



Item 1. Cover Page

Mt. Eden Investment Advisors LLC
425 California Street, Suite 1500
San Francisco, CA 94104
Telephone: (415) 288-3000
Fax: (415) 288-3039
www.mtedeninvest.com

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This brochure provides information about the qualifications and business practices of Mt. Eden Investment Advisors, LLC ("Mt. Eden"). If you have any questions about the contents of this brochure, please contact us at (415) 288-3000 or invest@mteden.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Mt. Eden also is available on the SEC's website at www.advisorinfo.sec.gov.

Mt. Eden is a registered investment adviser with the SEC. Registration does not imply approval by the SEC or any other governmental authority, and does not indicate a certain level of skill or training.

Item 2. Material Changes

This is the initial filing of Mt. Eden's Form ADV Part 2A (new form), and as such there are no material changes to report other than the firm moved its main office in March 2011 to new space in San Francisco.

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Item 4. Advisory Business

Description of Firm –

Mt. Eden is an independent investment counseling firm with offices in San Francisco, Los Angeles and Seattle. As an employee-owned firm, we align our strategies and services with the clients' interest. As of December 31, 2011, Mt. Eden managed \$596,482,139 in client assets, mostly on a fully discretionary basis.

The founders of Mt. Eden Investment Advisors, Keith McWilliams and John Packard, have a professional partnership spanning 14 years, providing high-end customized investment counsel. They established Mt. Eden in 2004 from an amicable spin-off of the West Coast office of Weiss, Peck & Greer Private Client Services, believing affirmatively that the high-net worth family's needs are best served by a boutique firm with an individualized focus. In 2005, Mt. Eden Investment Advisors acquired the assets of Telegraph Hill Investment Counsel, further adding strength to Mt. Eden's team and disciplines.

Firm Ownership –

Mt. Eden is entirely employee-owned, with no affiliations or ownership arrangements with other financial services firms or corporations. The firm's principal owners remain the founders Keith McWilliams and John Packard, as well as Tim Barrett. Mr. McWilliams and Mr. Barrett are active in the daily management and operations of the firm.

Services Provided –

Mt. Eden provides investment supervisory services and directly manages investment advisory accounts, generally on a fully discretionary basis.

We craft highly customized investment strategies for high-net-worth families, trusts and individuals who expect and receive personal attention and advice. Additionally, our expertise in philanthropic investment needs, techniques, and socially responsible investing serves well the private foundation and endowment client.

Since our inception, Mt. Eden has provided discretionary asset management services for smaller and mid-sized private and public foundations, endowments, defined contribution and benefit plans, charitable trusts, and taxable insurance assets. Underscoring our positioning as an institutional-class investment counseling boutique, it is an important part of our business to provide the same attention in customized services and disciplines to our institutional clients as we do our private clients.

As an employee-owned investment culture, we align our strategies and services with our clients' interests, crafting tax-sensitive investment strategies for high-net-worth families, trusts and individuals who expect and receive customized attention and advice.

Additionally, our expertise in philanthropic investment needs, techniques, and socially responsible investing serves well the private foundation and smaller endowment client.

We believe in active, rather than passive, portfolio management, seeking to add value through:

- Security and asset selection;
- Strategic and tactical asset allocation;
- Risk control;
- Tax-sensitive management; and
- Customized portfolios addressing unique client goals.

We believe our clients' interests always are our top priority, addressing them through:

- An experienced team of financial and investment problem solvers;
- An efficient and responsive service staff;
- Avoidance of conflicts of interest;
- Ample and transparent progress reports; and
- Personal trusted adviser relationships.

Item 5. Fees and Compensation

Fee Schedules –

Mt. Eden charges fees for its investment management services based on the market value of the assets being managed. Fee arrangements are negotiable and vary, but generally fall under the following schedules:

Annual Fee Schedule to be assessed on account market value:

0.90% on first \$3M
0.80% on next \$2M (up to \$5M)
0.70% on next \$5M (up to \$10M)
0.50% on next \$15M (up to \$25M)

Annual Fee Schedule to be assessed on account market value for certain clients with aggregate account values exceeding \$15 million:

0.65% on first \$15M
0.50% on next \$10M (up to \$25M)
0.40% on next \$25M (up to \$50M)
0.25% above \$50

Fee Payment Arrangements-

Mt. Eden charges an annual fee based on assets under management, which amount is generally payable in monthly or quarterly installments at the end of each calendar month or quarter based on the net market value of the client's account depending on the provisions of each client's account agreement. Mt. Eden typically deducts fees from client accounts.

Mt. Eden may charge a flat annual or other fee arrangement based on asset value for discretionary investment management services depending on the specific services contracted for with the client.

Client accounts that invest in mutual funds, private investment funds (such as hedge funds, private equity funds and venture funds) or have separate accounts with other managers, will also pay, indirectly, investment advisory fees to the managers of those funds or separate accounts. Mt. Eden believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees than those charged by Mt. Eden. Mt. Eden complies with Rule 205-3 under the Investment Advisers Act of 1940, as amended, if applicable.

Mt. Eden does not require or accept prepayment of fees from a client of more than six months' fees.

Clients may terminate their accounts on 30 days' prior written notice. In all cases, clients bear expenses and the annual fee through the date of termination. Each client account is responsible for its own costs and expenses, including brokerage commissions and transactions charges related to securities transactions, and may incur other transaction fees from the client's custodian, all of which are in addition to the management fees paid to Mt. Eden (please see Item 12).

We encourage our employees to identify and solicit new clients, and to service and retain existing clients, but we do not compensate employees through any arrangement involving transactions in client accounts.

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

Mt. Eden does not charge or receive performance-based fees. We therefore do not have the conflicts of interest inherent in a performance-based fee.

Item 7. Types of Clients

We craft highly customized investment strategies for high-net-worth families, trusts and individuals who expect and receive personal attention and advice. Additionally, our expertise in philanthropic investment needs, techniques, and socially responsible investing serves well the private foundation and endowment client.

Types of Clients - Mt. Eden generally provides investment advice to:

- Individuals;
- Trusts, including charitable trusts;
- Charitable organizations and foundations;
- Corporations or business entities other than financial institutions; and
- Pension and profit sharing plans.

Account Minimums –

Mt. Eden generally requires a minimum of \$2,000,000 to open an individually managed account, but reserves the right to waive this minimum. We may charge a minimum annual fee for services on any account that is or falls below the firm's account minimum.

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

Mt. Eden uses security analysis methods that include Fundamental and Technical analysis.

Sources of Research –

Mt. Eden's sources of information for security analysis include financial newspapers and magazines; research materials prepared by research, financial and brokerage firms; corporate ratings services; annual reports, prospectuses and filings with the SEC; and company press releases and published information.

- Securities and Economic Research includes:
 - Anchor buy-side alliances include access to analysts in addition to proactive written idea flow (e.g. Northern Trust, Sanford Bernstein);
 - ISI for economic and market analysis;
 - Wide access to numerous sell-side firms;
 - Access to independent research sources; and
 - Socially responsible investment screening capabilities.
- Manager Access and Research includes:
 - Relationship with Fortigent as Mt. Eden's Consultant, includes asset class research, manager due diligence, negotiated pricing for clients, and aggregated reporting; and
 - Other due diligence and manager access from Franklin Templeton, Goldman Sachs, and PSN through PerTrac.

Investment Strategies –

Mt. Eden implements its investment advice to clients using investment strategies that may include the following, depending on the clients' investment objectives: long-term purchases; short-term purchases (intended to be sold within 1 year); very short-term trading (intended to be sold within 90 days); margin transactions; and option writing, including covered options, uncovered options or spread strategies.

Equity Management –

Mt. Eden actively manages Equity portfolios comprising mid- and large-cap stocks selected under the following considerations:

- The stock selection process emphasizes fundamental corporate valuation criteria with a bias towards growth – that is, Growth at a Reasonable Price (“GARP”).
- Relative to the benchmark, portfolios tend to have higher earnings growth, margins and return on equity, and lower debt levels.
- After-tax and risk-adjusted returns are emphasized in striving to deliver competitive performance.
- Customization for clients’ specific requirements can come through “cartridges” appended to the portfolio. These extensions of 10 to 12 stocks to the 30 to 40 core names can be used to either increase dividend income or enhance growth potential.
- Customization can also include incorporating existing client holdings and concentrated positions into our strategy. We can refresh portfolios over longer time spans to be tax-efficient.
- The primary risk control is our disciplined stock selection process. Other measures include diversification across industries and economic sectors, limiting position sizes and sector weights, and adherence to a strict sell discipline.
- Exclusionary screening can serve socially responsible clients through the use of well-researched SRI databases.

Fixed Income Management –

Mt. Eden strategically manages Fixed Income portfolios comprising intermediate, high-quality bonds with the following selection considerations:

- Portfolios may contain either taxable or tax-exempt securities.
- Portfolio volatility is constrained by limiting investments to intermediate-term maturities.
- Diversification is achieved through the size and number of positions.
- High credit quality ratings are required, typically A or better.
- Strategic adjustments in portfolio structure may be made to capture opportunities based upon interest rate cycles, yield curve shifts and credit spreads.
- Custom benchmarks reflecting client preferences may be specified.

The investment strategies summarized above represent Mt. Eden’s current intentions, are general in nature and are not exhaustive. Subject to a client’s individual investment guidelines and restrictions, there are no limits on the types of securities in which Mt. Eden may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Mt. Eden may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality and indefinite nature. Depending on conditions and trends in securities markets and the economy generally, Mt. Eden may pursue any objectives or use any techniques that it considers appropriate and in clients’ interests.

Satellite Style Manager Selection –

For investment styles and market sectors that we don't actively manage, but that we believe clients should include in their investment portfolios, we select external managers to provide clients with that exposure.

Our due diligence process, which includes internal and outside resources, involves identification and selection of outstanding external managers that have specialized investment experience and skills for other portfolio components.

Investment Risks –

Before initiating any investment program, Mt. Eden reviews with the client the client's investment objectives, risk tolerance and investment horizon. We try to ascertain whether the client is experienced in engaging investment advisers and is aware of the risks associated with such engagements, including the risk that the client's account could suffer substantial loss in value.

All investments in securities recommended by Mt. Eden bear a certain degree of risk, and we work with the clients to help them understand the risks involved in the securities we purchase for their portfolios. These risks may include market, interest-rate, issuer or company, credit and inflation risk.

- *Risk of loss.* Client accounts may not achieve their investment objectives. A strategy may not be successful and clients may lose some or all of their investments. Mt. Eden and its affiliates and agents generally are not responsible to any client for losses incurred in an account unless the conduct resulting in such loss breached Mt. Eden's fiduciary duty to the client.
- *Issuer risk.* Securities purchased may decline in value because of changes in the financial condition of, or other events affecting, the issuers of these securities.
- *Management risk.* Mt. Eden's opinion about the intrinsic worth or creditworthiness of a company or security may be incorrect. We may not make timely purchases or sales of securities for the account. The client's investment objective may not be achieved. The market may continue to undervalue the securities.
- *Valuation risk.* Mt. Eden determines the value of securities and commodities held in client accounts, whether or not a public market exists for such instruments. If Mt. Eden's valuation is inaccurate, it might receive more compensation than that to which it is entitled.
- *Competing activities risk.* Mt. Eden and its affiliates may spend time on activities that compete with a client without accountability to that client, including investing for other clients and their own accounts. If Mt. Eden receives better compensation and other benefits from managing other assets or client accounts compared to managing a client, it has incentive to allocate more time to those other activities. These factors could influence Mt. Eden not to make investments on a client's behalf even if such investments would benefit the client.

- *Information risk.* Mt. Eden may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Mt. Eden also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the client could make a profit or avoid losses.
- *Equity risk.* Equity securities generally have greater price volatility than fixed income securities.
- *Market risk.* Stock prices may decline over short or extended periods due to general market conditions.
- *Non-U.S. issuer risk.* Foreign securities (including ADRs) may decline in value because of political, economic, or market instability; the absence of accurate information about foreign companies; risks of internal and external conflicts; or unfavorable government actions, including expropriation and nationalization. Non-U.S. securities are sometimes less liquid, more volatile, and harder to value than securities of U.S. issuers. Lack of uniform accounting, auditing, and financial reporting standards, with less governmental regulation and oversight than U.S. companies, may increase risk. Some countries also may have different legal systems that may make it difficult for the owner to vote proxies, exercise shareholder rights, and pursue legal remedies with respect to investments. These risks may be higher when investing in companies in emerging markets. Certain of these risks may also apply to securities of U.S. companies with significant foreign operations.
- *Interest rate risk.* Fixed-income security prices may decline due to rising interest rates. Fixed-income securities with longer maturities tend to have higher yields and are generally subject to potentially greater volatility than obligations with shorter maturities and lower yields.
- *Credit risk.* A security's price may decline due to deterioration in the issuer's financial condition, or the issuer may fail to pay interest or repay principal in a timely manner.
- *Call risk.* During periods of falling interest rates, issuers of callable bonds may repay the bonds before maturity. This could cause the account to lose potential price appreciation if it reinvests the proceeds at lower interest rates.
- *Liquidity risk.* The account may not be able to sell a security in a timely manner or at desired prices.
- *Mortgage and asset-backed securities risk.* Early repayment of principal of mortgage-related or other callable securities exposes the owner to a potential loss of any premium to face value paid and to a lower rate of return upon reinvestment of principal. In addition, changes in the rate of prepayment also affect the price and price volatility of a mortgage-related security. Securities issued by certain U.S. government sponsored enterprises (GSEs) (such as the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac)) are not issued or guaranteed by the U.S. Treasury. If these GSEs cannot meet their obligations, the U.S. government might not continue to provide support, causing the client to lose part or all of the amount invested.
- *Investor sentiment risk.* Investor sentiment on the market, an industry or an individual stock, fixed-income or other security is not predictable and can adversely affect an account's investments.
- *Short Selling risk.* Mt. Eden sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase. Management and

stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Mt. Eden could be subject to such actions, even if they are baseless, and clients could incur substantial costs defending them.

- *Leverage risk.* Mt. Eden may use leverage by borrowing on margin, selling securities short and trading derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- *Option risks.* Mt. Eden may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- *Counterparty risk.* Counterparties such as brokers, dealers, futures commission merchants, custodians and administrators with which Mt. Eden does business on behalf of clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- *Governmental risk.* Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to clients.
- *Diversification risk.* An account's investments may not be adequately diversified. Therefore, a loss in any one position, industry or sector in which a client has invested may cause significant losses.
- *Growth risk.* If the assets that Mt. Eden and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Mt. Eden to find attractive investments as the amount of assets that it must invest increases.
- *Counsel risk.* The attorneys who represent Mt. Eden or its manager do not represent clients. Clients must hire their own counsel for legal advice and representation.
- *Regulatory risk.* Federal, state and international governments may increase regulation of investment advisers and derivative securities, which may increase the time and resources that Mt. Eden must devote to regulatory compliance, to the detriment of investment activities.
- *Registration risk.* Mt. Eden is not registered with the SEC or any other regulatory authority as a broker-dealer. Mt. Eden believes that such registration is not required. If a regulatory authority deems that such registration is required, Mt. Eden could be subject to expensive and distracting legal action and potential termination. In addition, clients do not have certain regulatory protection that they would have if Mt. Eden were so registered.
- *Tax risk.* Mt. Eden's activities could cause adverse tax consequences to clients, including liability for interest and penalties.
- *ERISA risk.* Mt. Eden's activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.

With the exception of certificates of deposit, investments recommended by Mt. Eden to clients are not deposits of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any governmental agency.

Types of Investments –

The types of investments on which we advise our clients may include the following security types:

- Equities – exchange-listed securities, securities traded over-the-counter, and foreign issues listed on a US exchange;
- Bonds – Corporate debt securities, municipal securities, US government securities;
- Commercial paper, certificates of deposit, money market funds;
- Options contracts on securities;
- Mutual fund shares for both equities and fixed income; and
- Partnership interests in private partnerships such as hedge funds, private equity funds and venture capital funds for qualified investors.

Not all investments or security types are appropriate for every client or portfolio, and we customize our investment approach to meet each client's objectives and risk tolerances within the client's investment portfolio.

Investment Services –

As described above in Item 4, Mt. Eden provides investment advice and management to individually managed accounts. In most cases, Mt. Eden holds a limited power of attorney to act on a discretionary basis with client funds.

Depending on individual client objectives, Mt. Eden may provide asset allocation services to clients either as part of a comprehensive investment plan, or as a separate service. Mt. Eden also provides review and selection of other investment managers to fulfill specific client objectives and portfolio diversification requirements, which includes selection of mutual funds and alternative investment funds (such as hedge funds, private equity funds and venture capital funds). Mt. Eden may provide these services in a non-discretionary consulting capacity to institutional investors.

Mt. Eden offers advice and makes recommendations for client investments in privately offered partnerships and other pooled investment such as hedge funds, private equity funds and venture capital funds for qualified investors.

Mt. Eden is authorized to enter into any type of investment transaction that it deems appropriate for its clients, subject to the terms of its investment management agreements. Mt. Eden does not currently advise clients on any types of investments other than those identified in this section.

Clients have the ability to restrict investment in certain securities or types of securities from their portfolios, as well as to provide guidance and direction to Mt. Eden with respect to the securities purchased and sold for the client's portfolio.

Investment Counseling Services include:

- Regular meetings and performance review;
- Quarterly written economic commentary;
- Annual update of investment policy statements;
- Cash flow and retirement scenario forecasting;
- Financial objectives testing using simulation software;
- Charitable trust modeling and tax-efficient management;
- Socially responsible investment exclusionary screening and portfolio reviews;
- Covered call option writing for income generation, where appropriate; and
- Concentrated holdings diversification plans.

Account Administration Services include:

- Quarterly reporting from Mt. Eden;
- Periodic tax summaries to CPAs and other affiliated professionals;
- Cash and fund flow management;
- Account aggregation reporting;
- Family and charitable securities gifting;
- 401k plan non-discretionary advice;
- 529 plan non-discretionary coordination;
- Proxy voting; and
- Custodian management on behalf of clients.

Services listed above may not be appropriate for all clients and all situations. Mt. Eden customizes our services to meet specific client investment objectives and situations.

Item 9. Disciplinary Information

Since inception of the firm in 2004, Mt. Eden has not been the subject of any legal, regulatory or disciplinary matters, nor have any of the principals or officers of the firm. The principals, including firm members, have not been the subject of, or been a named party to, any regulatory or legal complaints or actions.

Among the officers and management staff servicing client relationships, none has been involved in any legal or disciplinary events while employed by Mt. Eden.

Two customer arbitration complaints were filed in 2009 against First Republic Securities Corp. ("First Republic"), a subsidiary of First Republic Bank and a former employer of Sandra Pan. Ms. Pan is now Mt. Eden's Executive Director of Client Services. The complaints arose out of Ms. Pan's sale of interests in a private leveraged municipal bond arbitrage fund that First Republic sponsored. In 2010, the panel in one arbitration, in which Ms. Pan was not named as a respondent, awarded the claimants compensatory damages and forum fees. The panel also found that First Republic committed professional negligence and breach of fiduciary duty and failed to train and supervise Ms. Pan in connection with the sales of interests in the fund, among other things. Ms. Pan was not required to contribute to the award. The claimants in the other arbitration named Ms. Pan as a respondent, but the case was settled in 2010. First Republic and

Ms. Pan admitted no liability in connection with the settlement, and Ms. Pan was not required to contribute to the settlement.

Mt. Eden was aware of these arbitrations when we hired Ms. Pan. It is our view that the activities out of which the arbitrations arose occurred because First Republic encouraged its employees to sell complex proprietary products. After reviewing the facts and circumstances, Mt. Eden concluded that the arbitrations do not reflect on Ms. Pan's professionalism or ethics. Mt. Eden does not sell proprietary products.

Item 10. Other Financial Industry Activities and Affiliations

Mt. Eden is not affiliated with any firm or organization in the investment business, and operates as an independent firm. This includes other investment management firms, as well as brokerage firms. None of Mt. Eden's employees is affiliated with any other investment firm, including registration with a broker-dealer.

From time to time, Mt. Eden may recommend other investment advisers for our clients, as a sub-adviser, as a fund manager, or as an adviser working directly with the client. In all cases, Mt. Eden does not receive any compensation or consideration from other advisers for recommending or employing their services for our clients.

Privacy Policy and Protection of Client Personal Information –

Mt. Eden collects non-public personal information about its clients from the following sources:

- Information received from clients on applications or other forms, and
- Information about clients' transactions with Mt. Eden, its affiliates or others.

We do not disclose any non-public personal information about our clients or former clients to anyone, except as permitted by law.

We restrict access to non-public personal information about clients to our employees who need to know that information to provide services to clients.

We maintain physical, electronic and procedural safeguards that comply with federal standards to guard clients' personal information.

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

Mt. Eden has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended, which establishes standards of conduct for Mt. Eden's employees. The Code of Ethics includes general requirements that Mt. Eden's employees comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to personal trading, insider trading, conflicts of interest and confidentiality of client information. Clients and prospective clients may obtain a copy of Mt. Eden's Code of Ethics by contacting William S. McCreery at (415) 288-3000.

The Code of Ethics includes a policy regarding personal securities trading by Mt. Eden's employees in their personal accounts. Under the policy, an employee's "personal account" generally includes any account that is for the benefit of the employee, the employee's spouse, the employee's minor children or any other dependent of the employee residing in the same household as the employee and for which the employee influences or controls investment decisions. Mt. Eden requires its employees to obtain prior approval of all personal securities transactions in reportable securities to avoid the appearance of conflicts of interest with Mt. Eden's clients. To monitor compliance with this policy, Mt. Eden has adopted a quarterly securities transactions reporting system for all of its employees.

Mt. Eden and its employees may personally invest in the same securities that we recommend or purchase for clients. The firm may own securities of issuers whose securities are subsequently purchased for clients. Generally our employees are not permitted to buy or sell securities for their own accounts that appear on the firm's "Restricted List". Mt. Eden and our employees may also buy or sell specific securities for their own accounts based on personal investment considerations that Mt. Eden does not deem appropriate to buy or sell for clients.

Item 12. Brokerage Practices

Allocation of Trades –

In most cases, Mt. Eden has complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. Because Mt. Eden engages in an investment advisory business and manages more than one account, there may be conflicts of interest over Mt. Eden's time devoted to managing any one account and the allocation of investment opportunities among all accounts managed by Mt. Eden. For example, Mt. Eden selects investments for each client based solely on investment considerations for the client. Different clients may have different investment strategies and expected levels of trading. Mt. Eden may give advice to, and take action on behalf of, any of its clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other client, so long as it is Mt. Eden's policy to allocate investment opportunities over a period of time on a fair and equitable basis relative to other clients. Mt. Eden may buy or sell a security for one type of client but not for another, or may buy (or sell) a security for one type of client while simultaneously selling (or buying) the same security for another type of client. Mt. Eden attempts to resolve all such conflicts in a manner that is generally fair to all of its clients. Mt. Eden employs a trade rotation policy when executing block trades across a large number of client accounts, thereby providing the participating accounts in the block with the same average price for the day for shares bought or sold in the block. Mt. Eden is not obligated to acquire for any account any security that Mt. Eden or its officers, managers, members or employees may acquire for its or their own accounts or for any other client, if in Mt. Eden's absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Trade Errors –

If a trade error occurs in a client account, Mt. Eden will work with the executing broker to correct the error. Client accounts do not bear the costs of correcting errors, but they will benefit from any profitable errors.

Class Action Suits and Legal Matters –

Unless Mt. Eden otherwise agrees in writing, Mt. Eden will not advise or take any action on behalf of clients in any legal proceedings, including bankruptcies or class actions, involving securities held in or formerly held in clients' accounts or issuers of those securities.

Selection of Brokers –

Unless otherwise directed by the client, Mt. Eden has complete discretion to select the broker to be used and the commission rates to be paid. In selecting a broker for any transaction or series of transactions, Mt. Eden may consider a number of factors, including:

- net price;
- clearance, settlement and reputation;
- financial strength and stability;
- efficiency of execution and error resolution;
- block trading and execution capabilities;
- broker's on-line access to computerized data regarding clients' accounts;
- computer trading systems; and
- the receipt of brokerage services generally.

Mt. Eden may also purchase from a broker or allow a broker to pay for the following research services (a "soft-dollar relationship");

- economic and market information;
- portfolio strategy advice;
- industry and company comments;
- technical data, recommendations;
- research conferences;
- general reports;
- consultations;
- performance measurement data;
- on-line pricing;
- news wire charges;
- quotation services; and
- computer hardware and software used specifically for research or trading functions.

Mt. Eden may receive soft-dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to Mt. Eden.

Mt. Eden may pay a brokerage commission in excess of that which another broker-dealer might charge for executing the same transaction in recognition of the value of the brokerage, research and other services and soft-dollar relationships. In such a case, however, Mt. Eden determines in good faith that such commission is reasonable in relation to the value of brokerage, research and other services and soft-dollar relationships provided by such broker-dealer, viewed in terms of either the specific transaction or Mt. Eden's overall responsibilities to the portfolios over which Mt. Eden exercises investment authority. An account may, however, pay higher brokerage commissions than are otherwise available, or may pay more brokerage commissions based on account trading activity. Also, some clients may direct Mt. Eden to use a broker that does not provide soft-dollar benefits to Mt. Eden. Nevertheless, the research and other benefits resulting from the brokerage relationship would benefit all accounts managed by Mt. Eden.

Brokerage Conflicts of Interest –

Mt. Eden's relationships with brokerage firms that provide soft-dollar services to Mt. Eden may influence Mt. Eden's judgment in allocating brokerage business and create conflicts of interest in allocating brokerage business between firms that provide soft-dollar services and firms that do not. These conflicts of interest are particularly influential to the extent that Mt. Eden uses soft dollars to pay expenses it would otherwise be required to pay itself.

In each of these situations, the availability to Mt. Eden of goods and services from a particular broker creates a conflict of interest because Mt. Eden has an incentive to direct transactions for client accounts to that broker due to the goods and services that the broker provides to Mt. Eden in exchange for the execution of transactions of those client accounts through the broker.

Mt. Eden addresses these conflicts of interest by annually evaluating the trade execution services that Mt. Eden receives from the brokers that it uses to execute trades for clients. Such evaluation includes comparing those services to the services available from other brokers. Mt. Eden considers, among other things, alternative market makers and market centers, the quality of execution services, the value of continuing with various soft-dollar services and adding or removing brokers, increasing or decreasing targets for each broker and the appropriate level of commission rates.

During Mt. Eden's last fiscal year, it acquired the following types of products and services with client brokerage commissions or markups:

- Securities analysis and evaluations;
- Securities pricing and market information;
- Portfolio analytics and information systems.

Mt. Eden may recommend that clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Mt. Eden may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Mt. Eden is independently owned and operated and not affiliated with Schwab.

Schwab provides Mt. Eden with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent on Mt. Eden committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Mt. Eden may aggregate securities sale and purchase orders for a client with similar orders being made contemporaneously for other accounts managed by Mt. Eden. When this happens, the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. As a result, however, the price may be less favorable to the client than it would be if similar transactions were not being executed concurrently for other accounts. Mt. Eden may also cause a client to buy or sell securities directly from or to another client, if such a cross-transaction is in the interests of both such clients.

If a client directs Mt. Eden to use a specific broker, Mt. Eden has not negotiated the terms and conditions (including, but not limited to, commission rates) relating to the services provided by such broker. Mt. Eden does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates with or through any such broker. The client may not obtain rates as low as it might otherwise obtain if Mt. Eden had discretion to select broker-dealers other than those chosen by the client. The client may not participate in aggregate securities transactions, as described above, and may trade after such aggregate transactions and receive less favorable execution.

Item 13. Review of Accounts

Mt. Eden provides continuous investment supervisory services and manages investment advisory accounts.

All accounts are managed and reviewed frequently, and not less often than quarterly, by one of our Portfolio Managers specifically assigned to the client's relationship. The Portfolio Manager is responsible for overall adherence with the investment philosophy employed by Mt. Eden and any specific requirements of the client. We also review account holdings at any time depending on changing market conditions or as client situations warrant.

In addition, all clients are assigned an Investment Adviser who is responsible for review of the client's portfolio with the Portfolio Managers, and monitoring the management of the assets within the guidelines established under each client's Investment Policy Statement. Each client's Investment Adviser reviews the client's Investment Policy Statement annually with the client.

Client Meetings –

Generally, Mt. Eden meets with each client at least annually to review the client's portfolio and the Investment Policy, and to discuss any changes to the client's situation that might affect how we should be managing the client's account. These meetings may be supplemented with semi-annual or more frequent conference calls between the Investment Adviser and the client.

Reporting –

Investment reports containing at least current investment holdings, transaction summaries, performance measurement and market values are mailed to clients no less than quarterly. Included in the report packages often will be topical investment informational newsletters. We also provide clients with reports of fee charges for the period.

Each client also receives from the client's custodian separate quarterly (or more frequent) reports, showing all of the client's assets and transactions.

Any client may choose to receive all such reports by electronic delivery.

Item 14. Client Referrals and Other Compensation

Client Referrals –

Mt. Eden uses client referrals as a source of new business, and currently does not compensate anyone for making referrals to Mt. Eden. Referrals from clients are encouraged, but are strictly voluntary.

Other Compensation –

Mt. Eden and its employees do not have any arrangements, oral or in writing, by which Mt. Eden or any of its employees is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients, nor does Mt. Eden directly or indirectly compensate any person for client referrals.

Item 15. Custody

Mt. Eden does not provide custody of client funds or assets, but will refer clients to qualified custodians with whom we have had good relationships.

While the client will make the ultimate choice in selecting a custodian for the client's assets, Mt. Eden recommends several custodians that offer comprehensive services and the level of services

our clients expect. Currently, our clients use Charles Schwab, Union Bank, TD Ameritrade, First Republic Trust Company and JP Morgan Chase Trust as custodians. Mt. Eden has good working relationships with these custodians.

Clients receive quarterly (or more frequent) reports from both Mt. Eden and their custodians. Clients may elect to receive these reports electronically.

Item 16. Investment Discretion

Mt. Eden provides investment advice and management to individually managed accounts for clients, usually on a fully discretionary basis. In each such case, Mt. Eden holds a limited power of attorney to act on a discretionary basis with client assets, subject to the client's investment management agreement with Mt. Eden.

Clients usually grant to Mt. Eden full discretion as to all investment decisions regarding their account, including authority to buy or sell, invest, hold, transfer, exchange, trade, deliver and otherwise deal in stocks, bonds, options, shares of investment companies, repurchase agreements, currencies and all other securities. Mt. Eden exercises its discretion in these transactions without prior approval from the client. With the exception of transfers and payments related to securities transactions, however, Mt. Eden does not transfer funds or securities without the client's direction or permission. Clients have the ability to restrict certain securities or transactions in their accounts, as well as the use of margin borrowing. Mt. Eden also exercises discretion to select and engage for the client's account sub-managers with like discretion with respect to part or all of the account, where appropriate.

Depending on individual client objectives, Mt. Eden may provide asset allocation services to clients either as part of a comprehensive investment plan or as a separate service. Mt. Eden also provides review and selection of other investment managers to fulfill specific client objectives and portfolio diversification requirements, which includes selection of mutual funds and alternative investment funds (such as hedge funds, private equity funds and venture capital funds). Mt. Eden may also provide these services in a non-discretionary consulting capacity to institutional investors.

Unless the client directs otherwise, Mt. Eden also has discretion in the selection of brokers for executing transactions in the client's account (see Item 12 above).

Item 17. Voting Client Securities

Mt. Eden votes all proxies on behalf of each account when the client has not specifically reserved proxy voting authority in writing. Mt. Eden will determine the best interests of that account when voting proxies for the client. In determining whether a proposal serves the best interests of an account, Mt. Eden will consider a number of factors, including the economic effect of the proposal on shareholder value, the threat posed by the proposal to existing rights of shareholders, the dilution of existing shares that would result from the proposal, the effect of the proposal on management or director accountability to shareholders, and, if the proposal is a shareholder initiative, whether it wastes time and resources of the company or reflects the

grievance of one individual. Mt. Eden will abstain from voting proxies on specific initiatives on the ballot when Mt. Eden believes that it is appropriate.

If a material conflict of interest over proxy voting arises between Mt. Eden and a client, Mt. Eden will vote all proxies in accordance with the policy described above. If Mt. Eden determines that this policy does not adequately address the conflict of interest, Mt. Eden will notify the client of the conflict and request that the client consent to Mt. Eden's intended response to the proxy solicitation. If the client consents to Mt. Eden's intended response or fails to respond to the notice within a reasonable time specified in the notice, Mt. Eden will vote the proxy as described in the notice. If the client objects to Mt. Eden's intended response, Mt. Eden will vote the proxy as directed by the client.

A client can obtain a copy of Mt. Eden's proxy voting policy and a record of votes cast by Mt. Eden on behalf of the client by contacting William S. McCreery at (415) 288-3000.

Item 18. Financial Information

Mt. Eden is not required to provide financial information in this Brochure.

Item 19. Requirements for State-Registered Advisers

Not applicable.