

ASA MANAGED ACCOUNT MANAGERS LLC

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This brochure provides information about the qualifications and business practices of ASA Managed Account 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 ASA Managed Account Managers LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

June 27, 2012

Item 2 Material Changes

No material changes to report.

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Item 4 Advisory Business

ASA Managed Account Managers LLC ("MAM") Background and Ownership

MAM was formed in 2008 by Robert D. Albright Jr., Roland A. Jacobus, Robert D. Furst Jr. and Gary G. O'Hagan 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. MAM'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 MAM, 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, Enhanced Municipal Managers LLC, and Occum Partners LLC. A description of the education and qualifications of these principals of the business is provided below.

MAM provides investment advisory services to individual clients regarding the investment of client funds in municipal bonds, derivatives and other fixed income strategies. Through discussions in which goals and objectives for the portfolio are established, MAM develops a client's investment strategy and creates and manages a portfolio based on that strategy. Additionally, MAM'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 MAM or affiliated entities but are also likely to include some new strategies as well.

Key Personnel

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

Robert D. Albright Jr.

Mr. Albright is the Secretary and Treasurer of MAM 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 2000. 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 is a Member of ASA OF Advisors LLC. Prior to starting Alternative Strategy Advisers LLC, Mr. Albright was a Senior Trader and Desk Manager for Cargill Financial Services Corp. from 1991-1998. 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 President of MAM 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 2000. 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 is a Member of ASA OF Advisors LLC. Prior to starting Alternative Strategy Advisers LLC, Mr. Jacobus was a Senior Trader for Cargill Financial Services Corp. from 1987-1991 and a founder/partner of Eagle Capital Management Inc. from 1991-1998. Mr. Jacobus received a B.A. in Economics and Mathematics from Dartmouth College in 1987. Mr. Jacobus is also completing an MS in Applied Mathematics at the University of Minnesota. Mr. Jacobus received the Chartered Financial Analyst designation in 1998. Mr. Jacobus was born in 1965.

Robert D. Furst Jr.

Mr. Furst is a Member of MAM and has 35 years of professional experience in tax, securities trading, private investing and portfolio management. Mr. Furst was a founding Principal of Alternative Strategy Advisers LLC in 2000. Mr. Furst is a Managing Member and Portfolio Manager for ASA OF Advisors LLC, and a Member of ASA Tax Advantaged Advisors LLC. Mr. Furst received a B.A. in History from the University of North Dakota in 1973 and J.D. from the University of Minnesota in 1976. Mr. Furst is a Certified Public Account licensed by the State of Minnesota and a registered member of the Minnesota Bar. Mr. Furst was born in 1952.

Gary G. O'Hagan

Mr. O'Hagan is a Member of MAM and has 35 years of professional experience in law, fixed income securities trading, financing, marketing and talent representation. Mr. O'Hagan was a founding Principal of Alternative Strategy Advisers LLC in 2000. Mr. O'Hagan is a Member of ASA OF Advisors LLC and ASA Tax Advantaged Advisors LLC. Mr. O'Hagan is President of the Coaches Division of International Management Corporation. Mr. O'Hagan received a B.A. in Political Science from Boston College in 1975 and J.D. from Fordham University in 1979. Mr. O'Hagan was born in 1953.

Paul Ferry

Mr. Ferry is a Trader for MAM. Mr. Ferry has 32 years of professional experience in municipal bond trading and underwriting. Prior to forming MAM, 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.

Investment Philosophy and Strategy

ASA Managed Account Managers ("MAM") is a Delaware LLC that specializes in customizing fixed income portfolios for institutional clients with the broad objective of maximizing total return while maintaining the client's desired risk profile. The manager's specific area of expertise is the municipal

bond market and related derivatives, as well as US Government or Agency-backed securities and all related futures and OTC derivative rate markets. Accounts may or may not choose to employ notional or actual financial leverage.

MAM clients profit from opportunistically implementing "relative value" strategies in the tax-exempt, taxable and AMT municipal bond markets as well as the US Treasury, Agency, Agency mortgage and related derivatives markets. Relative value discipline entails scanning the markets in which MAM participate to identify cash flows that are cheap relative to other similarly risky cash flows. For market neutral strategies, MAM identifies securities that have been correlated and should remain correlated either on a very short or very long term time horizon. MAM monitors the relationships between these securities and seeks to understand and exploit mispricings which occur in the short term as a 'market maker' and in the longer term when structural dislocations occur in the marketplace. By purchasing securities that are relatively cheap and selling securities that are relatively rich, positive returns are generated as the securities converge to fair value. Similar discipline is employed in "long-only" or "directional strategies" without implementing an offsetting market or interest rate hedge.

Specific Investment strategies MAM employs may include, but are not limited to, the following:

Municipal Bonds

- Tax exempt, AMT or taxable (BABs, QSCBs, RZEDBs) municipal bonds "long only" vs. an index benchmark or interest rate hedged with US Treasuries, LIBOR, or municipal derivatives
- Specialists in niche municipal markets: Housing, non-vanilla structures (zeros, convertible coupons, floaters), 'orphaned' securities (fallen insurance, auction rate securities), A-rated markets
- New deal trading
- Distressed property tax-backed bonds
- Tax exempt index derivatives vs. LIBOR, US Treasuries or municipal swaps
- Municipal derivative basis, ratio trading, and correlation strategies
- Municipal CDS, Municipal index (MCDX), and Corporate (IG) index directional and relative value trading

Taxable Bonds

- Treasury/Agency Bonds vs. Treasury/Agency Bonds
- Treasury/Agency Bonds vs. Libor Swaps, Futures
- Relative value across US interest rate derivatives (eurodollars, etc.)
- Option-related volatility strategies and hedging
- Mortgage TBAs vs. Agencies, Specified pools, Libor Swaps
- Hi-quality CMBS, ABS, and related derivatives (CMBX)

Other

- Short-term, hi-frequency strategies
- Expertise in secured financing techniques and ISDA negotiations
- Expertise in implementing government-sponsored financing strategies (TALF)

- Expertise in transitional financing and distressed loan purchases

Full back and middle office capability to supplement the needs of clients including an outsourced solution if required

Assets Under Management

As of May 31, 2012, MAM managed \$589,000,000 on a discretionary basis.

Item 5 Fees and Compensation

Normally, MAM charges a management fee ("fee") for its investment advisory services based on a percentage of net assets and/or notional value under management, or, in some cases, a set dollar monthly or quarterly fee that could be construed as either a management or consulting/idea generation fee. MAM's fee schedule is negotiable in its sole discretion and varies by type of strategy implemented and size of investment. The range of management fees is from 25-75 basis points annually.

Management fees are normally calculated daily based on the net assets plus notional value of derivatives in the account and is charged monthly or quarterly in arrears. MAM will bill clients who choose not to provide written authorization for MAM to deduct the fees directly. The fee is pro-rated for periods less than one month.

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 MAM. In general, as the accounts are actually held and maintained by the client, MAM is not involved in the settlement of these expenses. Please see Item 12 for further discussion of brokerage services utilized by MAM.

All fees paid to MAM 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

MAM normally charges a performance-based fee which is a set percentage of profits after all expenses and management fees. The range of performance-based fees for existing accounts is 16-20% of net profits achieved. This fee is either paid on a periodic basis with a high water mark taken into consideration, in arrears once the investment goals of the account have been achieved as defined and agreed to in writing by the client and MAM, or upon termination of the investment advisory agreement.

Item 7 **Types of Clients**

MAM clients include high net worth individuals, trusts, charitable organizations, private investment partnerships, and individual retirement plans, as well as insurance companies and fund-of-funds. The minimum balance to open an account is \$25,000,000. MAM 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

MAM 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 client, for issuer concentration and state-specific geographic exposure serve to mitigate risk. Finally, MAM seeks to manage interest rate risk exposure with guidance from each client. MAM's fundamental discipline and expertise in identifying portfolio holdings is relative value analysis. Specifically, MAM seeks to hold and actively trade into the securities in the municipal and related markets that it perceives as 'cheapest' after all credit, issuer, structure, optionality, tax characteristics, etc. are analyzed and priced. Extensive historical series and statistical analytics are also used in selecting assets and hedges/liabilities.

Risk Factors

MAM 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. MAM'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 MAM 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 MAM.

General Risks:

- Limited Operating History. MAM has a limited operating history. There is no assurance that MAM will achieve the stated investment objective. The past investment experience of the key personnel provides no assurance of the results of an investment in MAM. 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 MAM’s strategies.

- Tax Shortfalls. One of the consequences of the recent “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) may be directly adverse to the long-only investment objectives of a client’s account.
- The Client’s Reliance on MAM. The client’s investments will be managed by MAM. 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 MAM’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 MAM or of certain of such the MAM investment professionals to become unavailable, the effect on the account could be material and adverse.
- Competition. MAM will be competing against entities with financial and personnel resources many times those available to MAM. The limited resources of MAM may be a particularly important competitive disadvantage given the research-intensive nature of certain of its strategies and the limited availability of attractive fixed income 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 MAM 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 MAM 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 MAM to exit a position successfully often depends on efficient and timely trade execution.
- Liquidity Risk. Illiquid markets create the risk of MAM 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 and related securities markets. 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 MAM does business, or to which client 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. MAM 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 MAM. Neither MAM nor the Principals are subject to comparable regulation in any non-U.S. jurisdiction. Therefore, clients of MAM do not have the benefits of the protections afforded by, nor is MAM subject to the restrictions contained in, such registration and regulation.

- Dependence on the Principals. MAM 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, MAM'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, MAM may be subject to litigation from time to time. Any litigation may consume substantial amounts of MAM'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 a client's account.
- Conflicts of Interest. MAM and its Principals will be subject to certain actual and potential conflicts of interest in managing client accounts and other fund assets as discussed in Item 4 above.
- Counsel. Sidley Austin LLP acts as counsel to MAM.
- 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 MAM.

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

Neither MAM nor any of its affiliates is registered under any financial regulatory authority outside the United States. The Members of MAM 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), Enhanced Municipal Managers LLC (investment adviser for separately managed accounts), 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 the President of the Coaches Division of International Management Group, a firm that advises athletic coaches on their career paths and opportunities, which 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.

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

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

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

MAM requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. MAM'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.

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

Item 12 Brokerage Practices

MAM maintains relationships with a large number of executing brokers or dealers. MAM 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 MAM in providing investment management services to clients. MAM does not receive so-called "soft dollar" benefits from any broker other than research. MAM 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 MAM clients, and not all of such research may be useful for the account for which the particular transaction was effected. Brokers or dealers that MAM selects to execute transactions may from time to time refer clients to MAM. MAM 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 MAM'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 MAM to execute all transactions through that broker. In the event that a client directs MAM to use a particular broker or dealer, it should be understood that under those circumstances MAM 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.

MAM clients are responsible for opening and maintaining their own custodial and brokerage accounts. However, for some clients, MAM 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 may have Charles Schwab recommended to them. As part of the SI program, MAM 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 MAM 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 MAM client assets held in custodial accounts at Charles Schwab. Charles Schwab also makes available to MAM other products and services that benefit MAM but may not benefit its clients' accounts.

Some of these other products and services assist MAM 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 MAM'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 MAM's accounts, including accounts not maintained at Schwab Institutional (if any). Charles Schwab also makes available to MAM other services intended to help MAM 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 MAM 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 MAM. While as a fiduciary, MAM endeavors to act in its clients' best interests. MAM's recommendation that clients maintain their assets in accounts at Charles Schwab may be based in part on the benefit to MAM 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.

MAM 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 MAM to execute trades in a timely, equitable manner and to reduce overall commission charges to clients. In certain circumstances, MAM may include trades for accounts managed by MAM's related persons in blocks with client accounts. In this situation, trades will be allocated first by determining the entity or entities for which a particular security is appropriate. If the security is appropriate for more than one entity, generally, an allocation between or among such entities will be made pro rata based on the net asset value of such entity, giving appropriate consideration to the current capital exposure (as well as leverage) to the applicable strategy utilized by the entities. Under certain circumstances, other criteria will be used in the allocation process. These criteria include but are not limited to those set forth below:

1. An entity or account already having sufficient exposure to the securities, issuer or market in question;
2. The different liquidity positions and requirements of the participating entities;
3. Tax considerations;
4. Regulatory considerations;
5. The relative capitalization and cash availability of the participating Entities or accounts;
6. The relative risk and value-at-risk profiles of the participating entities or accounts;
7. Different strategies;
8. Portfolio concentration considerations;
9. Informal diversification requirements;
10. Borrowing base considerations;
11. Different historical and anticipated subscription and redemption patterns;
12. Minimum investment criteria; and/or
13. Investment time horizon.

It is anticipated that by aggregating these trades, MAM'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 MAM's client may receive a smaller share of the opportunity that they would if MAM were to exclude the accounts managed by MAM's related persons from the blocked trade.

Item 13 Review of Accounts

Securities held in client accounts are reviewed continuously. Client accounts are reviewed at least quarterly and as frequently as monthly if a client so requests. 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, or Randy Jacobus, Member. Clients will receive, at a minimum, monthly or quarterly written account reports showing the total return of the account. Most accounts receive daily reports. In addition, clients will receive monthly or quarterly account statements from the custodian. Clients should compare the account statements they receive from MAM to the account statements they receive from the custodian.

Item 14 Client Referrals and Other Compensation

MAM has not paid any third party for client referrals and has never retained a placement agent or other type of capital raising firm. However, MAM 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 MAM and all applicable Federal and/or State laws will be observed.

Item 15 Custody

Clients receive monthly or quarterly statements from their custodian. MAM provides, daily, weekly, monthly or quarterly reports as specified by the client. Cash balances held by a custodian are monitored and reconciled on a periodic basis as determined between MAM and the Client. Clients should compare the account statements they receive from MAM to the account report they receive from the custodian.

Item 16 Investment Discretion

For discretionary clients, MAM 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 MAM and the client outlines the discretionary authority given to MAM. 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 MAM vote proxies on their behalf. In such cases, MAM, 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. MAM 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. MAM'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 MAM's proxy voting policy is available upon request.

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

- MAM management will determine which client accounts hold the security to which the proxy relates;

- Absent material conflicts, MAM management will determine how MAM 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, MAM will vote proxies in the best interests of each particular client. MAM'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 MAM's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.
- MAM 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.
- MAM will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.
- In reviewing proposals, MAM 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

- MAM will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of MAM with the issuer of each security to determine if MAM or any of its employees has any financial, business or personal relationship with the issuer.
- If a material conflict of interest exists, MAM 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.
- MAM will maintain a record of the voting resolution of any conflict of interest.

Recordkeeping

MAM 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 MAM receives;
- A record of each vote that MAM casts;
- Any document MAM 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 MAM voted such client's proxies, and a copy of any written response.

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

Item 18 Financial Information

MAM 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 MAM's ability to meet its contractual commitments to its clients.

MAM has never been the subject of a bankruptcy petition.

Item 19 Requirements for Stat-Registered Advisers

MAM is not registered with any state securities authority.