

Part 2 of Form ADV: Firm Brochure

Evolution Capital Strategies LLC

596 Lancaster Avenue Malvern, PA 19355

(484) 356-3114

July 31, 2011

This Brochure provides information about the qualifications and business practices of Evolution Capital Strategies LLC (“ECS”). If you have any questions about the contents of this Brochure, please contact us at (610) 701-4370. 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.

Evolution Capital Strategies LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Evolution Capital Strategies LLC also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number known as a CRD number. Our firm’s CRD number is 133311 and our SEC Number is 801-63668

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated July 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Gregory J. Flinn, Managing Director at (484) 356-3114 or gflinn@evolutioncapital.net.

Additional information about Evolution Capital Strategies LLC is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Evolution Capital Strategies LLC who are registered, or are required to be registered, as investment adviser representatives of Evolution Capital Strategies LLC.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	10
Item 10 – Other Financial Industry Activities and Affiliations	11
Item 11 – Code of Ethics.....	11
Item 12 – Brokerage Practices	12
Item 13 – Review of Accounts	15
Item 14 – Client Referrals and Other Compensation.....	15
Item 15 – Custody.....	16
Item 16 – Investment Discretion.....	16
Item 17 – Voting Client Securities.....	16
Item 18 – Financial Information.....	17
Brochure Supplement(s)	

Item 4 – Advisory Business

Firm Overview

Evolution Capital Strategies (“ECS”) is a Pennsylvania-based, majority employee-owned, registered investment advisor that was formed in late 2005 to focus on the high-net worth and institutional investment communities. The principal owners of the firm are Gregory J. Flinn, Managing Director, and David J. Ramage, Managing Director, who collectively own 76% of the firm.

Advisory Services

The **ECS Global Asset Strategy**, launched in March of 2008, has its origins in the successful global macro strategies historically employed by large institutions and endowments. The ECS Global Asset Strategy seeks long-term growth of capital, with reduced volatility, by investing in a broadly diversified range of asset classes, including some or all of the following:

- Equities, both domestic and foreign
- Bonds, both domestic and foreign
- Exchange Traded Securities (e.g. exchange traded funds and notes)
- Mutual funds
- Real estate based securities (e.g. REIT’s)
- Currencies
- Commodities
- Convertible securities (e.g. preferred stock)
- Options
- Warrants
- Rights
- SWAP’s

- Futures
- Forward contracts
- Money market instruments
- Cash

ECS predominantly utilizes exchange traded funds and mutual funds to gain exposure to various different asset classes from around the globe. ECS focuses on exchange traded funds due to their liquidity, efficiency and inexpensive nature, as compared to means of achieving our investment objectives.

Currently, ECS provides investment advice in form of separately managed accounts. Any separately managed account that ECS manages are referred to in this brochure as “Separate Accounts.” The services that ECS provides to our Separate Account clients includes an initial review of their investment holdings, ongoing monitoring of the Separate Accounts, quarterly review of account performance, and active management of securities for each Separate Account.

Greggory J. Flinn and David J. Ramage serve as co-portfolio managers for the ECS Global Asset Strategy. ECS utilizes quantitative and qualitative measures to actively manage client accounts and employs a systematic and disciplined process to implement the investment strategy. ECS makes no efforts to forecast future market trends.

ECS recognizes that all of our clients’ investment needs may not be met through the implementation of the ECS Global Asset Strategy; therefore, ECS will, on a limited basis, tailor our advisory services to meet the needs of the client. Clients are able to impose restrictions on investing in certain securities or types of securities and even designate a portion of their portfolio that would not be invested in the ECS Global Asset Strategy.

Currently, ECS does not participate in wrap fee program, nor does ECS anticipate participating in a wrap fee program in the immediate future.

As of July 31, 2011, ECS manages approximately \$25.3 million in discretionary client assets and affiliated assets.

Item 5 – Fees and Compensation

Fees

All fees charged by ECS are subject to negotiation and are not charged or payable until investment management services have been rendered.

The specific manner in which fees are charged by ECS is established in a client's written agreement with ECS. ECS will generally bill its fees on a quarterly basis, although Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize ECS to directly debit fees from client accounts. Management fees shall [or shall not] be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

ECS's fee schedule is generally based upon the amount of assets managed. The following table depicts the fee schedule as of the date of this report:

Client Assets	Fee (%)
\$100 million +	.75%
\$50 million to \$100 million	1.00%
\$50 million and below	1.50%

ECS's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to ECS's fee, and ECS shall not receive any portion of these commissions, fees, and costs.

Please see Item 12 (see below) which further describes the factors that ECS considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

No ECS personnel currently receives compensation for the sale of securities or other investment products, nor does an ECS personnel receive services fees from the sale of mutual funds.

Except as may be otherwise negotiated in particular cases, a Separate Account client may terminate its account at any time with written or electronic notice to ECS.

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

ECS 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) for any of the investment products managed by ECS.

Item 7 – Types of Clients

ECS offers portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, banking and thrift institutions, insurance companies, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

In general, ECS requires a minimum account size of \$250,000 to open an account and generally requires that the account maintain a size of at least \$100,000 to continue as a client.

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

Investment Philosophy and Process

ECS believes that investors seek capital appreciation, with broad diversification, while focusing on down-side risk. ECS believes that these objectives can be achieved by tactically investing in a broad range of low-correlated global assets classes.

ECS invests in and trades securities consisting principally, but not solely, of equity and equity-based securities (including exchange traded funds (ETF's)) that are publicly traded in the U.S. ECS may also invest in other securities including, but not limited to, bonds and other fixed income securities, convertible securities, commodities, options, warrants, rights, SWAP's, futures, currencies, forward contracts, money market instruments and cash. ECS currently does not engage in short selling or hedging.

ECS utilizes quantitative algorithms and qualitative fundamental investment processes to actively manage a diversified portfolio for our clients' accounts. This strategy is focused on longer term trends in various asset classes, with an emphasis placed on mitigating down-side risk and volatility.

The following are the key tenets of our investment objectives:

- **Excess Returns & Lower Risk** – ECS seeks to generate excess returns and lower active risk, by investing in broad base of uncorrelated assets on a global scale. Our proprietary process emphasizes investing in asset classes with superior returns per level of down-side risk.
- **Tactical Investments** – ECS then seeks to tactically deviate from a static asset allocation strategy (i.e. “set and forget”) to exploit market momentum and asset class price dislocation by utilizing fundamental and proprietary quantitative investing methodologies.
- **Capital Preservation** – ECS monitors the portfolio with strict sell discipline rules to limit capital erosion.

Through the use of proprietary, quantitative analysis and fundamental research, ECS has created an investment process that allows the portfolio management team to identify and capitalize on trends and changes in various global asset classes.

- **Global Asset Allocation** – ECS's proprietary quantitative model analyzes the historical returns segregating asset classes into high and low risk-reward categories to optimize global asset allocation

- **Fundamental & Market Overlay** – Additional proprietary quantitative model and fundamental research applied to tactically deviate from static asset allocation. Factors such as momentum and valuation are employed, along with fundamental research, to exploit market dislocations. Cash is utilized as an alternative to investing in unappealing asset classes.
- **Portfolio Monitoring** – Portfolio management team monitors the portfolio on a daily basis for dramatic market movements and shifts in asset class fundamentals. Position sizes and unrealized losses are monitored very closely to minimize downside risk.

Risks

Investing in securities involves risk of loss that clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that ECS manages. Such risk could materially and adversely affect investment performance, the value of securities held in an account and could potentially result in the loss of substantial amounts of money. A potential client should discuss with an ECS representative any questions that they may have regarding risks associated with ECS's investment strategy prior to opening a Separate Account.

ECS principally invests directly in Exchange Traded Funds (ETF's), which are investment funds traded on stock exchanges, much like stocks. An ETF holds assets, such as stocks, bonds, commodities, etc. and is therefore subject to similar risks as equities and additional risks associated with its underlying holdings. In general, ETFs will track the performance of a securities index representing an asset class, sector or other market segment. ECS predominantly uses ETF's in our investment process to gain exposure to the underlying index of various assets classes (e.g. U.S. stocks, foreign bonds, etc.) The ETFs will typically be managed by a third party not affiliated with ECS. Under normal market conditions, the ECS Global Asset Strategy will purchase shares of the ETFs in the secondary markets. When the ECS Global Asset Strategy invests in an ETF, in addition to directly bearing the expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses (including operating cost and management fees). Below are some, but not all, of the risks that impact a client's investment portfolio:

- **Market Risk** - Investments in securities, in general, are subject to market risks that may cause their prices to fluctuate over time. An investment in the ECS Global Asset Strategy may lose money.
- **Equity Risk** - The prices of equity securities in which the ECS Global Asset Strategy invests rise and fall daily. These price movements may result from factors affecting individual companies, industries, sectors, countries or the global securities market as a whole.
- **Temporary Defensive Positions** - To respond to adverse market, economic, political or other conditions, the ECS Global Asset Strategy may invest 100% of its total assets, without limitation, in high-quality debt securities and money market instruments. The ECS Global Asset Strategy may be invested in these instruments for extended periods, depending on the portfolio management team's assessment of market conditions. These debt securities and money market instruments include shares of commercial paper, certificates of deposit, bankers' acceptances, U.S. Government securities, repurchase agreements and bonds that are BBB or higher. While the ECS Global Asset Strategy is in a defensive position, the opportunity to achieve its investment objective will be limited. Furthermore, to the extent that the ECS Global Asset Strategy invests in money market mutual funds for its cash position, there will be some duplication of expenses because the ECS Global Asset Strategy would bear its pro-rata portion of such money market fund's advisory fees and operational fees.
- **Investment Risk** - An investment in various securities is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The ECS Global Asset Strategy may experience losses with respect to its investment in its portfolios. Further, there is no guarantee that ECS will be able to achieve its investment objectives.
- **Concentration Risk** - An underlying investment in an ETF or mutual fund may, at various times, concentrate in the securities of a particular industry, group of industries, or sector, and when the ECS Global Asset Strategy is already over-weighted in that industry, group of industries, or sector, thus making the clients'

accounts more sensitive to any single economic, business, political, or regulatory occurrence.

- **Fixed Income Risk** – ECS invests in ETF's and mutual funds which directly invest in bond and other debt instruments. An underlying investment may have an investment in fixed income securities that are subject to the risk that the securities may be paid off earlier or later than expected. Either situation could cause the underlying investment to hold securities paying lower-than-market rates of interest, which could hurt the ECS Global Asset Strategy's investment performance.
- **Interest Rate Risk** - ECS invests in ETF's and mutual funds which directly invest in bond and other debt instruments. An underlying investment may have investments in fixed income securities that are subject to the risk that interest rates rise and fall over time. As with any investment whose yield reflects current interest rates, an underlying investment's yield will change over time. During periods when interest rates are low, the underlying investment's yield (and total return) also may be low.
- **Commodities** – ECS invests in ETF's and mutual funds that invest directly in commodities and commodities futures (eg. Gold, agriculture, oil.) The commodities industries can be significantly affected by the level and volatility of commodity prices; world events including international monetary and political developments; import controls and worldwide competition; exploration and production spending; and tax and other government regulations and economic conditions.
- **Foreign Securities Risk** – ECS invests in ETF's and mutual funds which directly invest in foreign securities that are generally traded on foreign securities exchanges. An underlying investment, such as an ETF or mutual fund, may have investments in securities of foreign issuers which involve certain risks including, but not limited to, risks of adverse changes in foreign economic, political, regulatory and other conditions, or changes in currency exchange rates or exchange control regulations (including limitations on currency movements and exchanges). In certain countries, legal remedies available to investors may be more limited than those available with respect to investments in the United States. In addition, the securities of some

foreign companies may be less liquid and, at times, more volatile than securities of comparable U.S. companies.

- **Credit Risk** - Certain of the underlying investments held by ETF's and mutual funds held in ECS client accounts may be subject to the risk that a decline in the credit quality of a portfolio investment could cause the price of the underlying investment to fall. The underlying investment could lose money if the issuer or guarantor of a portfolio investment or the counterparty to a derivatives contract fails to make timely principal or interest payments or otherwise honor its obligations.
- **Foreign Currency Risk** – ECS invests in ETF's and mutual funds which directly invest in foreign securities that are generally traded on foreign securities exchanges. Currency movements may negatively impact the value of an underlying investment even when there is no change in the value of the security in the issuer's home country. Under normal circumstances, the underlying investment may not intend to hedge against the risk of currency exchange rate fluctuations, but some underlying investments may reserve the right to do so if there is extreme volatility in currency exchange rates.
- **Real Estate Risk** – ECS may invest in underlying investments, such as ETF's and mutual funds, which will be subject to the risks associated with the direct ownership of real estate. Risks commonly associated with the direct ownership of real estate include fluctuations in the value of underlying properties, defaults by borrowers or tenants, changes in interest rates and risks related to general or local economic conditions.
- **Leveraged ETF Risk** – From time to time, ECS may invest in leveraged ETFs. A leveraged ETF uses borrowed money (or derivatives) to amplify investment returns, with typical leverage ratios of 2:1 or 3:1. A leveraged ETF does not amplify the return of an underlying index, instead it follows the daily changes in the index. Theoretically, this means that each dollar of investor capital used is matched with an additional dollar of invested debt. If one day the underlying index returns 1%, the fund will theoretically return 2%. It is important to note that the 2% return is theoretical; as management fees and transaction costs diminish the full effects of

leverage. The leverage can also work in the opposite direction, for instance if the market loses 1%, the leverage ETF return would theoretically be a loss of 2%, plus pro-rata portion of management fees and transaction costs. Leverage can work for you or against you, depending on the performance of your investment relative to the cost of the debt used to acquire the asset. Leveraged ETFs can either be in the form of a long ETF (commonly called a “bull” ETF) or an inverse ETF (commonly called a “bear” ETF.)

- **Liquidity Risk** – Shares held by the underlying ETFs and mutual funds may be halted because of market conditions or for reasons that, in the view of the Exchange, make trading in shares inadvisable. In addition, trading in shares is subject to trading halts caused by extraordinary market volatility pursuant to “circuit breaker” rules.
- **Turnover** - Because ECS will look for inefficiencies in the market and sell when it feels a security is fully priced, portfolio turnover can be expected to be relatively high, which may result in increased transaction costs and may lower the performance ECS's client accounts.
- **Regulation** – Governments and self-regulatory organizations may increase scrutiny regarding exchange traded products (e.g. ETF's) and other potential client account holdings, which may have an adverse material impact on ECS's investment process.
- **Global Economic Conditions** – Changes in global economic conditions may adversely impact investment performance. Deteriorating economic conditions and government actions responding to such conditions could lead to potentially negative effects to global investors.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of ECS or the integrity of ECS's management. ECS has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Renee Elinsky is the Managing Member of Executive Capital Management LLC, which is the minority investor in Evolution Capital Strategies LLC. Renee Elinsky is also a Member of Keane Advisors LLC, which is a private equity firm, focused on private equity investments, real estate and financial advisory services.

ECS currently does not have any written or oral arrangements or obligations with any third party marketers, investment banks or consultants for client referrals.

Item 11 – Code of Ethics

ECS 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 ECS must acknowledge the terms of the Code of Ethics annually, or as amended.

The ECS Code of Ethics covers such areas as professional responsibilities, definitions of who is an “access person,” limitations on personal trading by access persons, outside business interests, personal gifts and communications with outside media entities.

Under ECS’s Code of Ethics, ECS and its supervised persons and employees may personally invest in securities of the same class as ECS purchases for client accounts and may own securities of issuers whose securities that ECS subsequently purchases for clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, except as described in Item 12 regarding aggregating securities transactions, ECS and its supervised persons, its employees and their family members must obtain the Compliance Officer’s (Greggory J. Flinn) preapproval before engaging in any personal securities transactions (whether or not through

proprietary accounts), other than long purchases and subsequent sales of any of the following securities: (a) securities issued by the government of the U.S. or any state, (b) money market instruments (e.g. bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high-quality short-term debt instruments) and (c) shares of money market funds. The pre-approval requirement also applies to securities acquired in IPOs and private placements.

It is ECS's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. ECS will also not 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 adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, 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 adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

ECS's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Compliance Officer, Gregory J. Flinn.

Item 12 – Brokerage Practices

ECS has complete discretion in selecting the broker that it uses for client transactions and the commission rates that clients pay such brokers. In selecting a broker, ECS will attempt to obtain "best execution" and in so doing may consider a number of factors, including the following:

- Execution capability, including efficiency
- Commission rates
- Value of research provided
- Responsiveness and financial responsibility

- Offerings of on-line access to client data accounts
- Computer trading and account management systems

ECS, on a quarterly basis conducts a broker execution analysis for trades executed during the most recent calendar quarter for commissions paid. ECS also conducts a trade reconciliation the following day after any trades are conducted on a client's behalf. In addition, ECS conducts, on an annual basis, a broker review that encompasses the criteria listed above.

ECS currently does not engage in any "soft dollar" relationships, however, ECS does anticipate engaging in soft dollar relationships brokers and third party providers as the firm grows. As such, adequate records will be maintained, including a master list of all soft dollar commitments, with allocation decisions being made in conjunction with the Managing Directors and the Chief Compliance Officer.

ECS requests that clients direct us to establish their Separate Accounts through M.S. Howells & Company, with Pershing acting as the custodian. ECS has evaluated M.S. Howells & Company and believes that it will provide our clients with a blend of execution services, commission costs and competence that will assist our firm to meet our fiduciary obligations to clients. ECS reserves the right to decline acceptance of any client account for which the client directs the use of a broker other than M.S. Howells & Company if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to adequately service the account.

M.S. Howells is compensated by account holders through commissions and other transaction-related fees for securities trades that are executed through Pershing. M.S. Howells has made available certain products and services (e.g. portfolio accounting and trading systems) that may benefit ECS, but which may not directly benefit our clients. These types of services do help ECS in managing and administering its Separate Accounts. These services include software and other technology that provide access to the Separate Account data (e.g. account statements), facilitate trade executions, pricing information, facilitate payment of ECS's fees from Separate Accounts, assists in record keeping and client reporting. Many of these services may be used to service all or a substantial number of ECS's accounts. During the last year, ECS did not acquire any products or services with client commissions or markups.

The following are some other additional broker and brokerage policies that ECS has implemented for managing client accounts:

- **Trade Aggregation (“Bunched” or “Block” Trades)** – ECS may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts that ECS manages. In such event, ECS may charge or credit a client the average transaction price of all securities purchased or sold in such transactions. As a result, however, the price may be less favorable to the client than it would be if ECS were not executing similar transactions concurrently for other accounts.
- **Broker Referrals** – If a client is referred to ECS by a registered representative and the client directs ECS to effect brokerage transaction through that registered representative and his brokerage firm, the client must be advised in writing that ECS may have a conflict of interest between its duty to the client to obtain the most favorable brokerage commission rates available under the circumstances and ECS’s desire to obtain future referrals from that registered representative or brokerage firm. During the last year, ECS did not direct client transactions to a particular broker in return for client referrals.
- **Directed Brokerage** - If a client directs ECS to use a particular registered representative or brokerage firm, such instructions must be in writing. The client may at any time change such instructions by giving written notice to ECS. It is the responsibility of the employee managing the account to advise the client in writing that as a result of such brokerage, client may pay a higher brokerage commission than might otherwise be paid if ECS had been granted discretion to select a broker to handle the client’s account. If a client directs ECS to use a particular registered representative or brokerage firm, the client will be advised that ECS may be unable to bunch, block or aggregate his/her trades with those of other clients. The inability to bunch trades may result in the client’s trades being executed at a price different from trades that are bunched and which may be less favorable.
- **Trade Error Policy** – From time to time, trade errors may occur due to either broker error or a mistake made by ECS personnel which could affect a client’s account in either a positive or negative way. Trade errors are identified through the affirmation and position reconciliation process performed by ECS’s Operations department. If the trade error was caused by the executing brokerage firm, they cancel the original trade and correct any mistakes, issuing a corrected confirmation. If the trade error was made by ECS, Operations corrects the error within the recordkeeping system of ECS. In the event of a trade error caused by ECS resulting in a loss to a client, the client is made whole through the generation of a check, paid on behalf of the client to the client’s custodian. If the error generates a gain in a client portfolio, the gain is retained by the client. The Chief Compliance Officer and

the trading desk maintain copies of all documentation supporting the resolution of trade errors.

Item 13 – Review of Accounts

ECS conducts a portfolio review and reviews client accounts on a daily, weekly, monthly, quarterly and annual basis. The basis for the reviews varies in scope, duration and detail depending upon the time frame of the review. Daily, weekly and monthly account reviews are informal in nature and simply entail reviewing price movement of the client's underlying holdings to review gains & losses and assess the overall impact on the portfolio. Quarterly reviews also include underlying holdings reviews, but also include asset class review, asset allocation review, flow of funds, earned income summary, comparison of client account to market benchmarks and tax implications of client portfolio. Annual reviews incorporate quarterly reviews and also include asset allocation analysis and recommendations.

ECS client account reviews are conducted by the team of Gregory J. Flinn and David J. Ramage, both are Managing Directors of ECS. Messrs. Flinn and Ramage currently share in reviewing each of the accounts, with clients on a quarterly and annual basis. Mr. Flinn is currently designated as the main client contact, with responsibility for day-to-day inquiries.

Item 14 – Client Referrals and Other Compensation

ECS may engage solicitors to whom it may pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and ECS will follow the requirements of Rule 206(4)-3 under the Investment Advisors Act of 1940, to the extent required by applicable federal and state laws.

At this time, ECS is not engaged with any third-party solicitors or clients for the referral of clients.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. ECS urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should contact an ECS representative if they have any questions regarding their account statements.

Item 16 – Investment Discretion

ECS usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. This discretion is explained in detail in the client's Advisory Agreement which is provided to each client in advance of assuming this authority.

When selecting securities and determining amounts, ECS observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, ECS's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

A client must promptly notify ECS in writing if the client considers any investments recommended or made for the account to violate such objectives or restrictions. A client may at any time direct ECS to sell any securities or take such other lawful actions as the client may specify to cause the account to comply with the client's investment objectives. In addition, a client may notify ECS at any time not to invest any funds in the client's account in specific securities or specific categories of securities.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, ECS generally does not have any authority to and does not vote proxies on behalf of advisory clients. In general, clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

ECS may provide advice to clients regarding the clients' voting of proxies. ECS has created a Proxy Voting Policy for those clients that ask ECS to vote their proxy statements for them. ECS will provide a copy of the Proxy Voting Policy and Procedures to those clients that would like ECS to vote their proxies. As of the date of this filing, ECS is not voting proxy statements for any clients.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ECS's financial condition. ECS has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

ECS does not require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered, therefore, we are not required to include a financial statement. ECS has not been the subject of a bankruptcy petition at any time during the past ten years.