

Eagle Global Advisors, LLC

Part 2A of Form ADV

The Brochure

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Updated: March 2012

This brochure provides information about the qualifications and business practices of Eagle Global Advisors, LLC (“Eagle Global” or the “Company”). If you have any questions about the contents of this brochure, please contact us at 713-952-3550. 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 the Company is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

Eagle Global's most recent update to Part 2 of Form ADV was made in March 2011. The Company has revised the Code of Ethics (the "Code") to which all Eagle Global employees are subject. The Code now permits employees to trade for their personal accounts without a seven day blackout period before and after client trades in the same security. Eagle Global carefully considered this amendment to its Code and concluded that the removal of this trading restriction is consistent with the Company's fiduciary duty to its clients and the requirements of the federal securities laws. Eagle Global believes the change presents no material additional risks to the Company or its clients.

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Advisory Business

The Company was founded in November 1996 and is owned by Thomas Hunt, Edward Allen, Steven Russo, John Gualy, and Malcom Day. As of December 31, 2011 the Company managed \$2,088,976,630 on a discretionary basis. Eagle Global also provides investment research and model investment recommendations to accounts of third-party advisors with a value of \$1,093,194,283.00

The Company intends to offer the following investment advisory services to its U.S and foreign clients.

The Company employs a variety of investment strategies to develop an individually managed account customized to each client's time horizon, lifestyle and investment objectives. Within each strategy the Company has the flexibility to accommodate client portfolio requirements.

The Company offers the following investment strategies that are intended to identify companies with improving growth potential unrecognized by current valuations:

- Domestic Equity Strategy – This portfolio seeks to combine both growth and value factors through investments in large-cap U.S. equities;
- International Equity Strategy – This portfolio seeks to combine both growth and value factors through investments in large-cap international equities;
- Global Equity Strategy – This portfolio seeks to combine both growth and value factors through investments in large-cap U.S. equities and large-cap international equities;
- Fixed Income Strategy – This portfolio seeks capital preservation and low risk total returns through investments in bonds of intermediate maturities (less than 10 years); and
- Master Limited Partnership (“MLP”) Strategy – These portfolios seek tax advantaged income generation, capital appreciation, and lower volatility through investments in master limited partnerships. The Company offers Total Return and Quality Core MLP strategies.

The Company may take concentrated positions in various securities if it deems it appropriate across various accounts. There can be no assurance that the investment objective will be achieved or that the Company’s strategies will be successful. In adverse market conditions the Company may use cash as a method for protecting client portfolios.

The Company’s investment advisory services begin on the date that the account is accepted by Eagle Global and initially allocated into the management positions. There are certain instances where a client agreement will be received but be pending for a period of time due to account restrictions, anticipation of an upcoming strategy change or other operational issues. The Company is not responsible for performance prior to the acceptance and establishment of investment advisory services by the Company. Clients and/or their Solicitor’s Agent, Consultant, or Adviser may contact the Company at any time to inquire on the status of their account.

Advisory Services

The Company will provide asset management services to its clients. The program includes the following:

Investor Profile — The Company consults with the client or client’s consultant to obtain their investment objectives profile. The Company works with the client or client’s consultant to determine the appropriate investment guidelines, risk tolerance and other factors that will assist in ascertaining the suitability of managing the account.

Portfolio Management Selection — The Company provides asset management of client’s funds. The Company diversifies and manages the client’s portfolio. Investments are determined based upon the client’s investment objectives, risk tolerance, net worth, net income and other various suitability factors. The Company manages the client’s accounts on an individualized basis. Restrictions and guidelines are accepted by Eagle Global. When they are imposed by clients, they may affect the composition and performance of their portfolios compared to the average client of the company.

Performance Evaluation and Monitoring Services — The Company will furnish performance measurement services to its clients or clients’ consultants, provided by the custodian broker/dealer and through internally generated reports, in the form of quarterly performance evaluation reports. The internal reports are intended to inform clients or the clients’ consultants as to how their investments have performed for the selected period.

Wrap Fee Relationships

Eagle Global serves as a portfolio manager for a variety of wrap fee programs. The advisory services provided to client participating in a wrap fee program (“Wrap Program Clients”) are substantially similar to those discussed above. These wrap fee programs are arrangements in which investment advisory services, brokerage execution services and custody are provided by a sponsor for a single predetermined "wrap" fee (regardless of the number of trades completed by a client). Generally, Wrap Program Clients pay this single, all-inclusive fee quarterly in advance to the program sponsor, based on the net assets under management. The Company receives from the program sponsor a portion of the wrap fee for the portfolio management services it provides. Each program sponsor has prepared a brochure which contains detailed information about its wrap fee program, including the wrap fee charged. Copies of each brochure are available from the program sponsor upon request. Each wrap program sponsor has retained the Company through a separate investment advisory contract. Wrap Program Clients should note that the Company will execute transactions for their accounts through the wrap sponsor. Transactions executed through a wrap sponsor may be less favorable in some respects than the Company’s clients whose trades are not executed through the wrap sponsor. This is because the Company may have no ability to negotiate price or take advantage of combined orders or volume discounts. The Company may be constrained in obtaining best execution for Wrap Program Clients by sending trades to the wrap sponsor. Please contact Steven Russo for a full listing of Wrap Fee Programs for which Eagle Global serves as a portfolio manager.

Research and Model Investment Recommendation Services (“Research Services”)

The Company also provides research and model portfolio investment recommendations to several clients. The Company provides these clients solely with research services and does not provide trading or additional services. These clients use research provided by Eagle Global to implement investment recommendations for their own clients.

Sub-Advisory Relationships

Eagle Global serves as an investment sub-advisor to various investment and trust companies as well as other registered investment advisers.

Partnerships

Eagle Global acts as investment adviser to Eagle Income Appreciation Partners, L.P. and Eagle Income Appreciation II, L.P. (the “Partnerships”). The Partnerships are Texas limited partnerships which were formed to invest in master limited partnerships and other securities which are believed to have a high likelihood of producing an attractive rate of return from both capital appreciation and income. Eagle Income Appreciation GP, LLC (the “General Partner”) a Delaware limited liability company is general partner of the Partnerships. Eagle Global is the managing member of the General Partner.

Fees and Compensation

Advisory Fees

Domestic Securities

1% on first \$2,000,000 and .6% thereafter
Minimum fee \$10,000

International Equities	\$0 to \$5 million	1%
	\$5 to \$10 million	.90%
	\$10 to \$25 million	.85%
	\$25 to \$50 million	.80%
	\$50 to \$100 million	.70%
	\$100 million and over	negotiable
	Minimum fee \$10,000	
Master Limited Partnerships	0.95% of assets for Quality Core Strategy	
	No minimum fee	
	1.25% of assets for Total Return Strategy	
	Minimum fee of \$10,000	

Fees are payable in arrears on the last day of each quarter. However, they may be paid quarterly in advance depending on the Company arrangement with the client. Advisory fees are generally directly debited from the client's custodial account; however, certain clients are invoiced directly for our advisory fees. Clients are afforded the option to select the method of payment they prefer. Either party may terminate the contract at any time with written notice. Fees are prorated to the amount of days in the quarter in which the client received the Company's services. All fees are negotiable. Fees will be in compliance with SEC Rule 205-3.

Management fees charged are separate and distinct from the fees and expenses charged by mutual funds, which may be recommended to clients. A description of these and other expenses are available in each mutual fund's prospectus. Clients may incur other additional charges imposed by third parties other than the Company. For example, clients other than Wrap Program Clients are responsible for trading costs and custodial fees. Please refer to the Brokerage Practices section of this brochure for details on the Company's brokerage arrangements.

Wrap Fee Programs

Wrap Program Client fees and termination policies are agreed upon as stated in the agreement between the wrap fee sponsor and Eagle Global and disclosed in the sponsor's Appendix 1 to Form ADV Part 2A (previously, the Schedule H).

Research Services

The Company's fees for Research and Model Investment Recommendation Services are negotiated on a case-by-case basis.

Sub-Advisory Relationships

The fee schedule and termination policies for sub-advisory services are negotiated separately by the Company and the investment or trust companies that Eagle Global advises. The fees paid to the Company generally range from .30 % to 1.0 % of assets under management, depending on the strategies employed, the level of assets to be managed and the amount of client servicing required. The fee schedule and termination policies for clients in each sub-advisory arrangement will be provided to potential clients by the primary adviser or by Eagle Global along with this disclosure document.

Partnerships

The Company receives a management fee from the Partnerships equal to 1.00% per annum of the value of the Limited Partner's pre-distribution capital account balance, payable quarterly. The General Partner receives additional performance based fees discussed below.

Performance Based Fees and Side-by-Side Management

As compensation for its services to the Partnerships, the General Partner (an Eagle Global affiliate) is entitled to a performance-based profit allocation with respect to each Limited Partner in the Partnerships equal to 10% multiplied by the amount (if any) by which the pre-distribution capital account balance of such Limited Partner as of the end of each allocation period exceeds the sum of a high water mark amount plus a hurdle return of 8% per annum on the high water mark amount for the allocation period where the high water mark amount is the highest value of such Limited Partner's pre-distribution capital account balance as of the end of any prior fiscal year end (or at inception if the Limited Partner was admitted to the Partnerships during the current fiscal year) appropriately adjusted for intervening capital contributions, withdrawals and distributions to make such balances comparable. Only accredited investors are permitted to invest in the Partnerships. Additionally, only qualified clients within the meaning of Rule 205-3 under the Investment Advisers Act of 1940 are allowed to be Limited Partners in Eagle Income Appreciation Partners, LP. Only qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940 are allowed to be Limited Partners in Eagle Income Appreciation, II, L.P.

The fact that the Company is compensated based on the trading profits may create an incentive for the Company to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, a portion of the performance based fee received by the Company is based on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that clients may never realize.

Providing advisory services to the Partnerships, which pay performance based fees, and similar accounts that pay asset based fees creates a conflict of interest. Eagle Global may have an incentive to favor accounts for which we receive a performance based fee. To mitigate this conflict, the Company has implemented policies and procedures, including those discussed below regarding the aggregation and allocation of trades.

Types of Clients

Eagle Global generally provides investment advice to high net worth individuals, retirement plans for corporations and unions, financial institutions, trusts, endowments, foundations, and registered and unregistered investment companies.

In general, the minimum account size for a separately managed account is \$1,000,000, unless an exception is agreed by the members of the Company. The minimum account value for the Quality Core MLP strategy is \$250,000 and the minimum account size for the Total Return MLP strategy is \$5,000,000. The minimum investment for each of the Partnerships is discussed in the relevant Partnerships' Private Placement Memorandum.

Methods of Analysis, Investment Strategies and Risk of Loss

As discussed in the Advisory Business section above, client accounts are generally managed according to one or several of the followings strategies: domestic equity, international equity, global equity, fixed income, and master limited partnerships. Domestic, international and global equity strategies seek long-term capital appreciation via investments in premier large capitalization companies in their respective markets. The Total Return MLP strategy seeks a high total rate of return from both tax advantaged income and capital appreciation through investments in master limited partnerships. The Quality Core MLP strategy is designed for greater concentration of holdings and lower turnover. Within each strategy, client accounts are generally managed to a model subject to client imposed investment restrictions and valuations of the securities.

Eagle Global's investment process for domestic and international equities incorporates both top-down and bottom-up elements and is designed to identify companies with improving growth prospects that have not been incorporated into current valuations. The Company employs a series of quantitative multi-factor models that are used to provide both top-down and bottom up analysis. The models provide directional guidance towards countries, sectors and stocks with improving prospects. Additionally, company-specific ideas are subjected to traditional fundamental analysis including a qualitative analysis of a company's competitive strengths, weaknesses and industry positioning as well as the company's management strength and integrity. Eagle Global also performs an analysis of company financials. All portfolio decisions are made by the Investment Committee by a majority vote of the Company's equity partners as identified above.

The Company utilizes various sources of information such as FactSet, Heckman Global Advisors, CSFB HOLT, WONDA, Reuters, InsiderScore, ECRI, and Bloomberg databases in conducting its analysis.

MLP investments are determined through traditional fundamental analysis. Financial models, analyst research and meetings with company management are used to select attractive MLP investments. Eagle Global will focus on investing in units of master limited partnerships based on each unit's anticipated total return potential and risk characteristics.

Fixed income accounts are intended to provide capital preservation and low risk. For this strategy, the Company will seek exposure to investment grade bonds with intermediate maturities.

All investing involves a risk of loss and the investment strategies offered by Eagle Global could lose money over short or even long periods. Performance could be hurt by any number of different market risks including but not limited to:

- The identification of securities and other assets believed to be undervalued is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While such investments offer the opportunities for above-average capital appreciation, they also involve a high degree of financial risk and can result in substantial losses. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing their anticipated value.
- Stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

- Sector risk, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.

Eagle Global invests in non-U.S. securities for many clients. International securities will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non- U.S. issuers and markets are subject. These risks include political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels and limitations on the use or transfer of assets. Some international investments are made in emerging markets. Investments in emerging markets may be impacted by economic conditions in which those companies operate. Many developing countries have a history of economic instability and Eagle Global's success may depend on the overall level of economic activity and political stability in these emerging markets.

Clients who invest in Eagle Global's fixed income strategy face risks including:

- 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; or
- Inflation may reduce the effective yield on the bond's interest payments.

Investors in the Partnerships and Clients employing Eagle Global's MLP strategies may incur risks in addition to those discussed above. Most MLP investments are concentrated in the natural resource infrastructure and processing industries. This investment strategy tends to be nondiversified. Thus, clients participating in this strategy will be substantially concentrated in one sector of the economy. Additionally, because of the limited number of MLPs that fit the investment objective, clients and the Partnerships may at certain time hold large positions in a relatively limited number of investments. Clients and the Partnerships could be subject to significant losses if they hold a large position in a particular investment that declines in value. Additional risks of the MLP strategies include:

- Management risk - the risk associated with ineffective or underperforming management. For example, management may elect or overleverage or invest in volatile or under-maintaining assets.
- Acquisition risk – the MLPs may not be able to access capital, thus limiting the growth prospect of the MLP.
- Structure risk – investors generally have fewer rights in a limited partnership structure and general partners of the entity may have conflicts of interest with the limited partners.
- Interest Rate risk – large changes in interest rates of alternative income instruments can affect MLP returns.
- Regulatory risk – changes in U.S. tax regulations could negatively affect the treatment of MLP distributions.

Additional risks involving an investment in the Partnerships are discussed in each Partnership's Private Placement Memorandum.

Disciplinary Information

The Company 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

An affiliate of the Company is the General Partner of the Partnerships in which clients are solicited to invest. Because the partnership has performance based fees, in addition to management fees, the fee structure presents an apparent conflict of interest. To address this apparent conflict of interest, Eagle Global has implemented trade allocation and aggregation policies, which are discussed in the Brokerage section of this brochure. In addition, certain employees of the Company also have investments within the Partnership. These employees pay the same management and performance fees as the other limited partners.

Eagle Global 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

The Company has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act, to ensure that securities transactions by Company employees are consistent with the Company's fiduciary duty to its clients and to ensure compliance with legal requirements and the Company's standards of business conduct. The Code requires that employees obtain prior approval for personal securities transactions and requires transaction confirmation and quarterly reporting of such transactions. A written copy of the Company's Code of Ethics is available upon request.

The Company's employees are permitted to invest in the same securities that are recommended for client accounts, subject to the following restrictions. Investment Professionals may not purchase securities for their personal account until one day after they have purchased that security for Client portfolios that they manage. They may not sell any Security for their personal account until one day after they have sold that Security for Client portfolios that they manage. To prevent conflicts of interest, all employees of the Company must comply with the Company's Compliance Manual and Code of Ethics, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Records will be maintained of all securities bought or sold by the Company, employees or related entities. Such records will be available for client inspection upon request. Files of Securities transactions effected for employees of the Company will be maintained for review should there be a conflict of interest. All Securities transactions of related persons of the Company will be reviewed by the Chief Compliance Officer to ensure no conflicts exist with client executions.

Additionally, certain of Eagle Global's employees or related parties will have an investment in the Partnership. For example, the general partner for each Partnership is 100% owed by Eagle Global. Therefore, Eagle Global, its employees, or a related entity participate in transactions effected for Partnerships. Eagle Global will also solicit clients to invest in the Partnerships. Recommendations will only be made to clients who are qualified to invest in the Partnerships and the investment is suitable with the client's investment objectives.

Brokerage Practices

Selection of Brokers

In the allocation of brokerage business, the Company may give preference to those brokers or dealers who provide research or brokerage services to the Company, either directly or through third parties. Research services may include advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities; and analyses and reports concerning issues, industries, securities, economic factors and trends, portfolio strategy, earnings estimate databases, valuation databases, and the performance of accounts. Thus the Company may be able to supplement its own information and to consider the views and information of other organizations in arriving at investment decisions. Brokerage services may include a dedicated trading desk that services Eagle Global's clients, a dedicated service group and an account services manager dedicated to the Company's accounts, access to a real time order matching system, ability to block client trades, electronic download of trades, portfolio management software, access to an electronic interface, and duplicate and batched client statements. If such information and services are received and are in fact useful to the Company, it may tend to reduce the Company's normal and customary need to devote resources to brokerage and research activities. All products and services received will benefit all client accounts.

The Company participates in such arrangements only under the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) of the Securities Exchange Act of 1934 provides a "safe harbor" for investment managers who use commission dollars of their advised accounts to obtain investment research or brokerage services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities and executing client transactions. Payment for such services with commission dollars is in all events limited to the portion of the costs of such services that are relevant to the investment decision-making and execution processes of the Company. However, using commission dollars to obtain these products and services provides the Company a benefit because it does not have to produce or pay for the research, products or services. When the Company uses soft dollars to pay for a service used for different purposes, the portion of the service used in the investment decision-making or execution processes is determined through a survey of employees regarding their use of the service. The Company pays for portion of the service falling outside the Section 28(e) safe harbor with hard dollars; alternatively the Company may pay for such services entirely with hard dollars. Currently only agency trades and no principal trades are used in connection with payment for these services. Soft dollar arrangements give the Company an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than our clients' interest in receiving the most favorable execution.

Client Directed Brokerage

In a few instances, clients have directed the Company to use a specified broker or dealer for portfolio transactions for such client's account, even though such broker or dealer charges commission rates in excess of the institutional rates generally available to the Company. The Company will follow the client's direction as long as the client understands that under such an arrangement (i) the ability of the Company to negotiate commissions on the client's behalf will be limited and as a result, the client will pay higher commission rates and disparate commission rates depending on the client's commission arrangement with such broker or dealer, and (ii) the ability of the Company to "batch" the client's order with the orders of other clients will be limited so that the opportunity to achieve reduced commission rates or better executions may be lost to the client. The client using such an arrangement must understand that should the Company be free to select a broker or dealer, to negotiate for institutional commission rate and to

“batch” orders, the client might pay rates below customary retail brokerage rates and might achieve better executions. In certain situations, the Company may seek to meet directed brokerage mandates by stepping out trades batched with other client orders for execution to a directed broker for settlement. The Company is under no obligation to execute directed brokerage trades through the use of step-out trades, and will not do so if it determines that the practice is detrimental to execution costs or quality of clients that do not direct brokerage.

Although the Company will attempt to effect directed brokerage transactions in a manner consistent with its policy to seek prompt execution of orders in an efficient manner at a favorable price, its ability to obtain best execution for these transactions may be affected. Some of the Company’s clients have selected a broker-dealer to act as custodian for the clients assets and direct the Company to execute transactions through that broker-dealer. It is not the practice of the Company to negotiate commission rates with such broker-dealers. When clients open a custodial account with a bank trust company and grant the Company discretion to select a broker-dealer, the Company will make a best effort to obtain the best brokerage commission rate possible under the circumstances. Clients directing brokerage may pay higher brokerage commissions than would be paid when the Company is free to determine the best available broker and the Company may not be able to aggregate directed brokerage orders with orders for its other client accounts. The Company also may effect directed brokerage transactions after those for client accounts for which it has full discretion.

Accordingly, clients directing brokerage to a particular broker-dealer should consider whether the commissions, executions, clearance and settlement capabilities and fees for custodial or other services provided to the client by that broker-dealer (if applicable) will be comparable to those otherwise obtainable. The Company does expect custodial and brokerage firms to meet minimum requirements for operational efficiency and therefore not all custodial and brokerage firms will be acceptable to the Company. The Company also reserves the right to not accept a designated broker-dealer where it does not already have a working relationship.

Trade Aggregation and Allocation

The Company considers a number of factors when determining to purchase or sell a security for a particular client account. These factors include, but are not limited to:

- Investment objective, policies and strategy of the account
- Appropriateness of the investment to the account's time horizon and risk objectives
- Existing levels of ownership of the investment and other similar securities
- The immediate availability of cash or buying power to fund the investment

The Company utilizes a randomly generated Trade Rotation to determine the trade order when trades are not aggregated. Trade allocation is conducted by the trader based on the trade rotation. Each relationship in the rotation is allocated the average cost per trade as it is completed until the order is entirely filled. The Company maintains records that specify the client accounts that are participating in the rotation and the amount of securities intended to be purchased or sold for each account. Clients who have engaged Eagle Global for Research Services, as discussed above, are generally included in Eagle’s randomly generated trade rotation and treated in the same manner as any other client. However, certain clients who engage Eagle Global for Research Services and have American Depositary Receipt (“ADR”) conversion restrictions will be traded last in the Trade Rotation. Additionally, clients that have engaged Eagle Global for MLP Research Services will also be traded last in the trade rotation. Also, at certain times, Eagle Global is presented with the opportunity to take advantage of natural liquidity in the marketplace. Eagle Global must act in a timely manner to take advantage of the liquidity. When such situations arise, Eagle Global will generally take advantage of the liquidity in accounts that have not directed the Company to

use a specific broker-dealer. Therefore, these accounts may move to the top of the Trade Rotation when the natural liquidity is available. When the natural liquidity is exhausted or is no longer available, Eagle Global will return to the standard Trade Rotation process.

Investments in Initial Public Offerings (“IPO’s”) are not considered part of the general strategy mandates associated with the separately managed accounts; therefore they do not receive allocations of initial public offerings (“IPO’s”). IPO’s are allocated solely to the Partnerships and sub-advised investment companies when such investments are within the strategy and only when allowed by the mandate.

The Company may engage in cross-trading between client accounts when such a transaction is in the best interest of both clients involved. Cross transactions are priced by independent brokerage firms and both sides receive the same price and equally split any transactional costs.

Trade Errors

It is the Company’s policy that the utmost care is taken in making and implementing investment decisions on behalf of client accounts. To the extent that any errors occur, they are to be (a) corrected as soon as practicable and in such a manner that the client incurs no loss, (b) reported to the CCO or Partner in charge of Trading or designee and (c) scrutinized carefully with a view toward implementing procedures to prevent or reduce future errors, if necessary. Depending on the circumstances of the error, any gain resulting from a trade error may be retained by the client, the broker, or the Company.

Review of Accounts

The Company performs investment advisory security selection and portfolio recommendations for client’s advisory accounts. Accounts are typically reviewed monthly or as new transactions are considered, but will be reviewed no less frequently than quarterly. A report will be provided to the client or client’s consultant on a quarterly basis. However, clients whose accounts are managed by the Company through a sub-advisory relationship may not receive such reports. A more frequent review may also be instigated by a client inquiry due to changes in investment objectives or risk tolerance. Reviews will be performed by the Partners, Portfolio Managers and Senior Vice Presidents of Eagle Global.

With respect to the Partnerships described in Advisory Business section, the holdings of such Partnership are reviewed daily by the personnel of the Company responsible for the Partnerships.

Computer generated transaction and investment reports will be provided on a quarterly basis to inform clients or clients’ consultants to the performance of their investments for the selected period. Additional reports will be prepared at the client’s discretion. Clients or clients’ consultants are provided with a comprehensive annual investment review, including current investment recommendations. The client or clients’ consultants will continue to receive statements from the custodian broker/dealer of the accounts.

Client Referrals and Other Compensation

The Company may compensate third parties and employees who refer clients to the Company in compliance with Rule 206(4)-3 under the Advisers Act with respect to the use of solicitors. If the Company accepts a new client who is introduced to the Company by a third party solicitor, the Company will pay such third party solicitor a placement fee that is based upon the assets the client places with the Company. Prior to entering into any investment advisory agreement with a client through these referral agreements, the Company will determine if the solicitor has provided the client with a written disclosure

document stating that the solicitor is being compensated for referring the Company and the terms of the compensation arrangement. The placement fee may survive for the duration of such Client's relationship with the Company. Clients introduced by a third party solicitor generally will be subject to the same fee schedule as other clients and generally will bear no additional costs as result of the relationship between the Company and such third party solicitor.

The company may also compensate third parties for distribution of the Partnerships advised by the Company. Compensation under these arrangements will generally be a percentage of the assets raised. To the extent required by federal or state securities law, the Company will verify that any party compensated to distribute unregistered pooled investment vehicles are properly registered.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; but the Company can access many client funds through its ability to debit advisory fees. For this reason the Company is considered to have custody of client assets. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to account information provided by the Company.

Eagle Global is also deemed to have custody over the Partnerships since an affiliate serves as the General Partner of the Partnership. Limited partners of the Partnership will not receive statements from the custodian. Instead the Partnership is subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principals and distributed within 120 days of the partnership's fiscal year end.

Investment Discretion

The Company manages client accounts on a discretionary basis, subject to the restrictions (if any) that have been provided by clients. Eagle Global also provides research and model investment recommendations with respect to the assets of third party advisors. For accounts handled on a discretionary basis, the Company typically has the authority to determine the securities to be bought and sold without obtaining client consent to specific transactions. Moreover, in the accounts handled on a discretionary basis, the Company typically has the authority to determine the amount of the securities to be bought and sold without obtaining client consent to specific transactions. Discretionary authority will be granted through the execution of an investment advisory agreement with each client.

Voting Client Securities

It is the policy of the Company to vote proxies that it receives for all accounts for which it has voting authority in accordance with client instructions and in a manner in which the Company believes it to be in the best interests of its clients. Clients should make reasonable efforts to instruct their custodian to promptly forward all proxy voting ballots to Eagle Global. The Company will also make a reasonable effort to contact a custodian if Eagle Global believes that the custodian may not be appropriately sending relevant proxy ballots to the Company. Nonetheless, Eagle Global can only vote proxies that it receives. The Company generally votes in accordance with the recommendations of the issuer's existing management, unless it is not prudent to do so. A written copy of the proxy policies and procedures are available upon request by calling the number on the cover page of this brochure.

The Company has developed policies and procedures for the identification and resolution of conflicts of interest when voting proxies. The Company's Proxy Administrator periodically reviews client holdings to identify potential conflicts of interest. Potential conflicts of interest will be reported to the Eagle Global CCO for a final determination. If a conflict is determined to exist, the Proxy Administrator will vote in accordance with the Company's Proxy policies or, if intending to vote in a manner inconsistent with the Proxies policies, seek instruction from the client, mutual fund board, or the adviser if the Company serves as sub-adviser. The Company will generally abstain from voting the proxy if the client, fund board, or adviser fails to instruct the Company on how to vote.

If "Class Action" documents are received by the Company on behalf of its Partnerships, the Company will ensure that the Partnerships either participate in, or opt out of, any class action settlements received. The Company will determine if it is in the best interest of the Partnerships to recover monies from a class action. However, the Company understands that the decision to participate in a "Class Action" is a personal legal right inuring to the beneficial owner of the security and that the beneficial owners are provided directly with all such related notices. Therefore, as a matter of policy, the Company does not act on behalf of separate account clients who receive notices relating to Class Actions. However, the Company will, upon client request, provide the client with any requisite information it has relating to the Class Action.

Financial Information

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