

Emerson Investment Management, Inc. Part 2A of Form ADV The Brochure

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This brochure provides information about the qualifications and business practices of Emerson Investment Management, Inc. (“Emerson” or “Company”). If you have any questions about the contents of this brochure, please contact us at 617-695-1516. The information in this brochure is not approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Emerson is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

Emerson's most recent update to Part 2 of Form ADV was made in September 2012. Emerson's business activities have not changed materially since the time of that update.

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Advisory Business

Emerson offers overall wealth advice including the investment strategies listed below to clients on a fully discretionary basis. Additionally, Emerson may manage client portfolios in accordance with specialized or hybrid strategies not listed below. In either case, the investment strategy pursued by Emerson when managing a client account is dependent on extensive discussions with the client to ensure the compatibility of the investment strategy implemented by Emerson with the investment objective sought by the client. Clients may impose restrictions on investing in certain securities or types of securities

- Emerson Global Income Opportunity
- Emerson Select Equity
- Emerson Equity Dividend Appreciation - Value
- Emerson Multi Sector Fixed Income
- Emerson Investment Grade Fixed Income
- Emerson ETF Strategies
- Emerson North American Core

Emerson is also a portfolio manager for wrap fee programs sponsored by several unaffiliated broker-dealers. Emerson will receive a portion of the wrap fee for its portfolio management

services. Emerson's participation in wrap fee programs is described in more detail in the Brokerage Practices section below.

Emerson was founded in 1985 and is primarily owned by Bradford Gardner and other Emerson employees. As of 12/31/11, Emerson managed \$549 million on a discretionary basis on behalf of approximately 407 clients.

Fees and Compensation

The manner in which Emerson receives advisory fees is explained and agreed with the clients in advance before any services are rendered. The quarterly fee structure is as follows: an amount equal to 0.30% of the value of the securities in the client account for the first \$2 million, 0.25% of the value between \$2 million and \$4 million, 0.2% of the value between \$4 million and \$6 million, and 0.15% of the value of the account over \$6 million. Generally, Emerson's fees are paid quarterly, in advance, based on the value of the account(s) as of the beginning of the calendar quarter. Management fees are generally debited directly from the clients' accounts. The fee is prorated for any period less than a quarter. The minimum annual fee per advisory relationship is \$10,000, subject to the discretion of Emerson's management.

Advisory accounts that are brought to Emerson by consultants may be subject to the following quarterly fee schedule: 0.45% of the value of the account up to \$2 million, 0.40% of the value of the account between \$2 million and \$4 million, 0.35% of the account value between \$4 million and \$6 million and 0.30% of the account value in excess of \$6 million. A portion of the quarterly "consultant/client" fee directly compensates the consultant. Please see the Client Referrals and Other Compensation section below for more information.

In some cases, fees for charitable institutions, certain qualified retirement plans, and aggregated accounts of a family may be negotiated. In some circumstances, fees for fixed income accounts and advisor-referred accounts may be negotiated.

Emerson may use open-ended, closed-end and exchange traded funds in clients' accounts. These funds charge fees that are separate from and in addition to Emerson's management fee. Clients may also incur custodial fees, brokerage, and other transaction costs that are in addition to Emerson's management fee.

Emerson may select an investment manager as a sub advisor to manage a portion of a client's portfolio. The client pays a separate and distinct fee to the sub advisor. Additional information about the sub advisor is available in their Form ADV Part 2 and other disclosure documents. Neither Emerson nor any related persons receive any form of compensation from any sub advisor.

Either party upon five days written notice may terminate the investment management agreement. In the event of termination of the advisory contract by the client, fees are refundable to clients (if collected in advance) or payable by clients (if collected in arrears) on a pro-rata basis.

In addition to the investment management services described above, Emerson offers various financial/wealth planning services, including estate review, retirement planning, financial review, and charitable planning. Emerson generally charges a flat fee of \$3,000 for these services.

However, the specific circumstances of each client may dictate a higher or lower fee.

Performance Based Fees and Side-by-Side Management

Emerson does not charge any performance fees. Some investment advisers are conflicted when they manage advisory accounts with materially different fee structures (including those with and without performance based fees); however, these conflicts of interest are not applicable to Emerson.

Types of Clients

Emerson primarily provides customized investment supervisory services to individuals and associated trusts, estates, or charitable organizations, pension and profit sharing plans, and other corporations or business entities. In addition, Emerson acts as investment adviser to the a Marlborough North America Fund Limited, an open-ended investment company registered in Guernsey and the Marlborough North American Trust, an open-ended investment fund registered with the Financial Services Authority (FSA).

Generally, private client accounts must initially hold not less than \$1,000,000 in cash and marketable securities. However, Emerson may accept one or more related accounts of smaller size if related accounts are associated (through family or business) with a larger single account holding not less than \$1,000,000, or if the aggregate value of the smaller accounts exceeds \$1,000,000. Also subject to its discretion, Emerson assesses a minimum annual fee of \$10,000 to accounts receiving ongoing asset management services.

Methods of Analysis, Investment Strategies and Risk of Loss

Emerson Balanced Strategies

Emerson populates client portfolios with assets that historically have behaved differently so that as economic and market conditions change, portfolios are prepared. Asset classes in which we invest include U.S. and international stocks, fixed income securities, real estate investment trusts (REITS), and commodities.

Our investment process begins with a strategic asset allocation, which we arrive at utilizing Modern Portfolio Theory. For each asset class, we analyze historical returns and volatility (which is a measure of risk), estimate future long-term returns and volatility, and finally, we examine the correlations between these asset classes. Plugging these inputs into a statistical model, we arrive at the long-term target weights for each asset class in an “optimized” portfolio, the portfolio that maximizes return and minimizes risk. This becomes our base case portfolio.

Next, we create ranges around the target weights, and within these ranges, we make tactical allocation changes, which are short-term shifts between asset classes. Our Investment Strategy Committee evaluates a number of factors, including economic data, interest rates, and valuations, among others, to develop our short-term expectations for each asset class. From these expectations we make the decision to overweight or underweight certain asset classes, sectors, or styles.

Risks associated with investing in Emerson's Balanced Strategies include:

- Projected returns may vary from Emerson's projections.
- Correlations among asset classes may differ from expectations.
- Shorter-term tactical decisions could provide lower returns than the targeted strategic weights.
- Asset classes not included in Emerson's Balanced Strategies may perform better than those chosen by Emerson.

Emerson Equity, Fixed Income, and ETF Strategies

Emerson conducts quantitative, fundamental, and technical analysis on all equity securities recommended for client accounts and seeks to identify investment catalysts. Emerson's fixed income investment process is based upon fundamental business and credit analysis including cash flow generation, capital structure and liquidation analysis, as well as a review of legal documentation surrounding an issuer's securities.

In making its investment decisions, Emerson will rely on internally generated research, derived from annual reports, prospectuses, filings with the SEC, corporate press releases, inspections of corporate activities, conversations with the firm and/or competitors, financial newspapers, magazines and other sources. Emerson may also use research materials prepared by others in making an investment decision. During the research process, Emerson assesses the quality of the security in question by examining among other things financial metrics of the relevant company, the integrity, and strategic vision of the management team and the ability to execute such strategy, as well as the attractiveness and risks of the company's industry.

Emerson then determines what is believed to be a fair valuation for the security based on a combination of its future earnings, operating cash flow, free cash flow, liquidation value, and revenues. If the public market price for the security is significantly below its fair valuation, Emerson may attempt to purchase the security for a client's portfolio. If the security is deemed to be priced significantly above its fair valuation and it is currently included in a client's portfolio, Emerson will generally sell some or all of the position in the security.

Emerson's trading decisions are also based on quantitative analyses of technical data such as the price of a security, that price relative to [historic] pricing of the security, that price relative to prices of comparable securities, volume of trading and other factors.

In evaluating trading decisions, Emerson uses a trading system employing a mathematical analysis of certain technical data regarding past market performance.

The description contained herein is an overview of the risks entailed in Emerson's investment strategy and is not intended to be complete. Investing in securities involves risk of loss that clients should be prepared to bear. The investment strategies offered by Emerson could lose money over short or long periods. Performance could be hurt by a number of different market risks including but not limited to:

Emerson may rely on information that turns out to be wrong. Emerson selects investments based, in part, on information provided by issuers to regulators or made directly available to Emerson by the issuers or other sources. Emerson is not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

Emerson may fail to identify successful companies. Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing any anticipated value.

Investing in securities entails risks associated with the underlying business. Investments in securities entails all the risks associated with the underlying businesses, including reliance on a company's managers and their ability to execute business strategies. In addition, all businesses face risks such as adverse changes in regulatory requirements, interest rate and currency fluctuations, general economic downturns, changes in political situations, market competitions and other factors. Emerson will not have day-to-day control over any company in which it invests for clients.

Risks specific to fixed income securities include:

- The bond issuer's inability to pay interest or repay the bond;
- Changes in market interest rates cause the bond's value to fall;
- Illiquidity in the bond market may make the bond difficult or impossible to sell;
- The bond issuer may repay the bond prior to maturity; and
- Inflation may reduce the effective yield on the bond's interest payments

Disciplinary Information

Emerson and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the Company or its personnel.

Other Financial Industry Activities and Affiliations

Emerson and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

To avoid any potential conflicts of interest involving personal trades, Emerson has adopted a Code of Ethics, which includes a formal Personal Trading policy and procedures. The Company's Code of Ethics requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;

- Place the integrity of the investment profession, the interests of clients, and the interests of Emerson above one's own personal interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on Emerson's employees and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve his/her professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

Emerson's Personal Trading policy and procedures also requires Employees to, among other things: 1) pre-clear personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, 3) provide the Registrant with a detailed summary of securities holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest, and 4) report any violations of the Code of Ethics to Emerson's Chief Compliance Officer.

Emerson's Code of Ethics allows employees to trade in the same securities as clients. If Emerson is currently trading in the security or expects to trade in the security on a given day, employees are prohibited from trading in that security until all client trades are completed.

Certain individuals owning equity and/or debt interests in Emerson may also be advisory clients. Clients are not assessed an advisory fee on those holdings, nor will such clients receive preferential treatment in the management of their accounts.

A copy of Emerson's Code of Ethics will be provided to any client or prospective client upon request.

Brokerage Practices

Many of Emerson's clients will direct Emerson to effect securities transactions for their accounts through brokers specifically designated by the clients. Clients who direct brokerage should consider the following:

- The client should consider reviewing the existence and terms of Emerson's brokerage placement practices;
- The client may forego any benefit from savings on execution costs that Emerson may be able to obtain for its clients through negotiating volume discounts on batch transactions and/or more favorable brokerage terms in general;

- Though Emerson generally allocates batched transactions on a random basis, execution of orders that have directed a particular broker may be delayed until execution of non-directed orders have been completed;
- Clients who direct the adviser to use a specific broker generally pay higher commissions (which may be materially disparate) on transactions that might otherwise be obtained by Emerson had the client not directed the transaction, or may receive less favorable executions of transactions, or both; and
- A client directing brokerage may not be able to participate in an allocation of shares of new issues if another broker provides those new issue shares. A client that has not directed his brokerage will generally be unable to participate in an allocation of shares of a new issue if those new issue shares are provided by brokers other than the broker that is the custodian of the client's account.

In the event that a broker refers a client to Emerson, Emerson has a potential conflict between the client's interest in obtaining best execution and Emerson receiving future client referrals from the broker. Emerson attempts to mitigate this conflict by allowing clients to choose any broker that they wish to execute securities transactions for the account. For the other clients, Emerson will select brokers in part on the basis of their responsibility and their ability to provide best executions of brokerage transactions at reasonably competitive commission rates. Emerson also considers factors such as brokers' ability to provide recordkeeping and custodial services, accuracy and timeliness of completing trades and brokers' business reputations. Absent client direction, Emerson may recommend a number of broker/dealers (i.e. predominantly Schwab or Fidelity) to clients based on not only their ability to provide high quality services as discussed above, but also which brokers may best suit clients' needs. Emerson normally places client trades through the brokers that act as custodians of clients' accounts. All advisers do not necessarily recommend that clients maintain their accounts at specific broker-dealers.

In placing buy/sell transactions, Emerson seeks best execution and price. Subject to the foregoing, brokerage transactions may be placed with a limited number of brokers that provide Emerson with research products and services considered of superior quality and paid for at higher prices than other firms would charge. Trade transactions may be placed with dealers on the basis of their providing research services. At times, clients may pay commissions in addition to a mark-up/mark-down on trades executed in the "over-the-counter" markets.

Emerson attempts to minimize trade errors by promptly reconciling confirmations with order tickets and intended orders. Trading errors will always be corrected at no cost to the client.

Emerson may aggregate client orders. Aggregation will be consistent with Emerson's duty to seek best execution. Allocation of aggregate orders will be determined the same day of the order entry and allocation to each client account will be done on a random basis in order to ensure all clients are treated fairly and equitably. Aggregation of client orders may not take place in the following situations:

- Clients direct Emerson to use certain broker-dealers, in which case such orders shall be separately effected;
- Traders and/or portfolio managers determine that aggregation is not appropriate because of market conditions; and

- Portfolio managers must effect the transactions at different prices, making aggregation unfeasible.

Emerson may participate in broker-sponsored “Charity Days” whereby the commissions generated by trades placed through a broker on a Charity Day are donated to charity. Clients’ interests are always paramount; accordingly, such transactions are placed only after Emerson is confident in its ability to obtain best execution on those trades. Emerson maintains procedures to evaluate the execution capabilities of all of its broker/dealers, including: 1. Contemporaneous, trade-by-trade reviews by the Head Trader; 2. Annual formal reviews by Emerson’s Best Execution Committee; and 3. Semi-annual reviews by Emerson’s outside compliance consultants.

Emerson participates in several wrap-fee programs sponsored by unaffiliated broker-dealers (“Sponsors”). In a given wrap-fee arrangement, the Sponsor recommends Emerson or other investment advisers to the wrap fee program clients and charges a single asset-based fee that covers brokerage costs, advisory costs, and custody fees. Emerson may sponsor marketing events with a wrap fee program Sponsor that may pose a potential conflict of interest, as clients are referred to Emerson by the program.

Under a wrap account program, Emerson offers continuous investment management advice to clients based on their individual needs. The investment style of Emerson used to manage these accounts is similar to the style it uses to manage non-wrap fee clients. Emerson maintains exclusive investment discretion as to which securities shall be purchased or sold in a client's account in a manner consistent with the selected investment strategy and client restrictions (if any).

Emerson is not responsible for collection of data about clients' or prospects' investment objectives if the Sponsor is referring the person. Emerson makes investment decisions about clients by relying on the Sponsor to provide Emerson with information regarding clients' investment objectives as well as any changes to the investment objectives. In addition, Emerson typically does not meet with wrap fee clients. Instead, the Sponsor will handle all client or prospect inquiries regarding accounts that Emerson manages.

A wrap account client has the ability to establish special limitations on the investments in his or her investment portfolio. A client also maintains individual ownership of the securities in his or her account and has the right to withdraw, hypothecate, vote, and pledge such securities.

The Sponsors monitor the investment advisory services provided by Emerson, including the performance of the accounts (or portions of an account) that it manages. The Sponsor pays Emerson a fee for providing advisory services to clients pursuant to the terms of an agreement between the parties.

Wrap fee program client trades generally are executed only with the broker-dealer that sponsors the program. Thus, when Emerson participates in wrap fee programs, it is not free to seek best price and execution by placing program client transactions with other broker-dealers. Accordingly, the client should satisfy himself or herself that the Sponsor sponsoring the program could provide adequate price and execution of transactions.

Clients considering wrap fee programs should request and review Appendix 1: The Wrap Fee Program Brochure of Form ADV Part 2A of each program Sponsor.

All client accounts will be valued using prices provided by Charles Schwab and Co.; however, in cases in which a price provided by Schwab is unavailable or deemed by Emerson to be unreliable, Emerson will utilize the next trusted custodial data source. Any securities remaining un-priced shall generally be valued at prices provided by Interactive Data Corp. and Bloomberg. Any securities for which a price is not provided by an independent third party will be valued at fair market value as determined by Emerson in accordance with established procedures.

Review of Accounts

Client accounts are reviewed at least weekly by their respective Portfolio Managers. Additionally, each account is reviewed at least quarterly by the account's Portfolio Manager and Co-Portfolio Manager. Accounts are reviewed more frequently if market conditions, client objectives, or other considerations indicate the need. Emerson instructs the reviewer that the primary purpose of the review is to determine whether the client's objectives are being met. The number of client accounts for which the firm's Portfolio Managers assume primary responsibility is generally evenly disbursed; however, certain Senior Portfolio Managers may take on additional clients.

Clients are furnished quarterly reports consisting of a printed account and a letter from the Portfolio Manager and/or Co-Portfolio Manager. Additionally, clients may speak to the Portfolio Manager at any time regarding their account status. The account statements list individual securities by category, including individual and aggregate values, as well as performance data and transaction lists. The report includes the general economic and investment outlook of Emerson.

Client Referrals and Other Compensation

As previously noted, Emerson participates in and recommends brokerage/custodial service programs to advisory clients. While there is no direct linkage between the investment advice given and participation in the programs, economic benefits are received which would not be received if Emerson did not participate in the program. These benefits may include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving program participants exclusively; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; receipt of various publications; proprietary research; and participation in broker/custodian-sponsored conferences. Emerson understands that the benefits received through its participation in the programs generally do not depend upon the amount of transactions directed to, or amount of assets custodied by, the service program sponsors.

Emerson has entered into agreements with independent, unaffiliated broker-dealers to participate in advisor referral services designated to help investors find an independent personal investment advisor in their area. Emerson has marketing relationships with certain financial consultants at Beauport Financial, Bay Financial, Strategic Financial Partners, Newmarket Capital, Wealth Management Group, RHJ Financial and other entities. Emerson may pay to participate as a sponsor at investment and marketing seminars sponsored by such firms, and receive new clients from such marketing relationships.

In addition to the programs discussed above, Emerson has entered into referral agreements with marketing representatives (i.e. "consultants") who are not affiliated with Emerson. All such arrangements are developed in accordance with Rule 206(4)-3 under the Investment Advisers Act of 1940. Among other things, the Rule requires that each prospective client referred by a consultant (i.e. "solicitor") be furnished with a written statement that includes pertinent information about the referral arrangement. For such referrals, Emerson will pay to the consultant/solicitor a cash referral fee equal to a percentage of the advisory fee paid by the client to Emerson. Because of this referral fee, some solicited accounts may be charged a higher management fee than those accounts that are not solicited.

Emerson receives client referrals from Schwab through Emerson's participation in Schwab Advisor Network TM (the "Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Emerson. Schwab does not supervise Emerson and has no responsibility for Emerson's management of clients' portfolios or Emerson's other advice or services. Emerson pays Schwab fees to receive client referrals through the Service. Emerson's participation in the Service may raise potential conflicts of interest described below. Emerson pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fees are a percentage of the value of the assets in the client's account or in some cases a percentage of Emerson's management fee. Emerson pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is either billed to Emerson or debited from Emerson's fee on a quarterly basis and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Emerson and not by the client. Emerson has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Emerson charges clients with similar portfolios who were not referred through the Service.

Emerson generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Emerson will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Emerson's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Emerson will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Emerson's fees directly from the accounts.

For accounts of Emerson's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Emerson's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on

trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Emerson may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Emerson nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Emerson's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers. In some cases, accounts custodied at Schwab require principal and income account reporting. Emerson may choose to pay these fees on the clients' behalf. These fees are billed to Emerson on a monthly basis.

Custody

Emerson is deemed to have custody through management fee-debiting authority. All funds and securities are maintained with a qualified custodian. Custodial statements are provided to all clients no less than quarterly and clients should review those statements. Emerson also urges all clients to compare the account statements received by their custodian with the account statements received by Emerson.

Investment Discretion

Emerson may, purchase or sell securities and determine the amount of securities to be purchased and sold without the prior consent of the client. This type of discretionary authority is typically granted to Emerson through the client's execution of Emerson's Investment Management Agreement.

If such an account holds assets in an amount at least as large as the initial minimum required to open an account, Emerson will generally not purchase additional security if, as a result of such purchase, the value of the holdings of such security by the account will exceed 10% of the then value of the account. If such account holds assets in a lower amount and the value of a round lot of security Emerson wishes to acquire for the account is greater than 10% of the then value of the account, Emerson will generally not purchase more than the round lot for the account. A mutual fund (open or closed end and including exchange-traded funds) is an exception for the above, and may be purchased in an amount exceeding 10% of account value.

Voting Client Securities

Emerson votes client proxies in the interest of maximizing shareholder value. To that end, we take great care to vote client proxies in a way that we believe is consistent with our fiduciary duty. Consideration will be given to both the short and long-term implications of the proposal to be voted on, when considering the optimal vote. If Emerson or any of its personnel detect a conflict of interest between Emerson and its clients with respect to the voting of client proxies, such conflict shall be addressed by engaging a proxy voting service, or other independent third party, to vote proxies that involve such conflict. Any vote cast by an independent proxy voting service is binding and may not be overridden by Emerson.

Emerson uses Broadridge's ProxyEdge to manage, track, reconcile, and report proxy voting through electronic delivery of ballots, online voting, and integrated reporting and record keeping to help us satisfy SEC requirements. The system manages the process of meeting notifications, voting, tracking, mailing, reporting, record maintenance, and even vote disclosure rules enacted by the SEC.

ProxyEdge provides proxy information through an automated electronic interface based on share positions provided directly to Broadridge by your custodian bank/broker. Proxies are voted using ProxyEdge provided the client's custodian bank/broker is able to provide electronically the necessary data to Emerson's account at ProxyEdge.

We have appointed an individual who is responsible for voting the proxies in the best interest of clients, and submitting the proxies promptly and properly. If Clients wish to vote their own proxies, they may opt-out of the ProxyEdge service by notifying Emerson in writing. Our proxy voting policy and procedures as well as a record of the proxy votes cast are available upon request.

Class action lawsuits on behalf of stockholders can occur from time to time. Should a client inform Emerson that they wish to participate, we will provide them with the information we have to aide them in completing their proof of claim paperwork. It is the client's responsibility to determine if they want to participate in the claim, to complete the forms with appropriate documentation, and to submit the required claim package.

Financial Information

Emerson has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.