

ENHANCED MUNICIPAL MANAGERS LLC

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This brochure provides information about the qualifications and business practices of Enhanced Municipal Managers LLC. If you have any questions about the contents of this brochure, please contact us at (952) 847-2450. 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 Enhanced Municipal Managers LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

MAY 31, 2012

Item 2 Material Changes

Enhanced Municipal Managers LLC (“EMM”) is no longer eligible to remain registered with the SEC based on its assets under management. EMM is not currently a state registered adviser but it is in the process of evaluating the need to register in the state of Minnesota. However, once EMM’s affiliated entity, ASA Managed Account Managers LLC, is registered with the SEC, EMM will apply for registration with the SEC as a related adviser under rule 203 A-2(b).

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Item 4 Advisory Business

EMM Background and Ownership

EMM was formed in 2009 by Paul Ferry, Robert D. Albright Jr. and Roland A. Jacobus as a response to the changing face of the municipal market after the 2008-09 financial crisis. Specifically, the financial crisis created a desperate need, and very profitable opportunity, for unlevered pools of capital to act as liquidity providers and/or market makers in the municipal bond market. EMM's affiliated business, Alternative Strategy Advisers LLC (ASA), has been an active participant in the fixed income markets generally, and the municipal market specifically, since 2001. ASA and its affiliates manage hedge funds and managed accounts for investors, as well as proprietary capital, in a variety of strategies. In addition to EMM, ASA provides administrative services to ASA Tax Advantaged Relative Value Fund LP and its General Partner, ASA Tax Advantaged Advisors LLC, ASA Municipal Convergence Fund LP and its General Partner, ASA Convergence Partners LLC, ASA Opportunity Fund LP, and its General Partner, ASA OF Advisors LLC, ASA Managed Account Managers LLC, and Occum Partners LLC. A description of the education and qualifications of these principals of the business is provided below.

EMM provides investment advisory services to individual clients regarding the investment of client funds in municipal bonds and other fixed income strategies. Through discussions in which goals and objectives for the municipal bond portfolio are established, EMM develops a client's municipal bond investment strategy and creates and manages a portfolio based on that strategy. Additionally, EMM's affiliates may, from time to time, form additional investment partnerships or take on additional managed account clients to pursue investment strategies it perceives to be attractive. These strategies may be similar to strategies currently employed by EMM or affiliated entities but are also likely to include some new strategies as well.

Key Personnel

EMM relies on the following senior members of its management to advise clients and operate and manage its investment advisory business:

Paul Ferry

Mr. Ferry is the President and Portfolio Manager for EMM. Mr. Ferry has 32 years of professional experience in municipal bond trading and underwriting. Prior to forming EMM, Mr. Ferry traded municipal bonds for the investment advisory businesses affiliated with Alternative Strategy Advisers LLC starting in 2006. Mr. Ferry received a B.A. in Economics from Columbia University in 1980. Mr. Ferry passed the Uniform Investment Adviser Law Examination Series 65 in 2009. Mr. Ferry was born in 1957.

Robert D. Albright Jr.

Mr. Albright is the Secretary of EMM and has 23 years of professional experience in equity and fixed income trading, portfolio management, and risk management. Mr. Albright was a founding Principal of Alternative Strategy Advisers LLC in 2001. Mr. Albright is a Managing Member and Trader for ASA Managed Account Managers LLC, ASA Tax Advantaged Advisors LLC, ASA Convergence Partners LLC and a Member of Occum Partners LLC. Mr. Albright received his

B.A. in Engineering Sciences from Dartmouth College in 1989 and an M.S. in Computer Science from the University of Minnesota in 2001. Mr. Albright is also completing an MS in Applied Mathematics at the University of Minnesota. Mr. Albright received the Chartered Financial Analyst designation in 2001. Mr. Albright was born in 1967.

Roland A. Jacobus

Mr. Jacobus is the Treasurer of EMM and has 23 years of professional experience in equity and fixed income trading, portfolio management, and risk management. Mr. Jacobus was a founding Principal of Alternative Strategy Advisers LLC in 2001. Mr. Jacobus is a Managing Member and Trader for ASA Managed Account Managers LLC, ASA Tax Advantaged Advisors LLC, ASA Convergence Partners LLC, and Member of Occum Partners LLC. Mr. Jacobus received a B.A. in Economics and Mathematics from Dartmouth College in 1987. Mr. Jacobs received the Chartered Financial Analyst designation in 1998. Mr. Jacobus was born in 1965.

Investment Philosophy and Strategy

Enhanced Municipal Managers focuses on opportunistic positioning of subsectors of the municipal market which the manager has identified as undervalued. In addition, Enhanced Municipal Managers actively trades the investment portfolios to increase returns. This activity is akin to a market making activity in the instruments in which EMM invests. Individual investors provide EMM with investment constraints/criteria for their accounts including duration, credit quality, diversification, income and taxability. For investors who wish to be 'opportunistic', EMM has broad discretion to determine the investment strategy for the account. Conversely, investors may limit their portfolio to very distinct sector and risks within the municipal market. Lastly, it should be noted none of the accounts currently employ financial leverage, though this is possible for more aggressive accounts subject to their review and approval.

Assets Under Management

As of April 30, 2012, EMM managed \$22,824,000 on a discretionary basis.

Item 5 Fees and Compensation

EMM charges a management fee ("fee") for its investment advisory services based on a percentage of net assets under management. EMM's fee is charged as follows:

<u>Assets Under Management</u>	<u>Annual Fee Rate</u>
First \$50,000,000	0.50%
Next \$50,000,000	0.40%
Amount over \$100,000,000	0.30%

The above schedule is subject to a minimum annual fee of \$3,000. The fee is calculated daily based on the net assets of the account and is charged monthly in arrears. The fee is deducted directly from the account upon written authorization from the client. EMM will bill clients who choose not to provide

written authorization for EMM to deduct the fees directly. The fee is pro-rated for periods less than one month. Minimum fees will never exceed 3% of assets under management. EMM may under certain circumstances and at its discretion, negotiate a lower fee minimum or annual rate.

All expenses incurred directly in connection with transactions effected or positions held in the account on behalf of the client (including without limitation, trading losses, brokerage commissions, custodian fees, accounting and auditing services – if any, withholding or transfer taxes – if any) shall be paid directly from the account or billed to the client by EMM. Please see Item 12 for further discussion of brokerage services utilized by EMM.

All fees paid to EMM for investment advisory services are separate and distinct from the fees and expenses charged by open or closed-end mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus.

Item 6 Performance-Based Fees and Side-by-Side Management

EMM does not charge a performance-based fee.

Item 7 Types of Clients

EMM clients include high net worth individuals, trusts, charitable organizations, private investment partnerships, and individual retirement plans. The minimum balance to open an account is \$500,000. EMM may, at its discretion, allow a lower account minimum.

Item 8 Methods of Analysis, Investment Strategies and Risk Factors

Methods of Analysis and Investment Strategies

EMM does fundamental research on the individual credits purchased for its accounts. This analysis includes assessing quality of the revenue stream used for repayment, any assets securing the loan, debt service coverage ratio, and strength of the obligation of the issuer, among other factors. Additionally, diversification criteria, specified by each account holder, for issuer concentration and state-specific geographic exposure serve to mitigate risk. Finally, EMM seeks to manage interest rate risk exposure with guidance from each client. EMM's fundamental discipline and expertise in identifying portfolio holdings is relative value analysis. Specifically, EMM seeks to hold and actively trade into the securities in the municipal market that it perceives as 'cheapest' after all credit, issuer, structure, optionality, tax characteristics, etc. are analyzed and priced.

Risk Factors

EMM will attempt to attain the investment objectives set by the client through its research and portfolio management skills, but there is no guarantee of successful performance, that the investment objectives can be reached or that a positive return will be achieved. As a general rule, clients should expect that investments with higher return potential will also have higher potential of risk of loss to capital and/or income. The client's investments may fluctuate in market value from day to day and as such the value of a client's account may decrease as well as increase. EMM'S investment program does not constitute

a balanced investment program for purposes of a client's portfolio diversification needs and, therefore, clients should consult with their own financial advisers for the appropriateness of an investment with EMM for their overall investment program. A prospective client should consider the following factors and other considerations. The following risk factors do not purport to be a complete examination of all of the risks involved in investments typically considered by EMM.

General Risks:

- The Events of 2008. Alternative Strategy Advisers LLC, an affiliate of EMM which provides EMM's infra-structure and certain support personnel, sponsored some funds which incurred material losses during 2008 (although implementing a strategy materially different from that to be implemented by EMM). The largest percentage loss incurred by a fund was approximately 85% and that fund has been liquidated. Additionally, another ASA fund sustained losses on the order of 75%. Conversely, during the fall of 2008, ASA managed an account executing a similar strategy to that of the Manager. That account has generated a positive return of greater than 20%. The assets under the management of ASA dropped from a high of approximately \$610 million as of June 30, 2008 to approximately \$525 million as of January 31, 2010 (slightly less than the assets under management as ASA had as of March 31, 2008). It is not possible to predict the effects of the events of 2008 on ASA. Were ASA to curtail its operations (which ASA has no present intention to do), or be the subject of civil or regulatory proceedings, or otherwise be materially adversely affected, it is possible that EMM, and its ability to manage the Account, would be also.
- Limited Operating History. EMM has a limited operating history. There is no assurance that EMM will achieve the stated investment objective. The past investment experience of the key personnel provides no assurance of the results of an investment in EMM. Past performance is not necessarily indicative of future results.
- Risk of Loss. No guarantee or representation is made that the Manager's efforts will be successful. The Client may lose all or substantially all of his or her investment.
- Government Intervention; Market Disruptions. The global financial markets are currently undergoing pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention and/or new regulation. Such intervention and regulation has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability, at least on a temporary basis, to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have taken such actions — these interventions typically have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as certain previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the EMM's strategies.

- Tax Shortfalls. One of the consequences of the current “financial crisis” has been a dramatic drop in state and local tax revenues. This could lead to a material increase in defaults on Municipal Securities. A rise in Municipal Securities default rates (in excess of the limited capacity of bond issuers to cover such defaults) would be directly adverse to the long-only investment objectives of a client’s account.
- The Client’s Reliance on EMM. The client’s investments will be managed by EMM. Clients will not make decisions with respect to the selection, management, disposition or other realization of any investment, or any other decisions regarding the account. Consequently, the success of the account will depend, in large part, upon the skill and expertise of EMM’s investment professionals. There is no assurance that such investment professionals will continue to be involved in the management of the account. Were the services of EMM or of certain of such the EMM investment professionals to become unavailable, the effect on the account could be material and adverse.
- Competition. EMM will be competing against entities with financial and personnel resources many times those available to EMM. The limited resources of EMM may be a particularly important competitive disadvantage given the research-intensive nature of certain of its strategies and the limited availability of attractive Municipal Securities.
- Market Risks In General. Certain general market conditions could materially affect the client’s profit potential. The particular or general types of market conditions in which the client may incur losses or experience unexpected performance volatility cannot be predicted, and EMM may materially underperform other investment funds with substantially similar investment objectives and approaches.
- Market Disruptions. The client may incur major losses in the event of disrupted markets and other extraordinary events. In disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.
- Importance of Market Judgment. While EMM does make use of quantitative analysis and computer models to assist its trading, the Principal(s) will rely heavily on their market judgment and experience in investing the client’s portfolio. Their discretionary trading decisions may be less disciplined than, and may materially underperform, a more systematic approach.

Strategy Risks:

- Municipal Market Risk. Various factors may adversely affect the value and yield of Municipal Securities. These factors include imbalances in demand, potential legislative changes as well as uncertainties related to the tax status of Municipal Securities or the rights of investors holding these securities. Any of these factors could cause losses for the client.
- Convexity. Municipal Securities are not without a convexity feature — although this is materially less important in their pricing than in the case of mortgage-backed securities. For example, when zero-coupon Municipal Securities are purchased at a discount, the recovery of the discount is taxable. Consequently, as interest rates rise and this discount is created, the decline in the value of these securities accelerates, as not only is the implied coupon below market, but the discount will be taxable, not tax-exempt.

- Trade Execution Risk. The ability of EMM to exit a position successfully often depends on efficient and timely trade execution.
- Liquidity Risk. Illiquid markets create the risk of EMM being unable to close out positions so as to recognize profits or limit losses. The client's portfolio is subject to liquidity risk because of the fragmentation of the Municipal Market. However, even exchange-traded securities may be subject to trading suspensions and low transaction volume.
- Issuer and Counterparty Credit Risk. The issuer or the guarantor of a debt security may, in certain circumstances, be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations.
- Financial Intermediary Credit Risk. The institutions, including brokerage firms, banks and futures commission merchants, with which EMM does business, or to which securities have been entrusted for custodial purposes, may encounter financial difficulties that impair their operational capabilities or result in losses to the client.

Structural Risks:

- Possibility of Additional Government or Market Regulation. There have recently been certain well-publicized incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For instance, in September 2008 the SEC and various non-U.S. regulatory bodies imposed temporary bans on short-selling in a variety of stocks, and adopted permanent regulations that may have the effect of making short-selling more difficult or costly. These actions were generally regarded as disrupting market fundamentals and causing unexpected, and volatile, increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities. More recently, new Dodd-Frank regulation and intense regulatory scrutiny of major financial institutions has made the free functioning of markets and capital providers much more difficult.
- Limited Regulatory Oversight. EMM is not registered as an investment company under the Investment Company Act of 1940, as amended ("Company Act"). Accordingly, the provisions of the Company Act, which among other things require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be maintained in segregated accounts and regulate the relationship between the investment company and its asset managers, are not applicable to an investment with EMM. Neither EMM nor the Principals are subject to comparable regulation in any non-U.S. jurisdiction. Therefore, clients of EMM do not have the benefits of the protections afforded by, nor is EMM subject to the restrictions contained in, such registration and regulation.
- Dependence on the Principals. EMM has the sole authority to invest and trade the assets of the account and is dependent on the services of a limited number of Principals. Furthermore, EMM's strategies are primarily discretionary, based on the market experience of the Principals. If for any reason the Manager were to lose the services of one or more of the Principals, the client could be adversely affected.

- Risk of Litigation. In the ordinary course of its business, EMM may be subject to litigation from time to time. Any litigation may consume substantial amounts of EMM's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.
- Changes in Tax Law. The tax law could at any time be changed in a manner materially adverse to the client's account. Any such change could occur prior to EMM having had a sufficient period of operations to have a realistic prospect for success.
- Conflicts of Interest. EMM and its Principals will be subject to certain actual and potential conflicts of interest in managing client accounts as discussed in Item 4 above.
- Counsel. Sidley Austin LLP acts as counsel to EMM.
- Other Risks. Adverse changes in market and economic conditions, securities or other laws or regulations or accounting standards may have an adverse effect on the value of the client's investments. However, it cannot be predicted whether such changes will occur and to what extent these changes may adversely affect the business of EMM.

Item 9 Disciplinary Information

There are no legal or disciplinary events involving EMM, its affiliates or the employees of its affiliates.

Item 10 Other Financial Industry Activities and Affiliations

Neither EMM nor any of its affiliates is registered under any financial regulatory authority outside the United States. Some of the Members of EMM are also principals and officers of Alternative Strategy Advisers LLC, a firm offering investment opportunities to individuals and institutions through investment vehicles managed by ASA Tax Advantaged Advisors LLC (registered commodity pool operator), ASA OF Advisors LLC (general partner to a private investment fund), ASA Convergence Partners LLC (general partner to a private investment fund), ASA Managed Account Managers LLC (investment manager for separately managed accounts which is in the process of applying for registration with the SEC as an investment adviser), and Occum Partners LLC (a business involved in real estate acquisition and financing).

The amount of time any particular Member will spend with a particular firm will vary based on the needs of the clients of the various firms. One Member is also a Manager, Coaches Division, of International Management Group, a firm that advises athletic coaches on their career paths and opportunities, and constitutes his principal business. Another member serves on the boards of several companies, none of which is involved in the financial services business. This activity is not the principal business activity of this individual.

EMM's related persons serve as general partners/managing members to several pooled investment vehicles (collectively, "the Funds"). While EMM's managed accounts will not include investments in the Funds, EMM's related persons may offer qualified EMM clients the opportunity to invest in the Funds. All compensation to EMM's related persons as a result of client investment in the Funds is entirely separate and distinct from EMM's advisory fees. No client of EMM is obligated to invest in any of the Funds.

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

EMM has adopted a Code of Ethics pursuant to SEC Rule 402A-1. This Code of Ethics expresses EMM's commitment to ethical conduct. EMM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth EMM's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with EMM may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of EMM that no person employed by EMM shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, EMM requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. EMM requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

EMM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. EMM's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

EMM will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at EMM's principal address.

Item 12 **Brokerage Practices**

EMM maintains relationships with a large number of executing brokers or dealers. EMM will endeavor to select those executing brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help EMM in providing investment management services to clients. EMM does not receive so-called "soft dollar" benefits from any broker other than research. EMM may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all EMM clients, and not all of such research may be useful for the account for which the particular transaction was effected. Brokers or dealers that EMM selects to execute transactions may from time to time refer clients to EMM. EMM will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and EMM's interest in receiving future referrals.

When undertaking an advisory relationship, a client may already have a pre-established relationship with a broker and they will instruct EMM to execute all transactions through that broker. In the event that a client directs EMM to use a particular broker or dealer, it should be understood that under those circumstances EMM will not have authority to negotiate commissions, obtain volume discounts and best

execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

EMM participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Co., Inc. ("Charles Schwab"), a FINRA registered broker-dealer. Clients in need of custodial services will have Charles Schwab recommended to them. As part of the SI program, EMM receives benefits that it would not receive if it did not offer investment advice. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if EMM did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program may or may not depend upon the amount of transactions directed to, or amount of EMM client assets held in custodial accounts at Charles Schwab. Charles Schwab also makes available to EMM other products and services that benefit EMM but may not benefit its clients' accounts.

Some of these other products and services assist EMM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of EMM's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of EMM's accounts, including accounts not maintained at Schwab Institutional (if any). Charles Schwab also makes available to EMM other services intended to help EMM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Charles Schwab may make available, arrange and/or pay for these types of services rendered to EMM by independent third parties. Charles Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to EMM. While as a fiduciary, EMM endeavors to act in its clients' best interests. EMM's recommendation that clients maintain their assets in accounts at Charles Schwab may be based in part on the benefit to EMM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Charles Schwab, which may create a potential conflict of interest.

EMM will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows EMM to execute trades in a timely, equitable manner and to reduce overall commission charges to clients. In certain circumstances, EMM may include trades for accounts managed by EMM's related persons in blocks with client accounts. In this situation trades will be allocated among all investors on a pro-rata basis. It is anticipated that by aggregating these trades, EMM's investors will have access to investment opportunities that might not otherwise be available.

However, because the investment opportunities selected for block trading may be limited in size, it is possible that EMM's client may receive a smaller share of the opportunity that they would if EMM were to exclude the accounts managed by EMM's related persons from the blocked trade.

Item 13 Review of Accounts

Securities held in client accounts are reviewed continuously. Client accounts are reviewed monthly. More frequent reviews may be triggered by material market, economic or political events, or by changes in the client's situation. All accounts are reviewed by Robert Albright, Jr., Member, Paul Ferry, Member, or Randy Jacobus, Member. Clients will receive quarterly written account statements showing the total return of the account and relative return of the account versus an appropriate index. Clients also receive a written market commentary letter from Paul Ferry, Member. In addition, clients will receive monthly account statements from the custodian. Clients should compare the account statements they receive from EMM to the account statements they receive from the custodian.

Item 14 Client Referrals and Other Compensation

EMM has not paid any third party for client referrals and has never retained a placement agent or other type of capital raising firm. However, EMM may do so in the future and it is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by EMM and all applicable Federal and/or State laws will be observed.

Item 15 Custody

Clients receive monthly statements from Charles Schwab & Co., Inc., the custodian. EMM provides quarterly statements to clients. Cash balances held by the custodian are monitored and reconciled daily. Clients should compare the account statements they receive from EMM to the account statements they receive from the custodian.

Item 16 Investment Discretion

For discretionary clients, EMM requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold, the broker or dealer to be used, and the commission to be paid. The investment management agreement between EMM and the client outlines the discretionary authority given to EMM. Any limitations on this discretionary authority shall be included in the investment management agreement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Item 17 Voting Client Securities

Clients may elect to have EMM vote proxies on their behalf. In such cases, EMM, as a matter of policy and as a fiduciary to its clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of its clients. EMM maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. EMM's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. A copy of EMM's proxy voting policy is available upon request.

EMM has adopted procedures to implement the firm's policy and conducts reviews to monitor and ensure the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

Voting Procedures

All employees of EMM or its affiliates will forward any proxy materials received on behalf of clients to EMM management;

- EMM management will determine which client accounts hold the security to which the proxy relates;
- Absent material conflicts, EMM management will determine how EMM should vote the proxy in accordance with applicable voting guidelines, complete the proxy and vote the proxy in a timely and appropriate manner.

Voting Guidelines

- In the absence of specific voting guidelines from the client, EMM will vote proxies in the best interests of each particular client. EMM's policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on EMM's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.
- EMM will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of an auditor absent conflicts of interest raised by an auditor's non-audit services.
- EMM will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.
- In reviewing proposals, EMM will further consider the opinion of management and the effect on management, and the effect on shareholder value and the issuer's business practices.

Conflicts of Interest

- EMM will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of EMM with the issuer of each security to determine if EMM or any of its employees has any financial, business or personal relationship with the issuer.
- If a material conflict of interest exists, EMM management will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.
- EMM will maintain a record of the voting resolution of any conflict of interest.

Recordkeeping

EMM shall retain the following proxy records in accordance with the SEC's five-year retention requirement.

- The policies and procedures and any amendments;
- Each proxy statement that EMM receives;
- A record of each vote that EMM casts;
- Any document EMM created that was material to making a decision how to vote proxies, or that memorializes that decision including periodic reports to or proxy committee, if applicable.
- A copy of each written request from a client for information on how EMM voted such client's proxies, and a copy of any written response.

Clients may make a request in writing to EMM to review copies of the documentation on how EMM voted proxies on portfolio securities in their account.

Item 18 Financial Information

EMM does not solicit the prepayment of fees from clients six months or more in advance. There is no financial condition that is reasonably likely to impair EMM's ability to meet its contractual commitments to its clients.

EMM has never been the subject of a bankruptcy petition.

Item 19 Requirements for Stat-Registered Advisers

EMM is not currently a state registered adviser but it is in the process of evaluating the need to register in the state of Minnesota. However, once EMM's affiliated entity, ASA Managed Account Managers LLC, is registered with the SEC, EMM will apply for registration with the SEC as a related adviser under rule 203 A-2(b).