocation corresponding to the client's selected risk profile.

### **Client Obligations**

In performing its services, MUSAFFA relies on the information provided by clients during the onboarding process and any subsequent updates. Clients are responsible for ensuring that all information provided to MUSAFFA is accurate, complete, and current, as portfolio recommendations and risk profile assignments are based in part on such information. MUSAFFA shall not be required to verify any information received from the client and is expressly

authorized to rely thereon. Each client is responsible for promptly notifying MUSAFFA of any change in their financial situation, investment objectives, or personal circumstances. Recommendations and portfolio allocations may not be appropriate if the client has provided incomplete or inaccurate information during onboarding or at any subsequent time. Investing in MUSAFFA's portfolios involves risk, and the following risk considerations are relevant to the securities and strategies utilized by MUSAFFA.

### **Rebalancing**

Client portfolios are subject to periodic rebalancing to maintain alignment with each client's assigned risk profile and target asset allocation. Rebalancing may be triggered by: (i) material drift in portfolio weights relative to target allocations due to market movements; (ii) changes in the composition of underlying equity portfolios resulting from quarterly or periodic universe reviews; (iii) changes in a client's risk profile following a formal reassessment; or (iv) client deposits or withdrawals in excess of applicable thresholds. Rebalancing transactions may result in transaction costs. MUSAFFA does not guarantee that rebalancing will fully restore target allocations or improve portfolio performance following periods of market volatility.

### **Long-Term Investment Orientation**

MUSAFFA's Managed Portfolio service is designed for long-term investing. MUSAFFA does not seek to time the market and does not make tactical short-term allocation changes in response to short-term market movements. Clients should be prepared to remain invested through periods of market volatility consistent with their assigned risk profile and investment horizon. The withdrawal of assets during periods of market decline may impair the achievement of long-term investment objectives and may result in adverse tax consequences.

### ***Material Risks Involved***

Investing in MUSAFFA's portfolios involves risk. The following risks are relevant to the securities and strategies utilized by MUSAFFA.

**Equity Market Risk** The value of equity securities may decline due to general market conditions, economic developments, interest rate changes, geopolitical events, or issuer-specific factors. Clients may receive less than the amount originally invested.

**Concentration Risk** Because certain industries and issuers are excluded through Shariah screening, portfolios may hold higher concentrations in particular sectors than conventional benchmarks. Adverse developments in those sectors may have a greater impact on portfolio performance than they would for a broadly diversified portfolio.

**Inflation Risk**, also known as **Purchasing Power Risk**, arises from the decline in value of securities cash flow due to inflation, which is measured in terms of purchasing power. Inflation Protection Bonds such as TIPS are the only protection offered against this risk. Floaters, the resetting of the interest rates, can help reduce inflation risk. All other bonds have fixed interest rates for the life of the bond, which exposes the investor to this risk.

**Economic Risk** is the chance that macroeconomic conditions like exchange rates, government regulation, or political stability will affect an investment, usually one in a foreign country.

**Market Risk**, also called systematic risk, is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets in which they are involved. This type of risk can be hedged against, but cannot be eliminated through diversification. Sources of market risk include recessions, political turmoil, changes in interest rates, natural disasters and terrorist attacks.

**Political Risk**, also known as geopolitical risk, is risk an investment's returns could suffer as a result of political changes or instability in a country. This becomes more of a factor as the time horizon of an investment gets longer. Instability affecting investment returns could stem from a change in government, legislative bodies, other foreign policy makers or military control.

**Regulatory Risk** is the risk that a change in laws and/or regulations will materially impact a security, business, sector or market. These changes can increase the costs of operating a business, reduce the attractiveness of an investment, or change the competitive landscape, and are made by either the government or a regulatory body.

**Liquidity Risk** stems from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. It is typically reflected in unusually wide bid-ask spreads or large price movements. Typically, the smaller the size of the security or its issuer, the larger the liquidity risk.

**Credit Risk** traditionally refers to the risk that a lender may not receive the owed principal and interest, which results in an interruption of cash flows and increased costs for collection. Credit risk is the probable risk of loss resulting from a borrower's failure to repay a loan or meet contractual obligations. While impossible to know exactly who will default on obligations, with proper assessment and credit risk management, the severity of loss can be lessened. A lender's or investor's reward for assuming credit risk include the interest payments from the borrower or issuer of a debt obligation.

**Business Risk.** These risks are associated with a particular industry or a particular company within an industry. As an illustration, companies in the oil-drilling sector face substantial uncertainty due to the complex and time-consuming process of oil discovery and refinement before revenue generation. This presents a notably higher profitability risk compared to utility companies, such as electricity providers, which benefit from consistent revenue streams due to steady customer demand that remains relatively stable regardless of economic conditions.

**Financial Risk.** Taking on excessive debt to fund business operations reduces potential profitability, as the company is required to fulfill its debt obligations regardless of market conditions. In times of financial difficulty, failing to meet these debt obligations could lead to bankruptcy and/or deterioration in market value.

**Investment Advisory Risks.** Clients should be aware that there is no guarantee that MUSAFFA's investment recommendations and decisions regarding securities or asset classes

will achieve their intended results or meet expected performance targets. MUSAFFA's analytical models and investment judgment could prove inaccurate, potentially preventing clients from meeting their investment goals. Furthermore, MUSAFFA reserves the right to modify its investment algorithms and service offerings over time. Technical disruptions, including but not limited to equipment malfunctions, internet connectivity issues, or cyber threats, may affect either clients' or MUSAFFA's ability to access MUSAFFA's digital investment platforms. MUSAFFA and its representatives are not responsible to any client for losses unless caused by MUSAFFA breaching a duty or breaching a contract.

### **Methods of Analysis Risks**

**Systematic Analysis Risk.** Systematic analysis relies on quantitative models, predefined rules, and historical data. Such models may be based on assumptions that prove to be incorrect or incomplete. Market conditions, economic events, or structural changes may cause model-based strategies to perform differently than expected. In addition, reliance on data accuracy, technology, and automated processes may expose the strategy to operational or systems-related risks.

**Portfolio Construction and Methodology Risk.** MUSAFFA's portfolio construction process relies on systematic weighting calculations, including proportional normalization, minimum position thresholds, and concentration limits. While these calculations are applied consistently and systematically, errors in underlying data, index composition changes, or unanticipated interactions between applied constraints may cause realized portfolio weights to deviate from intended targets. MUSAFFA does not guarantee that the construction methodology will produce optimal results under all market conditions.

MUSAFFA shall not be required to verify any information received from the client and is expressly authorized to rely thereon. Each client is responsible for promptly notifying MUSAFFA of any change in their financial situation, investment objectives, or personal circumstances for the purpose of reviewing, evaluating, or revising MUSAFFA's recommendations and services. Recommendations and portfolio allocations may not be appropriate if the client has provided incomplete or inaccurate information during onboarding or at any subsequent time.

### **Investment Strategies Risks**

**Robo-advisory services** use algorithms as the basis of the management process. Risks of this approach include, but are not limited to, that the algorithm might rebalance client accounts without regard to market conditions, that the accounts may be automatically rebalanced on a more frequent basis or a less frequent basis than the client might expect, and that the algorithm may not address prolonged changes in market conditions. Additionally, clients should be aware that responses to the adviser's suitability questionnaire are typically the sole basis for the portfolio's allocation.

**Long term investing** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include

but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Shariah-Compliant Investing Risk.** Islamic principles restrict MUSAFFA's ability to invest in certain market sectors, such as financial companies and conventional fixed-income securities, and reduce the size of the overall universe in which clients can invest. This limitation may reduce potential investment opportunities and negatively impact a Client's performance when compared with a more broadly diversified portfolio. Since Islamic principles prohibit the use of interest-paying instruments, Client cash holdings do not generate income. In addition, some investments that are currently Shariah-complaint may later fail to satisfy the qualitative and quantitative Shariah-compliance standards set by the related Shariah advisors who review those investments periodically. As a result, such holdings may need to be removed from client portfolios.

*Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Risks of Specific Securities Utilized***

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. With regard to trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially "time the market" is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. With regard to liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities in particular are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use complex

investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF’s shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

**Sukuk ETFs.** Sukuk ETFs are Islamic financial instruments structured to be compliant with Shariah principles, providing returns without the payment of interest. Investments in Sukuk exchange-traded funds are subject to profit rate risk (analogous to interest rate risk for conventional bonds), credit risk of the underlying issuers, liquidity risk, and risks related to the legal enforceability of Sukuk structures in various jurisdictions. The market value of Sukuk instruments may fluctuate and is not guaranteed.

**Gold ETFs.** Gold exchange-traded funds hold physical gold or gold-related instruments and are subject to commodity price volatility, currency fluctuation, and risks related to the custody and storage of physical gold. Gold ETF does not generate income. Gold ETFs may be negatively impacted by large sales by central banks or sovereign wealth funds, a significant increase in hedging activities by producers, or changes in investor sentiment. The return of a gold ETF may differ from the spot price of gold due to fees, expenses, and tracking error.

**Non-U.S. securities** present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

The foregoing list of risks does not purport to be a complete enumeration or explanation of the risks involved in investing in Investments. As MUSAFFA’s 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.

*Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.*

### ***Voting Client Securities (Proxy Voting)***

MUSAFFA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

MUSAFFA's investment advisory personnel oversee the algorithm and the Shariah screening process. While automated systems handle portfolio management, clients are encouraged to update their account/questionnaire with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio's composition.

## **Item 8: Client Contact with Portfolio Managers**

MUSAFFA will restrict clients from contacting portfolio managers. MUSAFFA is registered with the SEC as an internet investment adviser. Per Rule 203A-2(e) Internet investment advisers are defined as advisers that provide investment advice to all of its clients exclusively through an interactive website.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

#### *Criminal or Civil Actions*

There are no criminal or civil actions to report.

#### *Administrative Proceedings*

There are no administrative proceedings to report.

#### *Self-Regulatory Organization (SRO) Proceedings*

There are no self-regulatory organization proceedings to report.

#### *Registration as a Broker/Dealer or Broker/Dealer Representative*

Neither MUSAFFA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

#### *Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor*

Neither MUSAFFA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Clients may be offered other services and products of MUSAFFA through MUSAFFA's website. Clients should be aware that these services may involve a conflict of interest. MUSAFFA always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the other services or products of MUSAFFA.

## ***Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections***

MUSAFFA does not select third-party investment advisers.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

MUSAFFA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. MUSAFFA's Code of Ethics is available free upon request to any client or prospective client.

### ***Recommendations Involving Material Financial Interests***

MUSAFFA does not recommend that clients buy or sell any security in which MUSAFFA or a related person has a material financial interest.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of MUSAFFA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of MUSAFFA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. MUSAFFA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of MUSAFFA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of MUSAFFA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, MUSAFFA will never engage in trading that operates to the client's disadvantage if representatives of MUSAFFA buy or sell securities at or around the same time as clients.

### ***Frequency and Nature of Periodic Reviews***

Robo-advisory portfolio management accounts are not reviewed by MUSAFFA, save for automated allocation revisions. Clients are encouraged to update their account with any change in their objectives, risk tolerance, or other pertinent information, as that information factors into the portfolio's composition.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Robo-advisory portfolio management accounts do not undergo non-periodic review by MUSAFFA, although allocations may change based on material market, economic, or political events and/or changes to the client's profile in accordance with MUSAFFA's automated portfolio management.

### ***Content and Frequency of Regular Reports Provided to Clients***

Robo-advisory portfolio management clients will receive a quarterly account statement from the custodian. MUSAFFA will also provide at least quarterly a separate written report to the client.

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients***

MUSAFFA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to MUSAFFA clients.

### ***Compensation to Non - Advisory Personnel for Client Referrals***

MUSAFFA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

MUSAFFA neither requires nor solicits prepayment of more than \$1,200.

***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

MUSAFFA does not have any financial condition that would impair its ability to meet contractual commitments to clients.

***Bankruptcy Petitions in Previous Ten Years***

MUSAFFA has not been the subject of a bankruptcy petition.