

**DISCLOSURE BROCHURE  
FORM ADV, PART 2**

**NORTHCOAST ASSET MANAGEMENT LLC  
File No. 801-57294**

**6 GLENVILLE STREET  
GREENWICH, CONNECTICUT 06831**

**[HTTP://WWW.NORTHCOASTAM.COM](http://www.northcoastam.com)  
[HTTP://WWW.CANSLIMPC.COM](http://www.canlimpc.com)  
[HTTP://WWW.NCAMADVISORS.COM](http://www.ncamadvisors.com)**

**November 12, 2012**

**This brochure provides information about the qualifications and business practices of NorthCoast Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at 203-532-7000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about NorthCoast Asset Management LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**You should be aware that NorthCoast Asset management is registered as a Registered Investment Adviser with the SEC. Registration does not imply that an investment adviser has reached a certain level of skill or training.**

**Please retain a copy of this brochure for your records.**

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This brochure provides prospective clients with information about NorthCoast Asset Management LLC (NorthCoast) that should be considered before or at the time of obtaining advisory services from

NorthCoast. This information has not been approved or verified by any government authority. NorthCoast will not assign its contractual obligations to you to any other party without your consent.

You need to review this information and will acknowledge your receipt of the brochure when signing the NorthCoast Investment Advisory Agreement.

If received via email, you should print a copy of this brochure for your records.

## **2. Material Changes**

This edition reflects the Company's launch of two new investment programs.

## **4. Advisory Services**

Founded in 1988, NorthCoast is an SEC registered investment adviser. The firm's principal owners are: Daniel J. Kraninger, Paul E. Dean, and Brentin C. Elam. All are full-time employees.

### ***Advisory services for individually managed accounts***

#### ***CAN SLIM Portfolios – CAN SLIM Investment Program, Growth & Income, Balanced***

NorthCoast Asset Management specializes in quantitative analysis and systematic investing. In January 2006, NorthCoast and Investor's Business Daily Inc. (IBD<sup>®</sup>) signed an exclusive licensing agreement to provide educated investors with a private investment service dedicated to CAN SLIM<sup>®</sup> growth stock investing. In that year we developed and first offered the CAN SLIM<sup>®</sup> Investment Program.

In addition to the Can Slim program NorthCoast offers two Lifestyle Portfolios combining both a growth and an income strategy. Investing for growth can be rewarding but it can also be nerve wracking – especially as one nears or is living in retirement. For those investors, income and stability may be as important as growth in their accounts, and that is why we've created the Lifestyle Portfolios.

The Growth & Income Portfolio combines our CAN SLIM<sup>®</sup> Investment Program (75%) with our Laddered Bond Program (25%) in one account. With a bias towards growth and secondary objective of income and stability, this portfolio is right for risk averse investors or those nearing retirement. Growth comes from maintaining 75% exposure to the CAN SLIM<sup>®</sup> Investment Program and income and stability comes from maintaining the other 25% in monthly interest-paying, low-cost, bond funds. These bond funds, called exchange traded funds or ETFs, allow diversification in a cost-effective manner.

The second Lifestyle portfolio, Balanced, provides equal weighting in the CAN SLIM<sup>®</sup> Investment Program and the Laddered Bond Program in one account. With an equal emphasis on growth as income and stability, this portfolio is right for more risk averse investors or those living in retirement. Growth comes from maintaining 50% exposure to the CAN SLIM<sup>®</sup> Investment Program and income and stability comes from maintaining the other 50% in monthly interest-paying, low-cost, bond funds. As in the Growth and Income portfolio these exchange traded funds or ETFs, allow diversification across the yield curve in a cost-effective manner.

### *Legends Value Portfolio*

Apart from our CAN SLIM® portfolios NorthCoast also offers the Legends Value Portfolio, a thirty-stock portfolio made up of ten stocks each based on the investing principles of John Neff, the former portfolio manager of Vanguard Windsor Fund, Benjamin Graham, the first proponent of value investing, and Joel Greenblatt, a managing partner and principal of Gotham Capital – truly legends in the investing world. This method mines the market for stocks that consistently share characteristics with the choices of these recognized pioneers of investing. From the Neff principles, we take 10 stocks that have dependable, dividend-adjusted growth rates. From Graham, we invest in 10 stocks that have earnings yields, and finally from Greenblatt, we invest in 10 stocks that have high return on capital and earnings yield.

### *United Portfolio*

The United Portfolio is a 50/50 combination of our CAN SLIM® Investment Program and our Legends Value Portfolio. It unites the best growth strategy with the best value strategy we have uncovered in our years of research. CAN SLIM® looks for the best growth stocks breaking out of sound bases and Legends Value filters for stocks with depressed prices that have low debt levels and reasonable earnings and sales growth.

### *Value Line Investment Program*

The NCAM Value Line is a proprietary strategy derived from Value Line's well known approach to stock investing. The program will usually maintain a fully invested posture, but may, in extended negative markets call for substantially increased cash position.

### *Tactical ETF Portfolio*

The NorthCoast Tactical ETF Program (also known as Tactical Growth) invests in Exchange Traded Funds (ETF's). Similar to CAN SLIM®, this Program is a trend-following strategy that adds to positions as markets strengthen and sheds positions as markets decline.

### *CAN SLIM® International Portfolio*

Utilizing the same investment principles as our basic CAN SLIM® program, the International Portfolio invests in non-US companies that have US-exchange traded American Depository Receipts (ADR's).

### *Tactical Income*

The NorthCoast Tactical Income Program invests in Exchange Traded Funds (ETFs) with an objective to provide:

- A target yield of inflation + 2-3% through a diverse set of income sources
- Protection against rising interest rates and inflation with real assets
- Potential for appreciation through growth assets
- Downside protection through a tactical allocation to income sources with diversification benefits

We consider it suitable for investors with a desire of higher income in the context of a higher risk acceptance when compared to traditional income strategies.

### *NorthCoast Growth*

NorthCoast Growth is our new tactical, equity growth portfolio for 2012. The portfolio will contain 25-35 stocks from a broad universe when fully invested and has the ability to hold 100% cash when model's investment outlook turns negative.

### ***Advisory services for pooled accounts***

#### *Long/Short Equities LLC*

Long/Short Equities LLC is a private placement hedge fund portfolio investing primarily in the proprietary CANS SLIM® investment discipline –purchasing stocks that are demonstrating outstanding fundamental and

technical growth attributes when markets are rising and the systematic reduction of exposure when the market is declining. The short side utilizes a proprietary trading methodology that is an outgrowth of the team's extensive work in systems development. The short side will essentially be a buffer, seldom dominating the portfolio, but increasing short exposure as the market declines, thereby offsetting potential long side equity deterioration.

The hedged nature of the program will permit long positions to rise to a maximum of 130% of equity in the most bullish of markets like 2003, while attaining net short exposure only in the most bearish markets like 2000–2002.

#### *CAN SLIM® Select Growth Fund (CANGX)*

On 9/2/08, the Board of Directors of Professionally Managed Portfolios (a trust organized by US Bank to oversee the operations of several public mutual funds) appointed NorthCoast Asset Management as the new investment advisor to the Fund. The Fund seeks long-term capital appreciation and will invest primarily in common stocks of all sizes exhibiting accelerated earnings growth, market leadership, and other characteristics consistent with the CAN SLIM® Select List.

The fund will attempt to replicate the CAN SLIM® Select list. The list, published by Investor's Business Daily® on its website, [www.investors.com](http://www.investors.com), can be as much as 100% invested in rising markets and as little as 20% invested in declining markets. In rising markets the list will comprise nearly 100 stocks with each stock representing approximately 1% of fund assets. In declining markets, the list will shrink as stocks are sold to reduce market exposure.

The mutual fund is a registered Investment Company under the Investment Company Act of 1940

## **5. Fees and Compensation**

### ***Compensation and fees for individually managed accounts***

Our compensation for individually managed accounts, including CAN SLIM®, Growth & Income, Balanced, Legends Value, CAN SLIM® International, Value Line, Investment Program and NorthCoast Growth is calculated as a tiered percentage of net assets under management, accrued and payable quarterly, as follows:

- On the first asset value of \$0–\$99,999, Annual Fee is 1.65%
- On the next \$100,000–\$249,999, Annual Fee is 1.50%
- On the next \$250,000–\$499,999, Annual Fee is 1.40%
- On the next \$500,000–\$999,999, Annual Fee is 1.30%
- On the next \$1,000,000–\$1,999,999, Annual Fee is 1.20%
- On the next \$2,000,000 and up, Annual Fee is 1.00%

Compensation for our Tactical ETF/Tactical Growth Program - 50-100 basis points, payable quarterly in arrears

Compensation for our Tactical Income – 50-75 basis points, payable quarterly in arrears

### ***Compensation and fees for pooled accounts***

- 1) CAN SLIM® Select Growth Fund - 1.70% of the average daily net assets expense ratio (capped).
- 2) NorthCoast Long/Short Equities LLC - monthly management fee equal to 1/12th of one percent (approximately 1% annually) of the Net Asset Value of the Class A Interests as of the last business day of each calendar month, payable quarterly plus a performance fee of 20% of net new profits, as described below.

### ***General Compensation Provisions***

We charge management fees on a monthly or quarterly basis as provided in the investment advisory agreement. The fees are based on the net assets in the client's account as of the last business day of each calendar month or quarter. For purposes of calculating each such management fee, the net assets in a client's account are determined before reduction for the management fee and the incentive fee (if any, see Item 6, below) accrued or payable as of the calculation date and before any additions or withdrawals.

If a client withdraws all or part of its funds under management, or the agreement with us is terminated on any other date than the last business day of a calendar month or quarter, we will charge a management fee which will be prorated. The proration will be based on (a) the number of business days in the calendar month or quarter through the date of termination to (b) the total number of business days in the calendar month or quarter.

We may negotiate fees which could be lower than those detailed above.

NorthCoast also manages accounts that are part of “wrap fee” programs (where trade commissions and broker’s management fees are a flat annual rate) sponsored by brokerage firms with whom we have selling agreements or dual contracts. We may opt to negotiate lower fees in order to participate in these programs. NorthCoast does not sponsor its own wrap fee program.

NorthCoast bills largely on an “in arrears” basis. However, several brokerage firms offering our products bill on a forward basis. They are UBS, Sterne Agee, Raymond James, Oppenheimer, Envestnet

NorthCoast participates in the Fidelity Wealth Advisor Solutions Program (the “WAS Program”), through which NorthCoast receives referrals from Strategic Advisers, Inc. (“SAI”), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. NorthCoast is independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control NorthCoast, and SAI has no responsibility or oversight for NorthCoast's provision of investment management or other advisory services.

Under the WAS Program, SAI acts as a solicitor for NorthCoast, and NorthCoast pays referral fees to SAI for each referral received based on NorthCoast's assets under management attributable to each client referred by SAI or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from SAI to NorthCoast does not constitute a recommendation or endorsement by SAI of NorthCoast's particular investment management services or strategies. More specifically, NorthCoast pays the following amounts to SAI for referrals: on a quarterly basis, an annualized percentage of 0.10% on fixed income assets, plus an annualized percentage of 0.25% on all other assets, based on the composition of all assets held at Fidelity. These referral fees are paid by NorthCoast and not the client. There is a potential conflict of interest in this structure, in that NorthCoast's obligation to Fidelity can be reduced by holding a greater proportion of "Fixed Income Assets" versus other assets, which may, or may not be detrimental to clients' overall profitability.

To receive referrals from the WAS Program, NorthCoast must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in the WAS Program, NorthCoast may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to NorthCoast as part of the WAS Program. Under an agreement with SAI, NorthCoast has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, NorthCoast has agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when NorthCoast's fiduciary duties would so require; therefore, NorthCoast may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit NorthCoast's duty to select brokers on the basis of best execution.

NorthCoast also has agreements with other solicitors, who have our permission to present our programs to potential investors who might not otherwise know about our services, in return for a portion of our management fee. In all cases NorthCoast has a solicitation agreement with such individuals and requires that they provide any prospect with our ADV Parts 1 & 2, and obtain a signed acknowledgement that the prospect is aware of the fee sharing arrangement.

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

We also charge Incentive fees to some members of the Long/Short Equities LLC at the end of each calendar quarter in an amount equal to 20% of the Net New Profits achieved during that calendar quarter with respect to those members' capital accounts. There are a number of elements to the calculation of the incentive fee. Specifics of the calculation, including determination of carry forward losses, can be found in the NorthCoast Long/Short Equities offering memorandum.

If an LLC member's account experiences net losses after an incentive fee is charged, we will retain all incentive fees previously paid to us but we will not be entitled to receive a new incentive fee until additional Net New Profits are achieved in the client's account. In other words, the carry forward loss has to be eliminated for us to get an incentive fee.

If an LLC member withdraws all or part of its assets under management as of any date other than the end of a calendar quarter that member will be charged as if the withdrawal took place at the end of the quarter. That rule applies even though we might not be entitled to an incentive fee if the account were held until the end of the quarter because it might have incurred losses after the member withdrew it. If our investment advisory agreement is terminated prior to the end of a quarter, we will still receive the incentive fee due to us if the agreement had not been terminated.

The incentive fee arrangement may create an incentive for us to make investments that are more speculative or subject to a greater risk of loss than would be the case if no incentive fee arrangement existed. This arrangement could result in greater fees for us than other investment advisers might earn who do not have an incentive fee arrangement.

## **7. Types of Clients**

We provide advisory services to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, limited liability companies, general partnerships, limited partnerships, and offshore corporations organized to operate as hedge funds.

## **8. Methods of Analysis, Investment Strategies and Risk of Loss**

NorthCoast Asset Management specializes in quantitative analysis and systematic investing. In January 2006, NorthCoast and Investor's Business Daily Inc. (IBD<sup>®</sup>) signed an exclusive licensing agreement to provide educated investors with a private investment service dedicated to CAN SLIM<sup>®</sup> growth stock investing. As a result of this contract we thoroughly analyzed IBD's rankings and ratings of securities. Our



focus was to develop a reliable quantitative approach that would embrace the IBD methodology in as many aspects as possible. Primarily we were able to mathematically derive which of IBD's stock rankings and ratings would likely lead to future performance in stocks. Then we built portfolios based on these factors so that we could bring the benefits to individual investors.

As background, William J. O'Neil studied the traits of the most explosive stocks over the past 50 years, and uncovered 7 characteristics commonly found in the big winners. He created an acronym called "CAN SLIM"® for these characteristics which was published in his best-selling investment book, *How to Make Money in Stocks: A Winning System in Good Times and Bad*. The seven characteristics are:

C — Current earnings per share and quarterly sales should be up and in many cases accelerating in recent quarters.

A — Annual earnings should be up in each of the last three years.

N — A company should have a new product or service that's fueling earnings growth. The stock should be emerging from proper chart pattern and about to make a new high in price.

S — Supply and demand. Shares outstanding should be larger and trading volume should be big as the stock price increases.

L — Leader or laggard? Buy the leading stock in a leading industry.

I — Institutional ownership by mutual funds in recent quarters should be increasing.

M — The market should be in a confirmed up trend since three out of four stocks follow the market's overall trend. Declining markets under certain conditions may warrant increasing cash positions.

These portfolios are professionally managed daily in your individual account. We do not commingle assets with others (except as noted in pooled offerings), and thus you gain advantages that are typical of wealthy investors — transparency, oversight, and personal tax basis.

The CAN SLIM® Investment Program portfolio, NorthCoast Growth and The CAN SLIM® Select Growth Fund invest in common stocks. In an effort to control risk, our programs also determine the amount of cash to be held in each portfolio. During a down or declining market, we hold fewer stocks; we increase our holdings as markets rise. We place uninvested cash with the custodians which will pay prevailing money market rates to each account. This strategy has demonstrated its value to our clients in many declining market situations.

Continuing its dedication to quantitative analysis and systematic investing, NorthCoast and Value Line Investment Service signed a licensing agreement on November 1, 2011 giving NorthCoast the right to provide knowledgeable investors with a private investment service dedicated to the Value Line Timeliness Ranking System.

By way of background, **Value Line** is an independent investment research and financial publishing firm based in New York City founded in 1931 by Wall Street legend, Arnold Bernhard. In 1965 Bernhard began

to use regression analysis to replace his visual method of fitting cash flow to a price chart, and his system came to be known as the “Timeliness<sup>TM</sup> Ranking System”.

As a result of having access to a substantial amount of Value Line historical data, we were able to build a reliable and consistent programmatic approach that would allow us to offer individual managed accounts based on this world-famous method.

The program will usually maintain a fully invested posture; however, in certain types of extended negative markets, signals will dictate that no new positions are to be taken as well as showing certain positions that are to be liquidated. Depending upon the duration and severity of the downtrend, the program may end up with an all-cash, interest-bearing position until a new uptrend emerges.

The NorthCoast Legends Value program also invests in common stocks but usually maintains a fully invested posture.

The NorthCoast Tactical ETF Program/Tactical Growth, Tactical Income and Placemark ETF Strategy invests in Exchange Traded Funds (ETF's).

We have conducted extensive research, with particular attention to past bear markets, while developing our investment programs. However, we can give no assurance that a particular client's account will achieve superior performance relative to other stock portfolios or indices.

We use commercially available data sources for price information, including IBD®, Value Line, VectorVest, Zacks and Standard & Poor's data services.

We have developed and implemented trading programs which we have built by using the combined experience and training of our employees. No one individual has the sole responsibility for determining securities investment advice.

We require that those involved in determining or giving investment advice to clients be employees who are knowledgeable and experienced in the use of these systems. Please see Part 2B Supplement.

While our research is thorough, clients must be prepared for the risk of loss. All investments in securities risk the loss of capital. In addition, we identify four principal types of risk:

- 1) Risk that the stock market declines or the price of individual securities decline while the true long term value of the company may be unchanged or possibly even higher,
- 2) Our analysis has been faulty;
- 3) External events may negatively affect the value of a specific company; and
- 4) Fraud, in which case no amount of analysis could have been sufficient.

#### *Risks Specific to Pooled Investment Vehicles*

There are specific risks involved in our management of pooled investment vehicles, which are described in detail in their private placement memoranda or in the mutual fund prospectus. In general, our pooled investment vehicles face all of the risks that apply to our individually managed accounts, with some important differences.

We may use leverage in the management of our pooled investment vehicles. Leverage increases the gains from profitable transactions, but amplifies the impact of losses. We may invest in options and other derivatives in our pooled investment vehicles. We may also acquire substantial short positions. These investments can be highly profitable, but may also expose the vehicle to substantial losses.

We may pursue a focused investment strategy in our management of pooled investment vehicles that targets certain securities in particular market sectors. While this strategy may be highly profitable, the lack of diversification may magnify losses from erroneous investment decisions and expose our pooled investment vehicles to losses from market declines in the sectors in which one or more of our pooled investment vehicles may have substantial exposure.

We engage in hedging activities in our pooled investment vehicles to reduce the risk of loss from these management strategies. Hedging strategies are unlikely to avoid losses entirely and under certain circumstances, the securities purchased as a hedge may also experience losses.

## **9. Disciplinary Information**

There have been no disciplinary actions or events regarding the Company or any of its employees.

## **10. Other Financial Industry Activities and Affiliations**

NorthCoast Asset Management LLC is the managing member of NorthCoast Long/Short Equities LLC, which invests in stocks, bonds, Exchange Traded Funds, futures, and any other exchange-traded instruments the managing member believes are appropriate to its proprietary Long/Short Equities Program.

## **11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

NorthCoast Asset Management has adopted a Code of Ethics pursuant to SEC Rule 204A-1, which requires each of our employees to comply with all applicable federal and state laws and regulations. Our Code makes clear that our business will be conducted consistent with the highest standards of commercial honor and just and equitable principles of trade. The trust of our customers and the firm's reputation are of paramount importance. To that end, our Code requires each employee to avoid any action that results in a conflict of interest with the firm and its clients, prohibits outside business activities without the consent of the Chief Compliance Officer, prohibits trading on the basis of material non-public information and prohibits accepting extravagant gifts or entertainment from the firm's business relationships. Employees are

required to report all personal securities transactions to the firm, are not permitted to participate in public offerings, and must obtain the approval of the Chief Compliance Officer to participate in any private offering.

The NorthCoast Code of Ethics must be read, agreed to and that agreement acknowledged by every employee. This acknowledgement is renewed annually. The objective of the Code of Ethics is to subject all business dealings and securities transactions undertaken by our personnel, whether for clients or for personal purposes, to the highest ethical standards. We expect our personnel to use fundamental principles of openness, integrity, honesty and trust. The Code of Ethics requires that our personnel protect the confidentiality of the information about us and our clients, act appropriately as a fiduciary toward clients, avoid any illegal or unethical activities, avoid conflicts of interest and comply with our personal trading policy, which is part of the Code of Ethics. A complete copy of our Code of Ethics is available upon request from Megan Hall, Chief Compliance Officer, NorthCoast Asset Management LLC, 6 Glenville Street, Greenwich, CT 06831.

The Firm provides its Code of Ethics to any client or prospective client upon request. We solicit investments in the pooled investment vehicles we manage from clients holding individually managed accounts. This practice creates a conflict of interest because we obtain performance fees from investments in pooled investment vehicles and it is more difficult to withdraw investments from pooled investment vehicles than it is from managed accounts. We manage this conflict by fully disclosing it to clients prior to their making an investment. We do not initiate investments in our pooled investment vehicles from accounts that we manage on a discretionary basis.

Several employees and principals hold various levels of interests in both the CAN SLIM Select Growth Fund and the NorthCoast Long/Short Equities LLC. Because of the long-term nature of these investments NorthCoast does not view their participation as being in conflict with our clients' best interests.

## **12. Brokerage Practices**

We do not select broker-dealers for client transactions in individually managed accounts. We do, however, recommend broker-dealers to our clients who must approve our recommendation and the commission rates to be paid, which will vary from broker to broker.

With few exceptions our clients, including the pooled investment vehicles we manage, use the brokerage services of Fidelity Brokerage Services, Smith Barney, Trust Company of America, Oppenheimer, Wells Fargo, Sterne Agee, Stifel-Nicolaus & Company, Inc, UBS, Raymond James, TD Ameritrade, Envestnet and Charles Schwab. BTIG provides custodial and brokerage services for NCAM Long/Short Equities LLC. RBC's Wealth Management division provides brokerage services for some individual accounts. Some incidental mutual fund brokerage and IRA custodial services are provided by Trust Company of America. Per Company policy, no commissions are used to pay for research or any other services.

We select brokers for potential recommendation by considering the ability of a broker to provide trading platforms relevant to accounts they will house for us, the broker's client service ability, and the reasonableness of the fees it charges. We determine reasonableness of fees by comparing fees charged by a broker to market providers for similar services.

We do not publish research reports or sell newsletters. We do not normally use the term “financial planning” but we do work with our clients’ accountants and attorneys when appropriate to discuss estate planning, generation skipping and tax efficiency. We conduct no other businesses.

As of November 12, 2012 our assets under management were \$1,350,777,423, of which all were assets managed on a discretionary basis and none were assets managed on a non-discretionary basis.

We have no soft dollar or research arrangements. We do not engage in mark ups or mark downs. Our goal is to obtain best execution for each client transaction.

### **13. Review of Accounts**

We receive periodic reports and monthly summaries from the various custodians. Daniel Kraninger, President, and Megan Hall, CCO, are responsible for review of client accounts. Either Mr. Kraninger or Ms Hall review all accounts at various intervals, and more frequently if (1) new transactions have been entered into for the account, (2) any discrepancy appears in daily reconciliation of the account’s activities, or (3) there is a client inquiry. Daily reconciliations are performed by our operations personnel and results are organized to isolate any individual account problems that may arise for review by Ms Hall or Mr. Kraninger.

We may provide a monthly or quarterly (depending on specific client agreement) report showing the percentage performance of the account. Also, a monthly or quarterly client report shows the net asset value at the end of the period and advisory fees that we charged for the period. We have agreed to supply information to CAN SLIM® Select Growth Fund's administrator and to permit compliance inspections by the Administrator as necessary.

### **14. Client Referrals and Other Compensation**

We have written agreements with certain registered broker-dealers, registered investment advisers and other persons to compensate them for soliciting clients. All such solicited clients acknowledge any fee-sharing arrangement as well as receipt of the NorthCoast ADV when executing our Investment Advisory Agreement.

### **15. Custody**

We do not have custody of client assets. Each of our clients’ custodians sends account statements at least quarterly (if inactive) and monthly if there has been activity. These statements are sent directly to our clients. Some elect to receive them in paperless form through the internet. We urge our clients to review these statements regularly to insure accuracy. For purposes of review and client discussions we may prepare account summaries from our internal records that show holdings and unrealized gains and losses.

## **16. Investment Discretion**

Virtually all of our client assets are managed on a discretionary basis. Clients opening discretionary accounts are required to execute an investment advisory agreement that, among other things, grants us the authority to manage their assets on a discretionary basis. Clients must establish their own custodial arrangements if they do not wish to use the custodian we suggest and provide the custodian with a letter granting us the authority to manage their assets. Clients can ask us to use a broker other than the one we suggest by opening a brokerage account with the broker of their choice and providing us with written instructions that includes account information. Clients wishing to restrict their accounts from holding certain companies or types of companies can provide us with written instructions containing a list of the restricted companies.

## **17. Voting Client Securities**

NorthCoast has retained the services of Institutional Shareholder Services (wholly owned subsidiary of RiskMetrics Inc) (“ISS”), an independent proxy-voting service provider, to provide research, recommendations and other proxy voting services for client Proxies. Absent a determination by NorthCoast to override ISS’s guidelines and/or recommendations, we will vote all client Proxies in accordance with ISS guidelines and recommendations which, per their policies, vote all proxies in the best economic interest of our clients. NorthCoast also retains ISS for its turn-key voting agent service to administer its Proxy voting operation. As such, ISS is responsible for submitting all Proxies in a timely manner and for maintaining appropriate records of Proxy votes. We have established a Proxy Committee consisting of three of our principals who have a broad range of experience in the financial services industry to periodically review these policies and procedures.

## **18. Financial Information**

NorthCoast derives all of its income from advisory fees as detailed above. The firm does not have any outside or conflicting business interests, nor do its principals or employees hold directorships or board seats in any other businesses.

## Part 2B of Form ADV: Brochure Supplement

Date Prepared 2/15/11

This brochure supplement provides information about key employees of NorthCoast that supplements the NorthCoast Asset Management, LLC brochure. You should have received a copy of that brochure. Please contact Megan Hall if you did not receive NorthCoast Asset Management's brochure or if you have any questions about the contents of this supplement. Additional information about any of our employees is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Business address and phone number is the same for each:

6 Glenville St.  
Greenwich, CT 06831  
(203) 532-7000

### 2. Educational Background and Business Experience

**Daniel J. Kraninger, Chief Executive Officer & President.** Mr. Kraninger was formerly Senior Vice President of GE Private Asset Management. GEPAM is a \$2.5 billion money management subsidiary of GE Capital. At GEPAM he directed their Private Client Group - a team that advised and managed money for over 1,500 high-net-worth clients. Prior to GE, he served as Senior Vice President of O'Shaughnessy Capital Management (OCM), a \$1 billion Greenwich investment adviser and mutual fund manager that he helped establish in 1996 with founder Jim O'Shaughnessy. OCM later sold its assets to Netfolio, LLC in January, 2000. Before OCM, Mr. Kraninger worked at Merrill Lynch as a member of the 1994 JET Program. He is a graduate of Villanova University in Philadelphia.

**Paul E. Dean, Chairman.** Mr. Dean graduated from Georgia Institute of Technology in 1966 with a B.S. degree in Industrial Engineering and earned a MBA from Harvard University in 1968. He has been involved in researching, developing and implementing futures trading strategies and programs based on trend-timing trading philosophy since 1974. Mr. Dean was the partner of the late Richard D. Donchian, one of the first advocates of the diversified trend-following approach to managed futures. He co-founded NorthCoast (then TrendLogic) in 1988.

**Patrick Jamin, Chief Investment Officer.** Mr. Jamin joined North Coast Asset Management in January, 2012 as Chief Investment Officer. In his role he oversees all investment activity including portfolio management and investment research. Previously Mr. Jamin was a Partner at Numeric Investors directing the portfolio management effort for all European Strategies. There he was also a member of the Strategic Alpha Research team and had responsibilities encompassing a wide array of quantitative research projects, as well as managing Numeric's World Fundamental Statistical Arbitrage Strategy. Prior to that Patrick served as a Portfolio Manager at Standard Pacific Capital and as a Senior Quantitative Analyst at AIM Investments. Patrick received an M.B.A. from Harvard Business School with high distinction (2002), a Masters of Science in Telecommunications from Ecole Nationale Supérieure des Telecommunications de Paris (1997), a diploma of "Ingenieur de l'Ecole Polytechnique" from Ecole Polytechnique in Palaiseau, France (1995). Patrick is a CFA charter holder and a certified FRM.

**Brentin C. Elam, Managing Director – Research.** Mr. Elam graduated from the University of Cincinnati in 1969 with a B.S. degree in Science. Mr. Elam has traded futures professionally since 1970, using and writing computer programs for trading portfolios. He was a founding director of the National Association of Futures Trading Advisors and has served on the National Futures Association’s CTA/CPO Advisory Committee and the NFA’s Business Conduct Committee, Eastern Region.

**John M. Wildern, Managing Director - Sales.** Mr. Wildern began his career in the securities industry in 1999 with UBS PaineWebber, where he primarily worked with 401(k) plans for the small business segment. In 2001, Mr. Wildern joined Fidelity Investments as a Financial Advisor, responsible for coordinating retirement and estate plans for individual investors. His last role at Fidelity was that of Vice President within the high net worth Private Access group, where he managed a \$700 million portfolio of both individual and institutional client assets. Mr. Wildern holds a B.S. in Economics from Hillsdale College, an M.A. in Financial Economics from the University of Detroit Mercy, and an MBA from the J.L. Kellogg School of Management at Northwestern University.

**Frank Ingarra, Jr, Senior Vice President – Head Trader.** Mr. Ingarra has over twelve years of experience in portfolio management and equities trading, and began his financial career working alongside famed “What Works on Wall Street” author, James O’Shaughnessy as Head Trader of Funds. Frank continued to manage these funds after they were acquired by Hennessy Funds in 2000, and was promoted to co-portfolio manager and head trader for the entire family of quantitatively managed Funds. He earned an MBA from the Frank G. Zarb School of Business at Hofstra University and holds a Bachelor's degree in Engineering and a minor Business from Villanova University.

**Megan Hall, Senior Vice President – Chief Compliance Officer** Megan Hall attended St. Olaf College in Northfield, MN and began her financial career in 2001 by working as Head of Trading for NorthCoast Asset Management (then TrendLogic). While there, she was responsible for executing all stock and futures trades as well as monitoring overnight stop orders in European and Far East markets. After a brief hiatus to work more directly in client services, Megan returned to NorthCoast Asset Management in 2006 in the Operations Manager role where she oversees the department which includes daily security and account reconciliation as well as all custodial relationships.

**Robert E. Wright, Senior Vice President.** Graduated Cum Laude from the University of Toledo with a degree in Economics and a business minor focused in Finance. He has run a personal Financial Planning practice with Ameriprise Financial and was responsible for developing custom financial plans for high net worth individuals to meet their personal objectives. While with Ameriprise, Mr. Wright received the Mercury and Outstanding Advisor awards for excellence. He currently manages NorthCoast’s direct sales and service team.

### **3. Disciplinary Information**

None.

### **4. Other Business Activities**

None.



## **5. Additional Compensation**

None.

## **6. Supervision**

Mssrs. Kraninger, Ingarra, Dempster, Wick, Wildern and Wright advise the clients of the firm. Communication with clients is tracked in the firm's ACT system. Specifically, phone conversations are summarized and logged in the system and emails, both to and from the firm, are archived and reviewed regularly by Ms. Hall in her capacity as Chief Compliance Officer. Mssrs. Kraninger, Jamin, Dean, Ingarra and Elam act as the Firm's investment committee, reviewing the Firm's programs' buys and sells. Correspondence, advertising, presentations and web sites are reviewed for compliance purposes by Ms Hall. Any of the individuals above can be reached at (203) 532-7000.