

# **Elm Partners Management LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: April 26, 2013**

This Disclosure Brochure provides information about the qualifications and business practices of Elm Partners Management LLC (“Elm Partners”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (307) 333-0167 or by email at [akash@elmpartnersam.com](mailto:akash@elmpartnersam.com).

Elm Partners is a Registered Investment Advisor with the U.S. Securities and Exchange Commission. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Elm Partners to assist you in determining whether to retain the Advisor.

Additional information about Elm Partners and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Elm Partners Management LLC**  
CRD No: 167225  
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Phone: (307) 333 0167 \* Fax: (307) 333-0246  
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## **Item 2 – Material Changes**

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Elm Partners.

Elm Partners believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Initial Filing

Elm Partners is an established Registered Investment Advisor; however, this is the initial filing of the Disclosure Brochure pursuant to the new regulations.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Elm Partners.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for Elm Partners:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **167225** (our firm's CRD number) in the field labeled "Firm IARD/CRD Number".
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (307) 333 0167 or by email at [akash@elmpartnersam.com](mailto:akash@elmpartnersam.com).

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Elm Partners Management LLC (“Elm Partners” or the “Advisor”) is a Registered Investment Advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Limited Liability Company (“LLC”) under the laws of the State of Wyoming. Elm Partners was founded in March 2012, and is owned by Cygnet Capital LLC and operated by Victor Haghani, Founder and Managing Member. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Elm Partners.

### **B. Advisory Services Offered**

Elm Partners offers investment advisory services to pooled investment vehicles, which are described below (each referred to as a “Client” or “Fund”).

#### Elm Partners Portfolio LLC

Elm Partners Portfolio LLC is a Delaware limited liability company, which commenced operations on December 30, 2011. Elm Partners is the Managing Member of Elm Partners Portfolio LLC (the “U.S. Fund”).

The U.S. Fund seeks to earn higher returns with less risk as compared to a Benchmark portfolio consisting of 35% US equities, 30% non-US equities, 20% broad US bonds and 15% cash on a long-term basis primarily by attempting to achieve greater diversification and by dynamically changing the Fund’s asset allocation according to a simple set of rules based on value and momentum signals.

The U.S. Fund provides exposure to U.S. and non-U.S. equities, U.S. government, agency, municipal and corporate bonds, money market instruments, commodities and other assets primarily, but not solely, through investments in low cost mutual funds, ETFs, ETNs and other products or instruments as selected by the Advisor as part of an investment program designed as a potential wealth management solution for affluent, U.S. taxable investors.

Generally the U.S. Fund holds a small number of investments, typically 10 to 30 investments in index funds and ETFs. In some instances, ten or fewer investments may make up 75% of the portfolio. As these investments are generally broadly diversified index mutual funds or ETFs, the Advisor believes the Fund achieves a high degree of diversification.

The U.S. Fund does not use leverage or short positions to achieve or enhance portfolio exposures. Leverage or short positions may occur in certain limited instances (less than 20% of portfolio) to temporarily bridge settlement date mismatches or in an effort to manage the portfolio in a tax-aware fashion.

**For additional information on the U.S. Fund’s strategy please consult the private placement memorandum.**

#### Elm Partners Portfolio Ltd.

Elm Partners Portfolio Ltd. is an investment fund incorporated in the Cayman Islands on November 5, 2012 as an exempted company in accordance with the provisions of the Companies Law (as amended) of the Cayman Islands. Elm Partners is the Advisor of Elm Partners Portfolio Ltd., (the “Offshore Fund”).

The Offshore Fund seeks to earn higher returns with less risk as compared to a Benchmark portfolio consisting of 30% US equities, 30% non-US equities, 25% US, Euro and Sterling bonds and 15% USD, Euro and Sterling money market investments on a long-term basis primarily by attempting to achieve greater diversification and by dynamically changing the Fund’s asset allocation according to a simple set of rules based on value and momentum signals.

The Offshore Fund provides exposure to U.S. and non-U.S. equities, U.S., Euro and Sterling government, agency, and corporate bonds, money market instruments, commodities and other assets primarily, but not solely, through investments in low cost mutual funds, ETFs, ETNs, financial futures and other products or instruments as selected by the Advisor as part of an investment program designed as a potential wealth management solution for affluent, non-U.S. investors.

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Generally the Offshore Fund holds a small number of investments, typically 10 to 30 investments in ETFs, index funds, financial futures and government obligations. In some instances, ten or fewer investments may make up 75% of the portfolio. As these investments are generally broadly diversified ETFs, index mutual funds or equity index futures, the Advisor believes the Fund achieves a high degree of diversification.

The Offshore Fund does not use leverage or short positions to achieve or enhance portfolio exposures. Leverage or short positions may occur in certain limited instances to hedge currency exposure, to temporarily bridge settlement date mismatches or in an effort to manage the portfolio in a tax-aware fashion.

**For additional information on the Offshore Fund's strategy please consult the private placement memorandum.**

Elm Partners's investment strategy is primarily long-term focused, but the Advisor rebalances the portfolio at least once per month in response to changing market conditions. Elm Partners will construct, implement and monitor portfolios to ensure it meets the goals and objectives set forth in each Fund's private placement memorandum.

Elm Partners evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Elm Partners may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Elm Partners may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Elm Partners may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

Elm Partners will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services.

### **C. Client Account Management**

Prior to engaging Elm Partners to provide investment advisory services, each Investor will receive a private placement memorandum and execute a subscription agreement that defines the terms, conditions, authority and responsibilities of the Advisor, the Fund and the Investor.

### **D. Wrap Fee Programs**

Elm Partners does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Elm Partners.

### **E. Assets Under Management**

As of March 31, 2013, Elm Partners manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$162,664,083
Non-Discretionary Assets	\$0
<b>Total</b>	<b>\$162,664,083</b>

Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

The following paragraphs detail the fee structure and compensation methodology for the Advisor's investment management services.

#### **A. Fees for Advisory Services**

Investment Management Fees are paid monthly in arrears pursuant to the terms of the Advisor's agreement with the Funds and the offering documents for each Fund. Management Fees are based on the market value of assets under management at the end of each calendar month charged at an annual rate of 0.12%. The Management Fee includes the investment management services of the Advisor as well as the operating costs of the Funds. The Advisor bears the costs for legal, administration, accounting and operations fees. The Offshore Fund bears audit fees.

In the first month of service, an Investor's pro-rata share of the Fund's Management Fees are prorated from the subscription date to the end of the first month. All securities held in the Funds managed by Elm Partners will be independently valued by the designated Administrator. Elm Partners will not have the authority or responsibility to value portfolio securities.

**Clients should refer to the offering documents for each Fund for detailed information about fees and expenses.**

The Advisor's fee is exclusive of, and in addition to brokerage fees, transaction fees, mutual fund/ETF expenses and other related costs and expenses, which may be incurred by the Funds. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### **B. Fee Billing**

Investment Management Fees will be calculated and automatically deducted from the Funds by the Administrator on behalf of the Advisor. The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the total assets under management with Elm Partners at the end of each month. Details of the fee methodology are contained in the private placement memorandum for each Fund.

#### **C. Other Fees and Expenses**

The Funds and its Investors may incur certain fees or charges imposed by third parties, other than Elm Partners, in connection with investments made on behalf of the Funds. As noted above, Elm Partners will pay, from its Management Fee, all of the Fund's direct organizational expenses and any and all of the Fund's direct operating expenses, including, without limitation, all legal fees and expenses, administration fees, accounting fees and operations fees. The Offshore Fund bears audit fees.

In addition, all fees paid to Elm Partners for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees, operating expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee.

#### **D. Advance Payment of Fees and Termination**

Elm Partners is compensated for its services monthly in arrears (after services are completed).

Clients may request to terminate their subscription agreement with the Fund(s), in whole or in part, by providing advance written notice prior to the end of each month. An Investor may redeem some or all of the Investor's shares in the Fund(s) at the end of each month (a "Redemption Day") upon notice received and acknowledged by the Advisor and the Administrator no later than 4:00 p.m. EST on the third business day prior to the last day of the month (defined as the last day of a calendar month on which the NYSE is open for business). Investors shall be responsible for Management Fees up to and including the effective date of termination/withdrawal from the Fund(s).

The Advisor's Investment Management Agreement with the Funds is non-transferable without written approval of its limited partners.

#### **E. Compensation for Sales of Securities**

Elm Partners does not buy or sell securities, other than the recommendation of interests in the Fund(s), and does not receive any compensation for securities transactions in any Client account, other than the Management Fees noted above.

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## **Item 6 – Performance-Based Fees and Side-By-Side Management**

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Elm Partners does not charge performance-based fees for its investment advisory services. The fees charged by Elm Partners are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

## **Item 7 – Types of Clients**

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Elm Partners provides investment advisory services to pooled investment vehicles, which are described in **Item 4 – Advisory Services**.

The minimum initial investments in the Funds are \$500,000 and \$1,000,000, for Elm Partners Portfolio LLC and Elm Partners Portfolio Ltd., respectively. These minimums may be reduced pursuant to the terms of the private placement memorandum.

Interests in the Funds have not been registered with or approved by the SEC or any state securities agency. Interests are offered pursuant to an exemption provided by Section 4(2) of the Securities Act of 1933 and applicable state securities laws to “Accredited Investors” only. Interests are purchased solely after the delivery of a private placement memorandum and execution of a subscription agreement.

### **Who is an “Accredited Investor”?**

An Accredited Investor means the Investor meets at least one of the following criteria:

- (i) A natural person whose individual net worth, or joint net worth with that person’s spouse, at the time of the purchase of Interests of the Fund, exceeds \$1,000,000;
- (ii) A natural person who had an individual income in excess of \$200,000 in each of the two most recent years and who reasonably expects to have an individual income in excess of \$200,000 in the current year, or who had joint income in excess of \$300,000 in each of the two most recent years, and who reasonably expects to have joint income in excess of \$300,000 in the current year;
- (iii) A corporation or similar business trust, or partnership, limited liability company or similar business venture, which has total assets in excess of \$5,000,000, and is not formed for the specific purpose of participating in the Fund(s);
- (iv) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, as amended (the “Advisers Act”);
- (v) An organization described in Section 501(c)(3) of the Code with total assets in excess of \$5,000,000;
- (vi) A trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, and whose purchase is directed by a sophisticated person as defined in the Securities Act;
- (vii) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000.

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

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### **A. Methods of Analysis**

Elm Partners primarily employs a simple rules based approach for managing the investment strategies of the Funds. The approach is more specifically described in the Funds’ private placement documents. A general summary of the approach is as follows: for each fund, a Baseline Portfolio is specified which is intended to have a similar risk to the pre-specified Benchmark Portfolio, but with slightly greater diversification. Each bucket of risk in the Baseline Portfolio is altered on a monthly basis in line primarily with a simple valuation based signal

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and a simple momentum signal. Other factors may also be taken into account, such as tax consequences, liquidity and cost and availability of the relevant investment vehicles. It is expected that the actual portfolio returns will exhibit sometimes substantial tracking error versus the desired portfolio. Elm Partners uses various market sources of information, including but not limited to information provided by Bloomberg.

While Elm Partners generally employs a long-term outlook in making its investment decisions consistent with each Fund's mandate, the portfolios will be rebalanced at least once per month, and hence it is expected that portfolio turnover will be quite high.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Investors in the Fund(s) should be prepared to bear the potential risk of loss. There is no guarantee that Investors will meet their investment goals.

The risks associated with a particular strategy are provided to each Investor in advance of investing in the Fund(s).

The following are some of the risks associated with investing in the Funds. (Please refer to each Fund's private placement memorandum for a complete list of risks associated with investing in the Funds.)

*General Economic and Market Conditions:* The success of any investment activity is affected by general economic conditions, which may affect the level and volatility of interest rates, equity markets, foreign exchange rates, credit conditions, and other relevant market conditions, including liquidity of investments. Unexpected volatility or illiquidity in the markets in which the Fund (directly or indirectly) holds positions could impair the Fund's ability to carry out its business or cause it to incur losses. All investments in securities, or vehicles such as mutual funds or ETFs that invest in them, risk the loss of capital. No guarantee or representation is made that the Fund's program will be successful in lowering the risks associated with investing in securities or that investment in the Fund(s) will be profitable.

*Equity Risk:* The Funds will generally have exposure to U.S. and non-U.S. equities (through investments in ETFs and Mutual Funds) and hence will be exposed to changes in prices in those equities and changes in future dividend payments, if any, on those equities. Equity securities can lose all or virtually all their value, and historically this has occurred in various markets on multiple occasions.

*Credit Risk:* The Funds will generally have exposure to bond, or fixed income obligations, issued by among others, the U.S. government, U.S. agencies, U.S. municipalities or U.S. and non-U.S. corporations (investment grade and non-investment grade). Any of these obligations, including the U.S. government, may not be repaid in full, and hence there is substantial risk of loss in all fixed income investments due to credit risk. Fixed income securities can lose all or virtually all their value, and historically this has occurred in various markets on multiple occasions.

*Interest Rate Risk:* The Funds will generally have exposure to bond, or fixed income obligations, issued by, among others, the U.S. government, U.S. agencies, U.S. municipalities or U.S. and non-U.S. corporations (investment grade and non-investment grade). Any of these obligations can lose a substantial portion of their value due to increases in interest rates, making the promised cash flows of the securities less valuable. Furthermore, interest rates can have a substantial effect on the value of the Funds' investments, including equities and real estate investment.

*Real Estate Risk:* The Fund will generally have exposure to U.S. and non-U.S. real estate related securities (including REITs and property companies) and hence will be exposed to changes in prices in those securities and

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changes in future dividend payments if any that those securities will pay. Real estate related companies that issue the securities in which the Fund invests generally employ leverage in owning real estate assets and this makes these investments more risky than investing in unleveraged underlying real estate assets. Also, changes in tax and other rules and regulations may affect the value of real estate related securities negatively. Real estate related securities can lose all or virtually all their value, and historically this has occurred in various markets on multiple occasions.

*Commodity Risk:* The Funds will generally have exposure to several commodities, including but not limited to gold and oil, through investments in commodity related securities of funds, such as ETFs, ETNs or ETPs. Commodity prices can be extremely volatile and can lose all or virtually all their value, and historically this has occurred in various markets on multiple occasions. Furthermore, commodity investments generally involve use of futures contracts, which creates additional counterparty risk, and also the risk of rolling futures contracts which can result in substantial loss and underperformance of spot commodity prices.

*Exchange Rate Risk:* The Funds will generally have exposure to investments denominated in currencies other than the US Dollar (indirectly through its investments in ETFs and mutual funds), and therefore fluctuations in exchange rates of these foreign currencies in terms of the US Dollar will impact Fund performance, and may cause significant loss.

*Investment Selection:* The Advisor is solely responsible for the selection of the Fund's investments. Investors will not receive information regarding the investments to be made by the Fund prior to investing in the Funds and must rely entirely on the Advisor to identify appropriate investment opportunities. The Advisor will consider various criteria before selecting such investments; however, there can be no assurances that the Advisor will successfully apply its criteria to the selection of suitable investments or that such investments will achieve their stated objectives.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at (307) 200-7060 or via email at [victor@elpartnersam.com](mailto:victor@elpartnersam.com).**

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## **Item 9 – Disciplinary Information**

**There are no legal, regulatory or disciplinary events involving Elm Partners or any of its employees.**

Elm Partners and its advisory personnel value the trust you place in us. We encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **167225** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

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## **Item 10 – Other Financial Industry Activities and Affiliations**

The sole business of Elm Partners is to provide investment advisory services to its Clients. Elm Partners is not involved in other business endeavors. Elm Partners does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

### **A. Code of Ethics**

Elm Partners has implemented a Code of Ethics that defines our fiduciary commitment to each Client (the Funds) and Investors in the Funds. This Code of Ethics applies to all persons associated with Elm Partners. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Elm Partners and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Elm Partners associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code.

The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. Elm Partners has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (307) 333-0167 or via email at [akash@elmpartnersam.com](mailto:akash@elmpartnersam.com).

### **B. Personal Trading with Material Interest**

Elm Partners allows our employees to purchase or sell the same securities and funds that may be recommended to and purchased on behalf of the Funds. Elm Partners does not act as principal in any transactions. Elm Partners does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities and Funds as Clients**

Elm Partners allows our employees to purchase or sell the same securities and funds that may be recommended to and purchased on behalf of the Funds. Owning the same securities or funds we recommend (purchase or sell) to Clients presents a potential conflict of interest that, as fiduciaries, we must disclose to and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be implemented in the Funds. We believe these conflicts are significantly mitigated by the fact that the Funds invest primarily in large and liquid ETFs and index mutual funds which themselves invest in broad baskets of individual securities.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

### **D. Personal Trading at Same Time as Client**

While Elm Partners allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of the Funds, these trades do not occur at the same time.

**At no time, will Elm Partners or any associated person of Elm Partners, transact in any security to the detriment of any Client or Investor.**

## **Item 12 – Brokerage Practices**

### **A. Custodian[s]**

Each Fund utilizes a designated custodian for the safekeeping of Investor assets. The U.S. Fund utilizes the Vanguard Group, Inc. and the Offshore Fund utilizes Morgan Stanley Smith Barney LLC. See Item 15 for additional information regarding custody.

Following are additional details regarding the brokerage practices of the Advisor:

1. **Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **Elm Partners does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

2. **Brokerage Referrals** - Elm Partners does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. **Directed Brokerage** - The Funds are serviced on a "directed brokerage basis", where Elm Partners will place trades within the established account[s] at the custodian designated in the private placement memorandum. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]).

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Elm Partners will execute its transactions through an unaffiliated broker-dealer as defined in the private placement memorandum and may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular account(s).

### **Item 13 – Review of Accounts**

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#### **A. Frequency of Reviews**

Security positions in the Funds are monitored on a regular and continuous basis by Mr. Haghani of Elm Partners and other employees of the Advisor.

#### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., the Funds may be reviewed as a result of major changes in economic conditions or large deposits or withdrawals in the Client's account.

Investors are encouraged to notify Elm Partners if changes occur in their personal financial situation that might impact the appropriateness of investing in the Fund(s).

#### **C. Review Reports**

Investors in the Funds will receive statements no less than quarterly from the Administrator. These statements are sent directly from the Administrator to the Investor. The Advisor may also provide Investors with periodic reports regarding the Fund's holdings, allocations, and performance.

### **Item 14 - Client Referrals and Other Compensation**

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#### **A. Compensation Received by Elm Partners**

Elm Partners is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Management Fees earned through its services to the Funds. Elm Partners does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party.

#### **B. Client Referrals from Solicitors**

Elm Partners does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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As the General Partner and Advisor to the Funds, Elm Partners has custody over the assets of the Funds due to its ability to withdraw its advisory fees. While the assets of the Funds are maintained at a qualified custodian, Elm Partners has the ability to deduct its fees and pay expenses on behalf of the Funds. This authority results in custody under the securities laws. To mitigate the risks and regulatory implications of custody, Elm Partners engages an independent auditor annually for the US Fund and intends to do so in the future for the Offshore Fund. The results of the audits will be provided to all investors of the respective Funds.

## **Item 16 – Investment Discretion**

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Elm Partners generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Elm Partners. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Elm Partners will be in accordance with each Client's investment objectives and goals.

## **Item 17 – Voting Client Securities**

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As the Manager to the Funds, Elm Partners shall vote proxies of behalf of the Funds. Elm Partners will receive each proxy and vote the proxy in the best interests of the Funds and each Fund's Investors. Clients may request a copy of the Advisor's Proxy Voting Policy or information on proxies voted on behalf of the Funds at any time.

## **Item 18 – Financial Information**

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Neither Elm Partners, nor its management has any adverse financial situations that would reasonably impair the ability of Elm Partners to meet all obligations to its Clients. Neither Elm Partners, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Elm Partners is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance.

## Privacy Policy

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Effective: April 26, 2013

### Our Commitment to Investors

Elm Partners Management LLC ("Elm Partners") is committed to safeguarding the use of your personal information that we have as the Advisor to Elm Partners Portfolio LLC and Elm Partners Portfolio Ltd. (the "Funds"). Elm Partners (also referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management of the Funds. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

Elm Partners does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and proper business purposes in connection with the servicing and management of our relationship with you as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Privacy Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") share some of your personal information. Federal and State laws give you the right to limit some of this sharing. Federal and State laws require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from Investors?

Social security or taxpayer identification number	Account information (including other institutions)
Name, address and phone number(s)	Investment experience and goals
E-mail address(es)	Investment activity

### What sources do we collect information from in addition to Investors?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

## How we share your information?

RIAs do need to share personal information regarding its clients to effectively implement our services to the Funds. In the section below, we list some reasons we may share your personal information.

Basis for sharing	Sharing	Limitations
<b>Servicing our Investors</b> We may share non-public personal information with non-affiliated third parties (such as brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed services to you consistent with applicable law, including but not limited to: <ul style="list-style-type: none"><li>• Processing transactions;</li><li>• General account maintenance;</li><li>• Responding to regulators or legal investigations; and</li><li>• Credit reporting, etc.</li></ul>	Elm Partners may share this information.	Investors cannot limit the Advisors ability to share.
<b>Administrators</b> We may disclose your non-public personal information to companies we hire to help administrate the Funds' business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.	Elm Partners may share this information.	Investors cannot limit the Advisors ability to share.
<b>Marketing Purposes</b> Elm Partners does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Elm Partners or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	Elm Partners does not share personal information.	Investors cannot limit the Advisors ability to share.
<b>Authorized Users</b> In addition, your non-public personal information may also be disclosed to you and persons we believe to be your authorized agent or representative.	Elm Partners does share personal information.	Investors can limit the Advisors ability to share.
<b>Information About Former Investors</b> Elm Partners does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer Investors in the Fund(s).	Elm Partners does not share personal information regarding former Investors.	Investors can limit the Advisors ability to share.

Elm Partners Management LLC

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Phone: (307) 333-0167 \* Fax: (307) 333-0246

[www.elmpartnersam.com](http://www.elmpartnersam.com)

**How do we protect your information?**

To safeguard your personal information from unauthorized access and use, we maintain physical, procedural and electronic safeguards. These include computer safeguards such as passwords, secured files and buildings.

Our employees are advised about Elm Partners's need to respect the confidentiality of each client's non-public personal information. We train our employees on their responsibilities.

We require third parties that assist in providing our services to you to protect the personal information they receive. This includes contractual language in our third party agreements.

**Changes to our Privacy Policy.**

We will send all Investors notice of our Privacy Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise our Privacy Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Questions:** You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (307) 333-0167 or via email at [akash@elmpartnersam.com](mailto:akash@elmpartnersam.com).