

## ENR Asset Management, Incorporated

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March 2015

This Brochure provides information about the qualifications and business practices of ENR Asset Management, Incorporated ("ENR", "us", "we", "our"). If clients ("you", "your") have any questions about the contents of this brochure, please contact us at (514) 989-8027. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

We are a Registered Investment Adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about ENR is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.

This Brochure provides information for our US clients. Most provisions of the US Investment Advisers Act of 1940 and of this brochure do not necessarily apply to our non-US clients.

## Material Changes

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This Brochure constitutes ENR's annual provision of key information to our US clients concerning our services, products, fees, policies and personnel. This Brochure is divided into two sections: 2A and 2B. Part 2A provides detailed information about us, while Part 2B provides information regarding key ENR personnel. When we make a material change to this Brochure, we will notify our US clients.

This section of the Brochure will address only those "material changes" that have been incorporated since our last delivery or posting of this Brochure on the SEC's public disclosure website at (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). June, 2014.

Below is a bullet-point summary of material changes since our last filing:

- ENR no longer offers the ENR High Income Portfolio.
- ENR has established a custodian bank relationship with Bank Winter (Austria). Bank Winter is one of Austria's oldest private banks. It specializes in precious metals and has one of the world's strongest bank balance sheets. ENR clients wishing to have their accounts held and directed in Austria now have the choice of two excellent banking institutions in Bank Winter and Valartis Bank (Austria).

- ENR has established a custodian bank relationship with Interactive Brokers, Inc. This allows clients of ENR to have their accounts managed and assets held through a U.S. onshore custodian and broker.
- ENR has established a custodian bank relationship with Bank Vontobel (Zurich), thus giving ENR clients the option of their account being held in Switzerland with a world famous bank.
- ENR is no longer able to offer the option of Jyske Bank (Denmark) as a custodian bank as of July 27, 2015.
- ENR has entered into a fee retrocession agreement with the T-Equity Group as of February 2015, regarding future clients introduced to ENR by the T-equity Group.

We may, at any time, update this Brochure and send to you an updated copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy (either by electronic means or in hard copy form) at no charge.

If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you may contact our Chief Investment Officer, Eric N. Roseman at (514) 989-8027 or via email at: [eric@enrasset.com](mailto:eric@enrasset.com)

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### Item 1 Advisory Business

ENR Asset Management, Inc. was formed as a corporation under the Canada Business Corporations Act in 1992, which is owned and controlled by Eric N. Roseman. Prior to June 2000, ENR was known as Emerald Analytical Services, Inc. We have filed our application to register as an investment adviser with the U. S. Securities and Exchange Commission, in order to provide the investment advisory products and services described within this document.

As of January 1, 2015, the most recent date for which fully audited figures are available, we have 638 clients with USD 221 million of discretionary assets and USD 151 million of non-discretionary assets under management. Total assets under management, as of January 1, 2015, stand at USD 372,742,742.

This Disclosure Brochure provides you with information regarding our business practices, and the nature of advisory services that should be considered before becoming our advisory client. Please contact Dugald Malcolm, Chief Compliance Officer, if you have any questions about this Brochure at: [dugald@enrasset.com](mailto:dugald@enrasset.com)

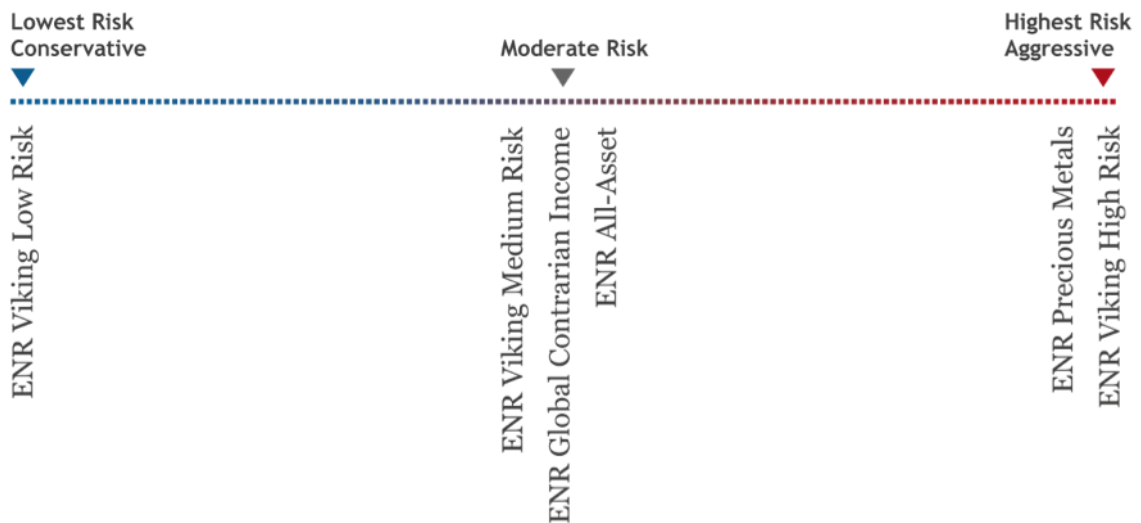
We are an investment management, international portfolio and investment advisory consulting firm.

We specialize in customizing global growth and income portfolios for aggressive, balanced and conservative investors. Investment strategies range from value-based investing in stocks and bonds to foreign currencies, precious metals and commodities. Some portfolios blend all of these asset classes for optimal dynamic total returns, namely the ENR All-Asset Portfolio and the Viking Portfolios. Investments in commodities are only made using ETFs (exchange-traded-funds). ENR does not engage or utilize derivatives to trade commodities.

ENR offers individual investors and institutions discretionary managed accounts. Our discretionary authority in making these determinations will be limited by conditions imposed by you in your investment guidelines, objective, or instructions otherwise provided to us.

The majority of the assets under management are invested in diversified investment programs such as the ENR Global Contrarian Income Portfolio, and the Viking Portfolios.

On the next page, are descriptions of the portfolio management services we offer. For more detail on any product or service please reference the fact sheets or speak with your IAR, Eric Roseman.



Fact Sheets pertaining to each ENR investment strategy are available for review updated quarterly at: [www.enrassetmanagement.com](http://www.enrassetmanagement.com)

### ENR Global Contrarian Income Portfolio

Previously named the ENR Best Ideas Portfolio, the ENR Global Contrarian Income Portfolio is an investment portfolio available at most U.S. discount brokers and at private banks in Europe. It is ENR's benchmark strategy.

The ENR Global Contrarian Income Portfolio seeks to invest in undervalued global stocks; mostly large-cap companies with an emphasis on yield combined with event-driven change. Large-cap companies are usually purchased after they've hit a new low following an earnings miss, management change or some other unforeseen event, resulting in a sharply lower stock price. In addition to isolating undervalued companies with an emphasis on value and yield, the strategy also embraces an 'event-driven' approach to stock selection. This investment matrix looks for a bottom-up special situation first (compa-

ny specific) followed by dividends and a catalyst for change. Under many circumstances this event-driven change is marked by a change in company strategy whereby one or more low margin units is sold in favor of concentrating on higher margin revenues or growing business segments. It can also be characteristic of impending spinoffs whereby a company is under pressure to sell one or more divisions to focus on core margin profitability and shed its core non-core assets. In most cases, these companies should pay a dividend of at least 3%. If necessary, reverse-index stocks ETFs or put options may be used to hedge against market declines amid financial market dislocations or bear markets.

The minimum investment is \$100,000 and the annual management fee is 1.5%.

### ENR Precious Metals Portfolio

The ENR Precious Metals Portfolio invests in precious metals bullion ETFs or allocated physical gold and silver bullion, and gold and silver mining shares. The portfolio is denominated in U.S. dollars for reporting purposes. Benchmarks include New York gold bullion spot prices and the Philadelphia Gold & Silver Index (XAU Index). The minimum investment

requirement is \$100,000 and the annual management fee is 1.5%.

ENR also sub-advises the ENR Precious Metals Fund in Liechtenstein. The trustee for securities in the ENR Precious Metals Portfolio Fund is Neue Bank AG in Liechtenstein.

### ENR All-Asset Portfolio

The ENR All-Asset Portfolio was launched in July 2012. The ENR All-Asset Portfolio seeks to reduce market volatility by investing in a diversified portfolio of major asset classes. The strategy aims to maximize conservative total returns and provide a net annual effective yield through a selection of low-cost ETFs, mutual funds, individual stocks and fixed-income securities.

The asset allocation employed may include large-cap stocks, fixed-income securities, REITs, precious met-

als, managed futures (Commodity Trading Advisors), foreign currencies and, if necessary, reverse-market ETFs or hedges to reduce stock market exposure.

The minimum investment requirement is \$200,000 and the annual management fee is 1%.

### ENR Viking Low Risk Portfolio

The ENR Viking Low Risk Portfolio seeks to achieve a conservative return from a combination of mostly common stocks, foreign currencies and fixed-income securities. The strategy historically maintains a low level of volatility and invests mainly in a diversified portfolio of bonds, foreign currencies and large-cap

global equities. The strategy may also invest in commodities, publicly-traded real estate securities and other alternative investments.

The minimum investment is \$100,000 and the standard annual management fee is 1.5%.

### ENR Viking Medium Risk Portfolio

The ENR Viking Medium Risk Portfolio is a growth-based investment portfolio typically over-weighted common stocks, foreign currencies and bonds. The portfolio seeks capital growth mainly from a diversified portfolio of large-cap global equities, mostly investment-grade bonds and foreign currencies. The

strategy may also invest in commodities, publicly-traded real estate securities and other alternative investments.

The minimum investment is \$100,000 and the standard annual management fee is 1.5%.

### ENR Viking High Risk Portfolio

The ENR Viking High Risk Portfolio is an aggressive growth-based investment portfolio typically over-weighted common stocks and alternative investment securities. The strategy also invests in global fixed-income securities and foreign currencies. Volatility is a prevalent theme. The portfolio seeks aggressive capital growth mainly from a diversified portfolio of aggressive-risk investments. Bonds are a

secondary investment objective. The portfolio also diversifies in foreign currencies vis-à-vis its global security allocation. The strategy may invest in commodities, publicly-traded real estate securities and other alternative investments.

The minimum investment is \$100,000 and the standard annual management fee is 1.5%.

## Item 2 Fees and Compensation

### Discretionary Management fees

ENR Global Contrarian Income Portfolio (USD)	ENR Precious Metals Portfolio (USD)	ENR All-Asset Portfolio (USD)	ENR Viking Low Risk Portfolio (USD)	ENR Viking Medium Risk Portfolio (USD)	ENR Viking High Risk Portfolio (USD)
1.50% <sup>1</sup>	1.50% <sup>1</sup>	1.00% <sup>1</sup>	1.50% <sup>2, 3</sup>	1.50% <sup>2, 3</sup>	1.50% <sup>2, 3</sup>

<sup>1</sup> On client assets in aggregate of \$1 million or more, the fee is reduced by 0.25%.

<sup>2</sup> On client assets in aggregate of \$1 million or more, the fee is reduced by 0.50%.

<sup>3</sup> On client assets in aggregate of \$5 million or more, the fee is reduced by 0.75%.

All securities are held in the client's name (company, trust, etc.) and are kept in-trust for safekeeping purposes with a credible financial institution via a European private bank or a U.S. broker to trade the investment funds on that client's behalf.

In addition to our portfolio models, we provide individually-tailored accounts usually starting at an investment minimum of USD 1 million with a standard fee of 1.0% that may or may not be negotiable depending on account size and holdings.

A client may terminate his/her portfolio agreement with us at any time upon written notice to the bank where the investment program is serviced.

We will deliver the applicable disclosure brochure(s) or Form ADV Part 2 to you before or at the time we enter into an investment advisory contract with you.

### Non-Discretionary Advisory fees

The fees for our Standard Advisory non-discretionary advisory service are as follows:

- Where securities and precious metals are 50% or more of the total account value: 0.5% of total account value in USD.
- Where securities and precious metals are 25-49% of the total account value: 0.4% of total account value in USD.
- Where securities and precious metals are 10-24% of the total account value: 0.25% of total account value in USD.
- Where securities and precious metals are 0-9% of the total account value: USD 50 fee per quarter.

The fees for our Advisory Extra non-discretionary advisory service are as follows:

- For accounts sizes at or above USD 1 million, the fee is 0.75% of the total account value in USD.

- For accounts below USD 1 million, the fee is 1.0% of the total account value in USD.

The Adviser is not authorized to withdraw any money, securities or other property in the name of the client other than the advisory fee, which is calculated by the qualified custodian bank in advance on a quarterly basis. A fixed percentage fee may be negotiated for accounts in excess of USD 2 million and dependent on holdings and activity.

Our fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses: these are incurred directly by the client. To the extent that a client's assets are invested in third-party funds or other collective investments, the client will be subject to any inherent fees pertaining to shareholders. Any such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and other costs.

### Item 3 Performance-Based Fees and Side-By-Side Management

We do not charge performance based-fees on our managed portfolios or advisory accounts (i.e., additional fees to our management fee based on a share

of the capital gains or capital appreciation of the assets of a client). Our compensation structure is disclosed in detail in Item 2.

### Item 4 Types of Clients

We provide investment advisory services predominantly to international clients. They include insurance companies, mutual funds, endowments, charitable trusts, offshore trusts and high net-worth individual investors. We do not solicit or manage assets for Canadian individuals.

#### Minimum Investment Requirements

Managed accounts are offered starting at \$100,000 in Europe and in the United States. Offshore mutual fund products require a minimum investment of \$100,000 or €100,000.

#### ENR Global Contrarian Income Portfolio

The minimum investment is \$100,000 in US Dollars.

#### ENR Precious Metals Portfolio

The minimum for this managed portfolio is \$250,000 in US Dollars and of \$100,000 for the ENR

Precious Metals Portfolio Fund. The Fund product is not for sale to US persons.

#### ENR All -Asset Portfolio

The minimum for this managed portfolio is \$200,000 in US Dollars.

#### ENR Viking Portfolios

The minimum for these managed portfolios is \$100,000 in US Dollars.

#### ENR Bullet Portfolio

The minimum investment is \$250,000 in US Dollars or Euro for managed accounts and a minimum of \$100,000 for the ENR Bullet Portfolio Fund. These products are only available to NMG life insurance policy holders and are not for sale to US persons.

### Item 5 Methods of Analysis, Investment Strategies and Risk of Loss

Our investment process is mostly comprised of value-based investing coupled with investor sentiment psychology, income generation and overall risk reduction. Most investment strategies emphasize diversification in order to reduce market volatility and curtail the outcome of corrections or severe market draw-downs. No individual security, except gold, is more than 10% of any investment strategy and the average position size is approximately 3%.

Depending on the ENR investment portfolio, a top-down and bottom-up analysis is conducted before any investment is purchased.

Our first point of analysis is to understand where we are in the global macroeconomic cycle and how this pertains and influences outcomes affecting U.S. and foreign central bank monetary policy, inflation trends, earnings and domestic consumption in both major and emerging market economies.

Once a top-down consensus is achieved at our investment committee meeting, we then proceed to isolate undervalued securities in each respective

major asset class. This process usually includes securities trading at or below their intrinsic net asset value (NAV) or below book-value. Also, we combine undervalued securities with dividend generation and if possible, a low price-to-earnings multiple (P/E ratio).

Finally, as value investors we're typically looking to purchase a security trading at or near its 52-week low. Historical studies confirm that value investing provides a higher margin of safety than growth investing as espoused by Benjamin Graham in his seminal work, *The Intelligent Investor* (Collins Publishing, 1949) and David Dreman in *Contrarian Investment Strategies: The Next Generation* (Simon & Schuster, 1998).

Our investment process also includes selecting undervalued securities relative to long-term averages, earnings and dividend history and management credibility. The firm usually invests in only large-cap multinationals harboring brand-name recognition and dominating their respective industries. Larger

companies also provide a steadier stream of income or dividend generation and also assume far less volatility than smaller companies. Large-cap dividend increases are usually more predictable and historically also outpace the rate of inflation.

Sector specific investment objectives, however, such as precious metals and natural resources, are required to be invested specifically in those strategies. Diversification is accomplished vis-à-vis holding numerous securities in the portfolio while also adding a layer of asset class diversification.

Our fixed-income selection includes a wide spectrum of securities, mostly investment-grade and usually for investors seeking regular income distributions. Our goal is to generally maintain a high quality portfolio and an effective duration of approximately five years. Our more conservative bond portfolios carry an effective duration of approximately 3.5 years. Given the nature and length of the post-1982 secular bond bull market, our view is to maintain a high quality, diversified portfolio of short duration bonds, bond funds and bond ETFs in order to reduce volatility ahead of rising interest rates.

Bond selection is therefore derived and executed under the following matrix:

1. Global economic outlook;
2. Global inflation and fiscal trends;

3. Central bank monetary policy trends;
4. Real or inflation-adjusted interest rate expectations;
5. Securities providing a low-cost advantage to investors or selling below net asset value.

The majority of bonds held in our portfolios are individual issues and mostly investment grade. These securities are predominantly corporate bonds. We strive to purchase bonds below par-value so we may hold these securities until maturity while also realizing a small capital gain, in addition to coupon payments.

We also purchase fixed-income exchange-traded funds or ETFs. These products are low-cost, provide great diversification and are also offered by a host of leading service providers where fees are extremely competitive. Vanguard and Blackrock offer a wide variety of products and provide total bond market exposure, including duration flexibility and credit quality.

ENR offers portfolios with varying degrees of risk and return:

### ENR Global Contrarian Income Portfolio

The ENR Contrarian Income Portfolio was launched on April 1, 2012. Prior to this date, the ENR Best Ideas Portfolio is represented from February 2005 until March 2012. The ENR Best Ideas Portfolio was merged into the ENR Contrarian Income Portfolio on April 1, 2012. The ENR Contrarian Income Portfolio seeks to invest in undervalued global stocks, bonds, commodities and other securities with an emphasis on yield. Securities selected typically trade at or near 52-week lows, harbor low P/Es and sell at or

below their respective price-to-book-value ratios. Most securities selected must pay above-average dividends compared to the benchmark MSCI World Index. The strategy may also invest in gold bullion ETFs and fixed-income securities to maximize asset allocation benefits and reduce portfolio risk. Stocks are expected to remain the largest asset allocation weighting at all times. If necessary, reverse-index ETFs may be used to reduce portfolio volatility or hedge against market declines.

### ENR Precious Metals Portfolio

The ENR Precious Metals Portfolio seeks to provide capital growth from a diversified portfolio of stocks and physically-backed precious metals ETFs. The strategy serves as an ideal hedge or diversification tool against the long-term decline of the U.S. dollar and other currencies. It also serves to potentially protect an investor's base currency of reference from the adverse effects of inflation, currency crises

and sovereign debt contagion. This is a high risk program given the volatility inherent to precious metals and mining company stocks. This portfolio is designed with a view to complement other more standard and less cyclical investments. It is aimed to the seasoned investor and displays a high degree of volatility.



### ENR All-Asset Portfolio

The ENR All-Asset Portfolio seeks to reduce market volatility by investing in a diversified portfolio of major asset classes. The strategy aims to maximize conservative total returns and provide a net annual effective yield through a selection of low-cost ETFs, mutual funds, individual stocks and fixed-income securities. The asset allocation employed may in-

clude large-cap stocks, fixed-income securities, REITs, precious metals, managed futures (Commodity Trading Advisors), foreign currencies and, if necessary, reverse-market ETFs or hedges to reduce stock market exposure.

### ENR High Income Portfolio

The ENR High Income was launched in January 2013 and seeks high dividend and interest income from a combination of global securities. Securities selected include common stocks, convertible bonds, pre-

ferred securities, REITs, investment-grade debt and high-yield bonds. The strategy may also invest in ETFs, mutual funds and closed-end funds providing the same investment objectives.

### ENR Viking Low Risk Portfolio

The ENR Viking Low Risk Portfolio seeks to achieve a conservative return from a combination of mostly common stocks, foreign currencies and fixed-income securities. The strategy historically maintains a low level of volatility and invests mainly in a diversified portfolio of bonds, foreign currencies and large-cap

global equities. The strategy may also invest in commodities, publicly-traded real estate securities and other alternative investments. The portfolio is careful to only select investment-grade single bonds and blue-chip equities to help minimize risk.

### ENR Viking Medium Risk Portfolio

The ENR Viking Medium Risk Portfolio is a growth-based investment portfolio typically over-weighted common stocks, foreign currencies and bonds. The portfolio seeks capital growth mainly from a diversified portfolio of large-cap global equities, mostly investment-grade bonds and foreign currencies. The

strategy may also invest in commodities, publicly-traded real estate securities and other alternative investments. Risk is mitigated through a very strong bias toward blue-chip equities and investment grade bonds.

### ENR Viking High Risk Portfolio

The ENR Viking High Risk Portfolio is an aggressive growth-based investment portfolio typically over-weighted common stocks and alternative investment securities. The strategy also invests in global fixed-income securities and foreign currencies. Volatility is a prevalent theme. The portfolio seeks aggressive capital growth mainly from a diversified portfolio of aggressive-risk investments. Bonds are a

secondary investment objective. The portfolio also diversifies in foreign currencies vis-à-vis its global security allocation. The strategy may invest in commodities, publicly-traded real estate securities and other alternative investments. Whilst the investment strategy is aggressive, there is a strong bias toward blue-chip equities and investment-grade bonds.



## ENR Bullet Portfolio

The Bullet Portfolio is available only to qualified insurance investors seeking tax-deferred long-term capital growth. The product is not offered in the United States. The strategy employs a global asset allocation investment strategy and provides a conservative approach to global investing embracing value investing, mostly in common stocks.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

The principal risks of the investment strategies ENR might utilize in managing a client's portfolio are set out below:

**Market Price Risk:** This is the common risk that arises due to the downward price changes of the security because of demand and supply. This risk can change with securities and thus careful choosing can be done for optimum risk and return. The beta value of a stock is a good indicator of this price risk. Usually large cap stocks have lower price risk and small cap stocks have high price risk. Securities generally fluctuate in price based on a change in a company's financial health and overall market and economic conditions.

**Credit Risk:** If the issuer of a security held by a client fails to pay principal and/or interest when due, otherwise defaults, or is perceived to be less credit-worthy, a security's credit rating is downgraded. Similarly, if the credit quality or value of any underlying assets declines, the value of the security will decline.

**Interest Rate Risk:** When interest rates rise, the value of fixed income securities generally fall. Generally, the longer the maturity or duration of a fixed income security, the greater the impact of a rise of interest rates on the security's value. A change in the issuer's creditworthiness may also affect the price of a bond or other type security.

**Liquidity risk:** This risk exists when investments are difficult to purchase or sell. Like other risks, liquidity also differs with securities and with markets. To the extent that a client invests in alternative investments or securities with substantial market or credit risk, the client will tend to have greater exposure to liquidity risk.

**Risk of Investment in Mutual Funds, Hedge Funds, Funds of Hedge Funds:** Hedge fund investing may involve substantial investment, liquidity risk, derivatives risk, and other risks described in the offering memorandum of each fund. Hedge funds may apply leverage and their investment results can be volatile. Hedge funds are not subject to the same regulatory requirements as mutual funds. Hedge fund trends tend to be independent from international stock and bond market trends. The share price may change significantly between the notice time to sell shares and the time of redemption. The specific terms of redemption depend on the individual product.

**Commodities Market Risk:** Investments in commodities may be subject to greater volatility than investments in traditional securities. The value of commodity-linked derivative investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as war, drought, floods, weather, embargoes, tariffs, industrial action, and international economic, political, and regulatory developments.

**Company or Business Risk:** This is the risk associated with the performance of the company or firm issuing the security. The security prices can fall because of a poor earnings report or underperformance.

**Non-US Securities Risk:** A client's investment in securities of non-US issuers can involve greater risk than investments in securities of US issuers. Non-US countries may have markets that are less liquid and more volatile than markets in the US, may suffer from political or economic instability, and may experience negative government actions, such as currency controls or seizures of private businesses or property. Non-US securities may be denominated or quoted in currencies other than the US dollar. For this reason, changes in currency rates can affect the value of non-US securities.

**Currency Risk:** In the case of transactions in foreign currency, the return and performance of an investment depends not only on the local yield of the security in its domestic market, but also heavily on the exchange rate development of the relevant currency to the US dollar. This means that exchange rate fluctuations may increase or decrease the return and value of the investment.

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**Item 6    Disciplinary Information**

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We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you

when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

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**Item 7    Other Financial Industry Activities and Affiliations**

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Neither ENR nor its supervised or access persons\* are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person (or registered representative) of the foregoing entities, except as disclosed below.

In addition, neither ENR nor its supervised or access persons\* have any relationship or arrangement with a related person\* that is material to its advisory business or to our clients that is a:

- Broker-dealer,
- Investment company,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Pension consultant, or
- Real estate broker or dealer.

NMG International Financial Services Limited (“NMG”) has recommended clients to ENR Asset Management for offshore variable annuity policies. ENR is the appointed asset manager for some of NMG's clients and receives compensation in the form of annual management fees on the assets managed and occasionally, front-end commissions. ENR is not an employee or subsidiary of NMG. ENR's role is strictly that of investment advisor for some of NMG's policies.

Doctors Disability Company, Ltd., has recommended clients to ENR Asset Management. ENR is the appointed asset manager for such clients and receives compensation in the form of the annual management fee of 1.0% for discretionary portfolio management. 20% of this fee is shared to Doctors Disability Company, Ltd.

ENR has entered into an agreement with the Nestmann Group, as of March 2014, where ENR will share 30% of management fees with the Nestmann Group for any client introduced to ENR by the Nestmann Group.

ENR has entered into an agreement with the T-equity Group, as of January 2015, where ENR will share 50% of management fees with the T-equity Group for any client introduced to ENR by the T-equity Group.

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**Item 8 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel and access persons (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to our clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to our advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where our personnel may recommend securities to you, or buy and sell for your account, at or about the same time that they or a related person\* buy or sell the same securities for their own (or the related person's own) account, or otherwise have an interest. The policy requires all access and supervised persons\* to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. The Ethics Rules are available to you and prospective clients upon request.

ENR seeks to ensure that all client accounts are treated fairly and equitably at all times. Purchase and sale opportunities are allocated equitably. In general, investment decisions for each account are made with specific reference to the client's designated needs, objectives, and restrictions. Different strategies and client guidelines and restrictions may lead to the use of different methodologies. Accordingly, ENR may give advice or exercise investment responsibility or take other actions for some clients that differ from the advice given, or the timing and nature of actions taken, for other clients, provided that all clients are treated fairly and equitably.

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\* ‘Supervised person’ means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

\* ‘Access person’ means any person, supervised or not, who has access to nonpublic information regarding any clients’ purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.

\* ‘Related person’ means any person that could control ENR or might fall under the same control or ownership as ENR. It also extends to include relatives and all closely affiliated persons of ENR’s access and supervised persons.

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**Item 9   Brokerage Practices**

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If requested, we will recommend and arrange for the execution of securities brokerage transactions for the account through broker-dealers that we reasonably believe will provide best execution. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

While we do recommend broker-dealers or custodians, you are free to select any broker-dealer or custodian you wish. We may be limited in the broker-dealers or custodians where your contract for asset management services will be allowed or where we will be able to maintain your assets.

When we trade for more than one client account at a time, we submit orders to effect transactions on an aggregated basis as we believe this will allow us to obtain best execution and, at times, negotiate more favorable commission rates or other transaction costs to the client's advantage. When aggregating orders, we seek to treat all clients in a fair and equitable manner. We do not aggregate orders unless aggregation is consistent with our duty to obtain best execution. No account is favored over any other client.

Aggregated orders filled entirely or partially will be allocated on a pro rata basis among the participating accounts.

From time-to-time we may make an error in submitting a trade order on your behalf. Trading errors may include a number of situations, such as:

- The wrong security is bought or sold for a client;
- A security is bought instead of sold;
- A transaction is executed for the wrong account;
- Securities transactions are completed for a client that had a restriction on such security; or
- Securities are allocated to the wrong accounts.

When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the corrective action, the gain will remain in your account unless it is legally not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If a loss occurs due to our administrative trade error, we are responsible and will pay for the loss to ensure that our client is made whole.

Note: To limit the respective administrative expenses and burden of processing small trade errors, it should be noted some custodians (at their own discretion) may elect not to invoice us if the trade error involves a de minimis dollar amount (usually less than \$100). Generally, if related trade errors result in both gains and losses in your account, they may be netted.

We do not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits") that it would consider a factor in utilizing a particular broker-dealer. We do not have directed brokerage arrangements at this time, nor do we execute transactions on a principal or agency cross basis. We also do not aggregate trades.

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#### Item 10 Review of Accounts

You will receive quarterly portfolio statements from the bank where the portfolio are evaluated. For privacy reasons, you can waive receiving such information. Upon request, you may also receive monthly portfolio statements from the bank. In addition, no later than the 30th day following the month under review, the President and CIO sends monthly, unaudited reports. Every quarter this is accompanied by an extensive market and portfolio review. A portion of our client assets are outsourced and managed by

the most established and largest third-party investment managers. Strict due diligence is conducted on every prospective advisor. Regular personal meetings and reporting to our clients and custodian banks are part of our ongoing transparency.

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#### Item 11 Client Referrals and Other Compensation

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients at this time, nor have we any arrangement under which we directly or indirectly compensate any person who is not our super-

vised person for client referrals. However, we compensate financial intermediaries for client referrals that may or may not represent US persons (see Item 7). We have records of invoices for commission payments to our financial intermediaries.

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#### Item 12 Custody

We do not have custody of client funds or securities; however, we may be granted authority, upon written consent from you, to deduct the advisory fees directly from your account. The bank will send to you, at least quarterly, an account statement identifying the amount of funds and each security in the account at the end of period and setting forth all transactions in the account during that period including the amount of advisory fees paid directly to us. You should compare the account statements you receive from the bank with those you receive from us.

The majority of our discretionary managed accounts in Europe are based in Vienna, Austria, for trustee and safe-keeping purposes. We also maintain custodian bank relationships in the U.S., Switzerland and the Bahamas. Clients are free to choose between the various banks and jurisdictions.

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#### Item 13 Investment Discretion

We, without obtaining specific consent, manage your account on a discretionary basis. Such authority must be granted in writing. We manage your account and make investment decisions to assist you in implementing your investment strategy that would involve determining which securities are bought and sold, the total amount of securities to be bought or sold, and the broker or dealer to be used for a purchase or sale of securities for your account. You have the right to place reasonable restrictions on such authority. Any restrictions must be submitted to us in writing. Execution of the client agree-

ment gives us the permission to exercise this authority. Unless you instruct us otherwise, we may place orders for the execution of transactions with or through a broker/dealer as we may select, and complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged.

In managing investment portfolios, we act in a manner in keeping with what we understand and believe to be in your best interest.

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**Item 14 Voting Client Securities (i.e., Proxy Voting)**

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We will determine how to vote on any proxy vote or corporate action pertaining to securities directed or held on behalf of our discretionary managed accounts. We will endeavor that decisions are made in the best interest of the client and in a consistent manner.

We do not vote, or will we accept authority to vote, on client securities for non-discretionary accounts i.e. advisory accounts, other than should our advice be expressly sought.

Non-discretionary clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with any technical questions about a particular solicitation. ENR will then place the non-discretionary client's chosen instruction with the custodian bank or transfer agent.

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**Item 15 Investment Discretion**

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We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit

prepayment of fees more than \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.