

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Multicultural Economics, Inc.
(doing business as “Vasquez & Co.” or “W.D. Vasquez & Co.” or “EDM Investments” or “EDM Capital Partners”)

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June 5, 2013

This Brochure provides information about the qualifications and business practices of Multicultural Economics, Inc. If you have any questions about the contents of this Brochure, please contact us at 510-459-1264 or wvasquezco@gmail.com. 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.

Multicultural Economics, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Multicultural Economics, Inc. also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated June 5, 2013 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Daniel W. Vasquez, Founder at 510-459-1264 or wdvasquezco@gmail.com. Our Brochure is also available on our web site www.vsqz.co, also free of charge.

Additional information about Multicultural Economics, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Multicultural Economics, Inc. who are registered, or are required to be registered, as investment adviser representatives of Multicultural Economics, Inc.

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Multicultural Economics, Inc. serves as an investment manager to clients that are institutional, ultra high net-worth and high net-worth investors from the multicultural economy. The multicultural economy is defined as economies where cultural diversity, tolerance and openness contribute to economic growth and business performance.

Emerging Domestic Markets (“EDM”) encompass multicultural economies. EDMs refer to people, places or enterprises with growth potential that face constraints due to systematic undervaluation as a result of market failure arising from imperfect market information (information asymmetries) and access to resources. EDMs represent a variety of subsectors including people of color (African-Americans, Latinos/Hispanics, Asian-American/Pacific Islanders, South Asian-American and Native Americans), women and low-to-moderate income (LMI) communities, both businesses located there and firms owned by LMI business owners.

Multicultural Economics, Inc. will provide specialized discretionary and non-discretionary investment advisory services to institutional, ultra high net-worth and high net-worth investors (banks and thrift institutions; pensions and profit sharing plans; trusts, estates, or charitable organizations; for-profit and not-for-profit corporations) in EDMs of the multicultural economy.

Multicultural Economics, Inc. will provide investment management services exclusively on a fixed-fee basis, as a percentage of assets under management. To serve the variety of needs of its many investment management clients, Multicultural Economics, Inc. will utilize the compensation structure described in the next section. In all cases, fees for the investment services provided are paid quarterly in advance, in arrears depending on the custodian. The specific services and compensation arrangement appropriate to each client, as well as appropriate disclosures, are documented in the Investment Management Agreement (“IMA”), signed by the client prior to service being rendered.

Item 5 Fees and Compensation

For those clients making use of the investment management services provided by Multicultural Economics, Inc. the amount of the asset management fee is based upon the total assets under management and according to the following schedule:

- 2.5% of the first \$1,000,000 of total investment management to be supervised;
- 2.25% of the next \$4,000,000;
- 2.0% of the next \$5,000,000;
- Negotiable on all amounts above \$10,000,000.

There is no minimum annual fee.

Fees may be negotiable where special circumstances exist. In no case are fees collected more than six months in advance. To comply with Section 260.238 (j) of the California Code of Regulation, Multicultural Economics, Inc. discloses that lower fees for comparable services may be available from other sources.

Prospective clients receive a complimentary initial consultation, during which the client and Multicultural Economics, Inc. discuss the client's goals and suitability of an ongoing advisory relationship.

If, for any reason, a client wishes to terminate an IMA in the first five business days after entering the agreement, the client will be entitled to a full refund of any fees paid to Multicultural Economics, Inc. under that agreement. Thereafter, Multicultural Economics, Inc. or the client may terminate the agreement at any time. The client will be liable for the advisory fee -- prorated based on the fee schedule -- earned up to the date a notice of termination is received from the client. To ensure clear communication, a termination notice must be verbal or issued in writing.

In case a client fails to pay the fees, Multicultural Economics, Inc. has the right to terminate the IMA on the quarter.

Assets are generally held in a custodial account at Charles Schwab Institutional or a similar custodial company. Any client initiated charges that may be assessed by the custodial companies are paid directly by the clients of Multicultural Economics, Inc.

Multicultural Economics, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Multicultural Economics, Inc. primarily provides specialized discretionary and non-discretionary investment advisory services to institutional investors (banks and thrift institutions; pensions and profit sharing plans; trusts, estates, or charitable organizations; for-profit and not-for-profit corporations), ultra high net-worth, and high net-worth from the multicultural economy.

Multicultural Economics, Inc. may provide investment management services to individuals, ultra high net-worth, high net-worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

Minimum account thresholds and balances for clients:

- Ultra high net-worth (non-institutional): \$5,000,000
- High net-worth (non-institutional): \$1,000,000
- Institutional: \$10,000,000

The minimum investment required by an individual investor client is generally \$1,000,000. Accounts below this minimum may be negotiable and accepted on an individual basis at Multicultural Economics' discretion. However, Multicultural Economics may from time to time establish, modify and waive account or investment minimums for different investment products and/or services.

Investing in securities involves risk of loss that clients should be prepared to bear. Multicultural Economics, Inc. endeavors to mitigate this risk by deploying the following method of analysis, investment strategy, while attempting to minimize the risk of loss. Multicultural Economics, Inc. bottom-up, value-based investment strategy is guided by the following principles:

1. Multicultural Economics, Inc. focuses on the estimated intrinsic value of a company, as represented by its projected future earnings, rather than attempt to divine markets trends. Multicultural Economics, Inc. seeks inequalities in price and value.
2. Multicultural Economics, Inc. ensures that a sufficiently large margin of safety exists – the difference between a company’s assessed intrinsic value per share and its current market price per share. Multicultural Economics, Inc. digs deep into company financials; evaluates competitive strategy and industry position. Multicultural Economics, Inc. also evaluates industry structure: concentration, fragmentation, market share, opportunities for consolidation (e.g., Mergers & Acquisition, IPOs, etc).
3. Multicultural Economics, Inc. applies independent judgment in valuing company shares of stocks, which may often imply a contrarian investment policy.
4. Multicultural Economics, Inc. limits transaction costs and ignores the distractions of constant price quotation via mainstream media noise by maintaining a steadfast holding of company stocks. There is a difference between market noise and real, material, value-changing information. Multicultural Economics, Inc. does not churn portfolios – excessive buying and selling, or day trading, of securities. Multicultural Economics, Inc. only sells when it makes sense for the client. Multicultural Economics, Inc. endeavors to build long-term wealth, not short-term riches.
5. Multicultural Economics, Inc. practices a policy of portfolio concentration by committing relatively large sums of capital to market stunners. Multicultural Economics, Inc. reinvests all dividends. Multicultural Economics, Inc. buys 5 to 10, no more than 15, companies for the long-term interest of its clients. Multicultural Economics, Inc. identifies companies with attractive dividend yields, steady and consistent dividend payout policies, and little-to-no debt on their books.
6. Multicultural Economics, Inc. maintains an appropriate temperament by balancing equanimity and patience with the ability to act decisively. Multicultural Economics, Inc. keeps its head above the fray and always reevaluate portfolios and companies with a new set of eyes so as to maintain objectivity under changing company facts, delicate macroeconomic environment, evolving regulatory regimes, and volatile market conditions.
7. Multicultural Economics, Inc. stays abreast of world events, culture, philosophy, religion, the arts, and other heuristic constructs that may affect values.

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Multicultural Economics, Inc. or the integrity of Multicultural Economics, Inc. management. Multicultural Economics, Inc. has no information applicable to this Item.

Multicultural Economics, Inc. is not actively engaged in a business other than giving investment advice. Multicultural Economics, Inc. does not sell products or services other than investment advice to its clients. The principal business of Multicultural Economics, Inc. or its principal executive officers does not involve something other than providing investment advice.

Multicultural Economics, Inc. is not registered – or has an application pending – as a securities broker-dealer. Multicultural Economics, Inc. is not registered – or has an application pending – as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Multicultural Economics, Inc. does not have any arrangements that are material to its investment business or its clients with a related person who is a: broker-dealer; investment company; other investment advisor; financial planning firm; commodity pool operator, commodity trading advisor or futures commission merchant; banking or thrift institution; accounting firm; law firm; insurance company or agency; pension consultant; real estate broker-dealer; or an entity that creates or packages limited partnerships.

Multicultural Economics, Inc. or a related person is not a general partner in any partnership in which clients are solicited to invest.

Multicultural Economics, Inc. or a related person does not have any arrangements, oral or in writing, where it: is paid in 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; directly or indirectly compensates any person for client referrals.

Multicultural Economics, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Multicultural Economics, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Multicultural Economics, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Multicultural Economics, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Multicultural Economics, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Multicultural Economics, Inc.'s employees and persons associated with Multicultural Economics, Inc. are required to follow Multicultural Economics, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Multicultural Economics, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Multicultural Economics, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Multicultural Economics, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Multicultural Economics, Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Multicultural Economics, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Multicultural Economics, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Multicultural Economics, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Multicultural Economics, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Daniel W. Vasquez, Founder (510) 459-1264, wdvasquezco@gmail.com.

It is Multicultural Economics, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Multicultural Economics, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

While Multicultural Economics, Inc. is not a registered representative with any NASD securities firm, Multicultural Economics, Inc. may have a relationship with one or more discount brokerage firms for custodial, or administrative, purposes. Multicultural Economics, Inc. selects brokerage custodians based on the availability of investment products, best execution, level of service, brokerage fees and/or commissions.

Although it is not required to consider any specific criteria, Multicultural Economics, Inc. generally seeks "best execution" of securities transactions in light of the circumstances existing at the time individual transactions are executed. In evaluating a custodial-broker-dealers ability to provide best execution, Multicultural Economics, Inc. considers a range of factors, including net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities generally and in connection with securities of the type and in the amounts to be bought or sold; the custodial-broker-dealer's willingness to commit capital; their reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the nature, quantity and quality of research provided by the broker-dealer; and the market for the security.

A custodial-broker-dealer relationship exists with Charles Schwab Institutional. There are no soft dollar benefits. Multicultural Economics, Inc. reserves the right to explore other broker-dealer relationships in the best interest of the client (e.g., minimizing transaction costs like custodial fees, commission rates, interest charges, etc.). There is no requirement that a client use a custodial-broker-dealer Multicultural Economics, Inc. suggests. The client may, in fact, request or recommend or require a custodial-broker-dealer of their choosing.

To comply with Section 260.238 (k) of the California Corporations Code, Multicultural Economics, Inc. will disclose to an investor client in writing before entering into or renewing an advisory agreement any material conflict of interest relating to Multicultural Economics, Inc., its representatives, or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including: (1) compensation arrangements connected with investment advisory services to clients which are in addition to compensation from such clients for such services; and (2) charging an investor client an advisory fee without disclosing that a commission for executing securities transactions pursuant to such advice will be received by Multicultural Economics, Inc., its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by Multicultural Economics, Inc., its representatives or employees for the sale of securities to the investor client. Multicultural Economics, Inc., does not intend to receive commission-related income from custodial-broker-dealer relationships; nor is commission-related income part of the Multicultural Economics, Inc.'s business income model. Multicultural Economics will generate income solely from a percentage of investor client assets under management and fixed fees (minimum annual fee: \$2,500) for those clients who do not meet the required minimum investment amount (\$250,000).

All rules and regulations of the Investment Advisors Act of 1940 as well as the California Code of Corporations will be strictly adhered and enforced.

All clients of Multicultural Economics, Inc. are managed and reviewed on a continuous basis. Overall investment management, market prospects and individual issue prospects are considered in the review process. Client account holdings will be reviewed at any time changing market conditions warrant. Triggering factors that may affect an account review could be any material change in an investment in a client's account resulting from a change in a company's financial condition, industry and/or company outlook as well as general economic, political or other relevant market situations that may alter a client's tolerance for risk and account value. Clients receive annual or quarterly reviews of their investments and strategies. All account reviews are conducted by the Founder, Daniel W. Vasquez.

Clients receive standard account monthly or quarterly statements from Charles Schwab Institutional and Multicultural Economics, Inc. Multicultural Economics, Inc. recommends that clients review financial goals and objectives and risk tolerance on an annual basis. The client has the right to renew, or terminate, the IMA each year. Other reports or reviews are issued to clients on "as contracted for" basis and may be oral or written depending on the nature and scope of the services desired by the client. Clients are provided with transaction confirmation notices and regular account summaries directly from the custodian and Multicultural Economics, Inc. for their accounts. At a minimum, clients will receive quarterly reports, summarizing the investment performance of their accounts. Annual investment performance reports will be comprehensive, assessing client portfolio performance relative to asset class benchmarks, investment style and strategy, industry averages, sector analyses and broader economic conditions.

Multicultural Economics, Inc. does not receive any economic benefit (any sales awards or other prizes) for providing investment advice or other advisory services to anyone who is not a client of Multicultural Economics, Inc.

Multicultural Economics, Inc. or a related person does not directly or indirectly compensate any person who is not a supervised person of Multicultural Economics, Inc. for client referrals.

Multicultural Economics, Inc. does not hold custody of client assets, funds or securities. Charles Schwab Institutional is the broker-dealer custodian of client assets, funds and securities.

Clients should receive at least quarterly statements from Charles Schwab Institutional. Multicultural Economics, Inc. urges clients to carefully review such statements and compare such official custodial records to the account statements that Multicultural Economics, Inc. may provide to you. Multicultural Economics, Inc. statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Multicultural Economics, Inc. usually receives discretionary authority from the client in the form of an executed limited power of attorney at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Multicultural Economics, Inc. maintains limited power of attorney in substantially all client accounts. The limited power of attorney authorizes Multicultural Economics, Inc. to execute securities transactions on behalf of clients without prior approval. All transactions are executed in accordance with the Investment Policy Statement ("IPS") and stated investment objectives, which have been previously discussed with the client.

While Multicultural Economics, Inc. maintains client discretion over which securities to be bought or sold and amount of securities to be bought or sold, Multicultural Economics, Inc. does not make independent investment decisions for its clients. Clients retain control and final decision-making powers in all cases. When portfolio rebalancing or minor transactions are needed, Multicultural Economics, Inc. will make such changes without approval from the client so long as the transactions are consistent with the IPS as previously approved by the client.

In all other situations, recommendations are made to the client and the client makes the decision to implement the recommendation, make adjustments, or decline. Clients are generally asked to affirm their agreement with recommendations by signing the IPS. When time is of the essence or when there is difficulty in completing a written authorization, verbal approvals from the client are accepted. Multicultural Economics, Inc. will keep written record of such circumstances as they arise.

For registered investment companies, Multicultural Economics, Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to Multicultural Economics, Inc. in writing.

When selecting securities and determining amounts, Multicultural Economics, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises.

Multicultural Economics, Inc. may have the authority to vote proxies for clients, although they are expected to do so themselves.

Clients may obtain a copy of Multicultural Economics, Inc.'s complete proxy voting policies and procedures upon request. Clients may also obtain information from Multicultural Economics, Inc. about how Multicultural Economics, Inc. voted any proxies on behalf of their account(s).

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Multicultural Economics, Inc.'s financial condition.

Multicultural Economics, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Daniel W. Vasquez , Founder (Principal Executive Officer and Key Management Person)

Education

- University of Oxford (MBA, 2014-expected; Post-Graduate Diploma in Global Business, 2012)
- The University of Chicago (MPP, Economic Policy, 1996);
- University of California at Berkeley (BA, Ethnic Studies, 1994);
- Princeton University (Certificate, Public & Int'l Affairs, 1992).

Business background

- Multicultural Economics, Founder & Portfolio Manager, 2008-present;
- Hamilton Lane Advisors, LLC (Private Equity Asset Management), Vice-President & Portfolio Manager, 2007-2008;
- Morgan Stanley, Global Wealth Management Group, Investment Adviser, 2004-2007;
- Harvard Business School, Institute for Strategy & Competitiveness, Research Associate, 1998-2002;
- The Conference Board, Economics Department, Research Analyst, 1996-1998;
- Legislative Aid, United States Senate, 1994.

Licenses & designations

- Uniform Combined State Law, Investment Adviser (Series 66);
- General Securities Representative (Series 7);
- Futures Managed Funds (Series 31);

There is no other business in which Daniel W. Vasquez is actively engaged other than giving investment advice. Daniel W. Vasquez is not engaged in any performance-based fee schemes. Daniel W. Vasquez has not been involved in any award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500; or in a civil, self-regulatory organization, or administrative proceeding involving the any of the following: an investment or an investment related business or activity; fraud or, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

