

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Executive Monetary Management, LLC (hereinafter “EMM”). If you have any questions about the contents of this brochure, please contact us at (212) 476-5555 or at tobrien@emmny.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.

Additional information about EMM is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for EMM is 148963.

Item 2. Summary of Material Changes

Executive Monetary Management, LLC (“EMM”) is updating its Brochure as of March 24, 2015. The material changes since EMM submitted the most recent annual amendment to its Brochure on March 28, 2014 include:

- EMM submitted an other-than-annual amendment to the Form ADV on June 30, 2014 to reflect the demise of EMM’s Co-CEO, Michael R. Stein on May 30, 2014. Effective that date, William E. Aaron, a founding member of EMM, was appointed as the sole CEO of EMM.
- Effective February 9, 2015, in connection with the establishment of a new leadership team, William E. Aaron stepped down as CEO of EMM and David Aaron and Lloyd Abramowitz were appointed as co-CEOs, reflecting EMM’s new leadership team. Notwithstanding the foregoing re-structuring of EMM’s leadership team, William E. Aaron, as a founding member of EMM, continues to retain an unchanged ownership interest in EMM and continues to play a key role in EMM’s investment advisory business by continuing to service clients and participate as an active member of EMM’s executive committee and EMM’s investment committee.

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Item 4. Advisory Business

Executive Monetary Management, LLC, a Delaware limited liability company (“EMM”), is an investment adviser registered with the SEC with its principal place of business located in New York, New York. EMM and its predecessor firm began conducting business in 1968. In 2001, EMM was acquired by Neuberger Berman Inc., (“NB”). In 2003, NB was acquired by Lehman Brothers Holdings Inc. (“Lehman”), which made EMM an indirect subsidiary of Lehman. In 2009, key employees of EMM acquired the business of EMM from Lehman. David Aaron and Lloyd Abramowitz are the co-CEOs of EMM and of EMM Group, LLC, which is the sole direct owner of EMM. Mr Aaron and Mr. Abramowitz, along with other members of EMM’s executive management team (including founding member William E. Aaron), are also Members of EMM Group, LLC.

EMM provides wealth management services including investment advice (described below) to its clients and advises on its clients’ investable assets. As of December 31, 2014, EMM manages approximately \$23,362,037 on a discretionary basis and \$2,666,747,214 on a non-discretionary basis. EMM generally does not take discretion over its clients’ assets. The amount shown above as discretionary represents assets in client trust accounts where a principal of EMM is a trustee (or co-trustee) and may have discretion over an account.

EMM provides a wide range of financial planning, tax and investment advisory services to high net worth individuals and wealthy families. Investment advisory services include: consultation and advice regarding client needs and risk analysis, asset allocation recommendations, selection of Portfolio Managers (defined below), Portfolio Manager due diligence, consolidated reporting, and client services related to investment accounts. Financial planning and tax services include: trust and estate planning, tax planning, preparation of tax returns, generational planning, and other related services. EMM's services also include a continuing analysis of the resources, risk tolerance, asset allocation, performance, cash flow needs and earnings potential of its clients.

Investment Advisory Services

EMM provides continuous advice to its clients regarding the investment of assets based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, EMM develops an investment plan and creates and manages a portfolio based on that plan. Typically, the portfolio comprises a selection of managers and investment vehicles. Managers selected or recommended by EMM for its clients are primarily managers not affiliated with EMM, but also, where appropriate, includes EMM’s investment advisory affiliate, SAGE Advisors, LLC (“Sage”), which solely manages private investment funds. During the data-gathering process, EMM determines the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. EMM also reviews and discusses a client’s prior investment history, as well as family composition and background.

EMM generally services advisory accounts on a non-discretionary basis. Account supervision is guided by the investment plan developed with the client during the data-gathering process described above and ongoing regular (generally quarterly) meetings with the client. Clients may

impose reasonable restrictions and/or prohibitions on investing in certain securities, types of securities, asset classes, strategies or industry sectors and EMM will take these restrictions and/or prohibitions into account in formulating its investment recommendations.

EMM utilizes an open architecture, multi-manager, diversified investment strategy based on client needs, risk tolerances, current markets, and other factors to assist clients in an overall asset allocation and investment plan. Asset allocation includes the selection of non-affiliated portfolio managers, pooled investment vehicles (including, but not limited to, hedge funds, private equity funds, mutual funds, money market funds and ETFs), and other investment products advised and strategies employed by such Portfolio Managers (collectively “Portfolio Managers” or “Managers”).

EMM recommends Portfolio Managers to its clients to sub-advise certain portions of such clients’ portfolio. As part of this service, EMM performs searches of various unaffiliated Portfolio Managers across a range of asset classes and strategies. Portfolio Managers are assessed for certain qualitative and quantitative criteria across all elements of their business, but substantially on performance, process, and operational integrity. EMM’s Investment Committee, which is comprised of the CEOs and certain other principals (the “Investment Committee”), will approve a Portfolio Manager for recommendation to individual client portfolios after comprehensive review of these factors. Based on a macro view of the markets, EMM will establish broad asset allocation guidelines (e.g., greater allocation to bonds of short duration and lower allocation to equities) which are then tailored to each client’s specific needs. During the investment planning stage, or during the ongoing servicing of a client account, EMM will determine selected portfolio management styles which meet the asset allocation criteria established as appropriate for the client. For a complete understanding of the particular characteristics of that Portfolio Manager’s investment program, EMM strongly encourages all clients to closely review each recommended Portfolio Manager’s offering documents and/or investment management agreements or other governing documents applicable to the clients’ relationship (or proposed relationship) with such Portfolio Manager.

EMM regularly and continuously monitors the performance of the selected Portfolio Managers. If it is determined that a particular selected Portfolio Manager is not providing sufficient management services to a client, or is not managing the client’s portfolio in a manner consistent with the client’s investment objectives, consistent with the Portfolio Managers style or mandate, or providing EMM with the necessary data to evaluate the Portfolio Manager, EMM will recommend changes in the client’s asset allocation, which may include reducing the allocation to or redeeming from the Portfolio Manager. EMM’s advisory services will continue to monitor and recommend, where appropriate, Portfolio Managers based on a macro view of the markets, our due diligence process, and clients’ investment plans.

As described in greater detail below in Item 8, EMM conducts appropriate due diligence on all independent third-party Portfolio Managers, making reasonable inquiries into their performance, policies and procedures, and other operational and compliance matters deemed important to evaluate performance and risk management. EMM’s extensive due diligence process includes initial and ongoing quantitative and qualitative due diligence. EMM also regularly meets and

interacts with the Portfolio Managers and compares their views, performance and portfolio characteristics to their mandate and EMM's macro view of the market.

Financial Planning and Tax Services

EMM provides certain clients with financial planning and tax services which include, a review of the clients overall financial situation, needs and development of a financial plan. Such services may include trust and estate planning, tax planning, preparation of tax returns, generational planning, insurance and risk review, employment contract and benefit consulting, and other related services.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to identify risk and help plan for future cash flows, asset protection and withdrawal plans. EMM will meet with the client and report on a financial plan designed to achieve his or her stated financial goals and objectives. EMM will work with the client and the client's other advisers to implement the plan.

Working with the client, EMM will develop a comprehensive or specific financial plan that meets the client's needs, which plan may address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information and financial goals.
- Tax & Cash Flow: Income tax and spending analysis and planning for current and future years. Review of various investments potential impact on a client's current income tax and expected future tax liability.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- Retirement: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.
- Investments: Review of investment alternatives and their effect on a client's portfolio and financial plan.
- Insurance and Risk review: Evaluate the client's risk profile and assess existing coverage for life, disability, health, liability and other special risks.

In performing its services, EMM is not required to independently or otherwise verify the accuracy of any information received from the client or from the client's other advisers and service providers, and is expressly authorized to rely on, and treat as accurate, any and all such information received by EMM. If requested by a client, EMM at times provides consulting services regarding non-investment related matters, such as trust and estate planning, tax planning, generational planning, etc. Neither EMM, nor any of its representatives, serves as an attorney or insurance agent, and no portion of EMM's services should be construed as such. To

the extent requested by a client, EMM at times recommends the services of other professionals for certain non-investment implementation purposes (e.g., attorneys, accountants, insurance, etc). A client is under no obligation to engage the services of any such recommended professional. A client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from EMM. EMM, with a client's approval, will work with other professionals, consultants and service providers of the client.

Financial planning recommendations are not limited to any specific product or service offered by a broker dealer, insurance company or other service provider. EMM does not accept a commission or referral fee from any third parties.

EMM's financial planning services are designed to be a proactive and an on-going process in which the client actively participates.

Sage Funds

EMM is affiliated by common ownership with Sage, a registered investment adviser. More specifically, each of EMM and Sage is wholly owned by EMM Group, LLC. Sage is the general partner and investment adviser to four private investment limited partnerships. The affiliated funds are: Hampshire Associates Fund, L.P.; Hampshire Associates Fund, QP, L.P.; Hampshire Institutional Fund, L.P. (collectively the "Hampshire Funds"); and Praesidio Low Volatility Fund, LP ("Praesidio Fund," and together with the Hampshire Funds, the "Sage Funds"). Certain employees of EMM serve on Sage's Investment Committee and assist in the management and/or administration of the Sage Funds. Sage and EMM also share the same Investment Committee and Portfolio Manager selection process.

Clients of EMM have, where appropriate, been offered investment advice (including investment recommendations) with respect to acquiring interests in the Sage Funds. EMM will clearly disclose its affiliation with Sage prior to or at the time of recommending any investment in the Sage Funds to a client. The Hampshire Funds are private investment limited partnerships which seeks capital preservation and above average risk-adjusted returns through the use of a "multi-style, multi-manager diversification" strategy of investment in securities. The Praesidio Fund is a private investment limited partnership, structured as a fund of funds, the primary objective of which is to generate positive absolute returns while preserving capital, limiting volatility and exhibiting low correlation and beta to overall stock and bond markets.

For a full description of the Sage Funds, EMM clients or potential investors should read the confidential private placement memorandum and governing documents of the respective Sage Fund as well as Sage's filings with the SEC on Form ADV.

Item 5. Fees and Compensation

EMM has three different methods to bill its clients:

- 1) A percentage of assets under management, which can be up to 1.0 % (100 basis points) per annum.

- 2) Hourly fees ranging from approximately \$80 to \$700 per hour, based upon the level of expertise and experience of the professional providing the service and the service provided.
- 3) Fixed fee based upon various factors including, but not limited to, client needs, the nature and size of the client relationship, professional staff required, and reporting requirements.

Investment Advisory Services

With respect to Investment Advisory Services (discussed in Item 4 above), EMM generally charges an annual investment management fee based upon a percentage of the market value of the assets under management as follows:

Up to 0.75% (75 Basis Points) of the asset under management per annum.

Clients with an asset based fee schedule are generally charged in advance at the start of each calendar quarter based upon the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. To the extent any such client or EMM terminates the client's investment advisory agreement with EMM during a quarter, EMM will return to the client any prepaid, unearned fees (determined on a pro rata basis, based on the number of days elapsed during the applicable quarter), and any earned, unpaid fees will be due and payable by the client.

For certain clients, advisory services are billed in arrears based upon the average value of the account during the prior quarter (as determined in accordance with the applicable terms of the governing documents pertaining to such clients' investment advisory agreements with EMM). EMM has at times requested a minimum annual fee which is more than the fee calculation under the schedule above for smaller size accounts.

In certain circumstances, EMM charges clients for investment advisory services based upon hourly rates of professionals for services performed or a fixed fee.

Financial Planning and Tax Services

Financial Planning and Tax services are generally charged on an hourly or fixed fee basis as described above.

Fees in General

Negotiability of Advisory Fees and Minimum Requirements: The above represents EMM's stated fee schedule. In certain circumstances, EMM's fees are negotiated, in EMM's sole discretion, based upon certain criteria, including but is not limited to client needs, services required, reporting requirements, anticipated future additional assets, assets to be managed, related accounts, and account composition.

EMM groups certain related client accounts, where appropriate, for the purposes of determining the account size and/or annualized fee.

Certain legacy client agreements are governed by fee schedules different from those listed above, based upon prior contractual relationships or historical fee schedules.

EMM will not debit client accounts directly for fees.

Fee Calculation: The fee charged is calculated as described above. EMM does not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

Termination of Advisory Relationship: A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Third-Party Money Manager Fees: EMM's fees are in addition to the asset-based and/or performance-based fees and any other fees charged by selected third-party Portfolio Managers for the portion of a client's account under each Portfolio Manager's direct management. Clients should refer to each Portfolio Manager's account opening and disclosure document (Part 2 of Form ADV or other disclosure document in lieu of Part 2) for information regarding the fees charged by a particular Portfolio Manager. Such a double layer of fees will lower an EMM client's overall returns.

EMM will assist clients in determining the fees charged by recommended Portfolio Managers or other investment products or services.

Neither EMM nor any affiliate of EMM receives any fees or other economic incentives from Portfolio Managers in connection with an EMM client's decision to investment with such Portfolio Managers based on EMM's investment recommendation.

As noted above, in Item 4, EMM, where appropriate, recommends its clients invest in one or more private investment funds managed by Sage, an affiliate of EMM. To avoid having an advisory client of EMM pay EMM and its affiliates multiple fees on the same assets invested with EMM and its affiliates, Sage or EMM will waive its respective management fees with respect to the portion of such client's assets: (i) that are invested in one or more of the private investment funds managed by Sage and (ii) with respect to which EMM or Sage (as applicable) separately receives an asset-based investment advisory fee. Notwithstanding any of the foregoing, EMM client assets that are invested in a private investment fund managed by Sage will be subject to, and bear, their share of any management and performance-based fees charged to such fund by the fund's Portfolio Managers in addition to any management fees such clients pay EMM or Sage.

Third-Party Investment Consultant Fees: EMM currently engages the services of one or more third-party investment consultants to assist in the sourcing and selection of non-affiliated Portfolio Managers to gain access to a greater and more diverse array of investment strategies for its clients. Clients should note that if they invest in any Portfolio Manager sourced by such third-party investment consultant, they will be directly responsible for paying any fees charged

by such third-party investment consultant for its services. The advisory fees payable by EMM's clients to Portfolio Managers sourced via such consultants are typically lower than if the Portfolio Manager were accessed independently by EMM's clients. Consequently, the additional fees borne by a client relating to such third-party consultants may be partially or completely offset by the reduced advisory fees described in the preceding sentence. EMM will clearly disclose to each client, prior to the client's investment with a Portfolio Manager, the nature of any such third party investment consultant fees that the client may have to pay in connection with such investment.

Brokerage, Custodial, Administration and Other Operational Fees and Expenses: In addition to advisory fees paid to EMM, clients will also typically be responsible for any and all transaction, brokerage, and custodial fees charged by the applicable Portfolio Managers as part of the investment management services such Portfolio Managers provide to such clients. Please see Item 12 of this Brochure for important disclosures regarding EMM's brokerage practices. Additionally, clients will also be responsible for all other investment, operating and business-related fees and expenses, including, but not limited to, administrator fees, interest expenses, consulting fees, taxes, and legal and accounting fees.

Item 6. Performance-Based Fees and Side-By-Side Management

EMM does not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

EMM generally provides investment advisory services to high net worth individuals and wealthy families, along with their related trusts, estates, charitable organizations, pension and profit sharing plans, corporations and other business entities.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Investment Strategy and Investment Process

The core elements of EMM's investment strategy are:

- a) determining the appropriate asset allocation for each client; and
- b) selecting appropriate Portfolio Managers to implement the asset allocation.

In general, EMM's strategy is based on the preservation of capital and generating strong risk-adjusted returns through the use of a "multi-manager diversification" strategy.

The investment committee (the "Investment Committee") is responsible for screening, interviewing, evaluating, selecting, and allocating assets to the various Portfolio Managers. The Investment Committee utilizes this "multi-style, multi-manager" concept when identifying the most appropriate investment managers to recommend to clients. The Investment Committee monitors the activities and performance of Portfolio Managers to ascertain adherence to stated investment goals and strategies and, based on the foregoing periodic evaluation of Portfolio

Managers may recommend that clients increase, reduce or totally remove their allocations to such Portfolio Managers

The asset allocation is determined by EMM's forecast of the macroeconomic environment and a deep understanding of a client's liquidity needs, risk tolerance and investment expectations.

Portfolio Manager selection is conducted by an initial and ongoing due diligence and monitoring process which evaluates qualitative and quantitative criteria encompassing the investment process, performance, operational integrity, and other elements of the business of each Portfolio Manager.

The Investment Committee seeks to forecast the macroeconomic environment via fundamental analysis of economic, political, geopolitical and other data. The Investment Committee uses a number of resources to facilitate this analysis, including:

- a) An extensive network of relationships established over many years in the business;
- b) Discussions with Portfolio Managers with whom EMM has an investment relationship;
- c) Discussions with Portfolio Managers EMM is evaluating;
- d) "Street" research;
- e) Hiring independent economic and geopolitical research firms; and
- f) Regular meetings of the Investment Committee to discuss and formulate the EMM view.

For each client, the asset allocation is further refined and customized based on the specific needs identified. While the core asset allocation determined by the Investment Committee serves as a guide, individual needs may necessitate an investment strategy that deviates significantly. There are no bounds limiting the deviation from the core allocation. EMM uses a number of factors to help assess specific client needs including:

- a) Discussions with clients regarding their earnings potential, spending habits, charitable intent and liquidity and other needs; and
- b) An in depth review of personal and financial documents provided by the client.

For Portfolio Manager selection, EMM has a dedicated team of risk analysts which reports to the Investment Committee. The group is responsible for sourcing , identifying, and presenting to the Investment Committee for consideration Portfolio Managers consistent with the Investment Committee's asset allocation and macroeconomic forecasts and conducting the in-depth due diligence required to assess each Portfolio Managers' process, operational integrity and potential to meet its investment objectives. Through this process, the team will screen numerous Portfolio Managers before identifying a small number it deems having the potential to meet EMM's clients' needs. During the review period, depending on a variety of factors, including but not limited to: (i) the investment strategies employed by a Portfolio Manager, (ii) the regulatory status and risk exposure of the Portfolio Manager and, where applicable, its investment products, and (iii) the organizational structure and other relevant aspects of the Portfolio Manager's advisory business, EMM's due diligence team will conduct an appropriately customized review of such Portfolio Manager and, where applicable, its investment products. Such a review may comprise:

- a) a quantitative review of the Portfolio Manager's performance using proprietary risk systems;
- b) a qualitative review of the Portfolio manager's strategy, background, team, management practices;
- c) an operational review; and
- d) a document review relating to the offering and governing documents relating to the Portfolio Manager's investment products (where applicable); and
- e) any additional review, as deemed appropriate by EMM's risk analysis team.

As noted above, EMM conducts customized due diligence reviews of its Portfolio Managers; the depth and scope of such due diligence reviews may vary from one Portfolio Manager to another depending on various relevant factors described above. For example, the scope and depth of due diligence undertaken by EMM in respect of a Portfolio Manager whose mutual funds, ETFs and/or index funds are being evaluated by EMM as prospective client investments will typically be more curtailed than the scope and depth of due diligence EMM may undertake in respect of a prospective Portfolio Manager that manages riskier products or otherwise utilizes riskier investment strategies (e.g., private equity funds or separately managed accounts employing private equity investment strategies). This due diligence process results in a selection of Portfolio Managers who invest in securities across a wide range of asset classes.

EMM's due diligence, investment research and risk analysis of Portfolio Managers, pooled investment vehicles and other investment products may, where deemed appropriate by EMM, include: (a) conducting personal interviews with Portfolio Managers; (b) reviewing performance records; (c) reviewing the Portfolio Manager's marketing and other materials; (d) reviewing the Portfolio Manager's organizational structure and decision making processes; and (e) reviewing governmental and other available documents. The analysis process includes both objective and subjective criteria.

Risks:

At a high level, the primary investment risks a client is typically subject to are as follows:

- a) EMM's macroeconomic forecast, which leads to the asset allocation, is incorrect;
- b) EMM incorrectly assesses client needs or the needs change suddenly; and
- c) EMM chooses Portfolio Managers that fail in some manner to fulfill their investment mandate/objectives (including actions or omissions by such Portfolio Managers that result in a loss of some or all client assets over which the Portfolio Managers exercise investment discretion).

In a case where client needs change suddenly, there is the potential that assets need to be sold at an inopportune time at a loss, or that the portfolio does not have enough liquidity to meet the changed needs in the specified time. EMM attempts to mitigate the potential for such events through frequent contact and discussion with the client and by maintaining a generally liquid portfolio of securities as well as other tools to prevent the need to liquidate securities, but it may not always be able to prevent such an outcome.

Risks involved in Portfolio Manager selection are numerous. EMM generally attempts to minimize these risks by creating a diversified portfolio of multiple Portfolio Managers so that errors in the selection of a single manager do not have a large impact on a client portfolio. Relevant risks associated with poor Portfolio Manager selection include:

- a) Fraud on the part of the Portfolio Manager;
- b) Failure of the Portfolio Manager to fulfill the investment objectives;
- c) Loss of key members of the Portfolio Manager's team; and
- d) Deviation from the mandate (e.g., investments in securities not specified in the mandate).

In addition to these high level risks, each of the Portfolio Managers EMM might recommend invests in strategies and securities that entail specific risks themselves. These risks may include:

- a) Short selling;
- b) The use of leverage; and
- c) Option writing.

EMM will assess these and other risks and consult with the client when making Portfolio Manager recommendations. However, clients should refer to the Portfolio Managers' offering document for full information regarding the Portfolio Managers' investment strategies, risk and potential conflicts of interest.

EMM examines the experience, expertise, investment philosophies, and past performance of independent third-party Portfolio Managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. EMM also monitors the Portfolio Manager's underlying holdings, strategies, concentrations and leverage as part of its overall periodic risk assessment. Additionally, as part of EMM's due-diligence process, EMM surveys the Portfolio Manager's compliance and business enterprise risks.

A risk of investing with a third-party Portfolio Manager that has been successful in the past is that such Portfolio Manager may not be able to replicate that success in the future. In addition, as EMM does not control the underlying investments in a third-party Portfolio Manager's portfolio, there is also a risk that a Portfolio Manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for EMM's clients.

Certain investment vehicles and funds, including alternative investments and limited partnerships, are illiquid and have no public markets; therefore the amounts shown on a clients consolidated report may not equal the amounts the client would receive if they sold the investment. Alternative investments and limited partnerships generally have provisions that may restrict the timing and amount of withdrawals. Additionally, it is customary to have further restrictions on distribution provisions which gives the investment manager or general partner the ability to suspend or restrict any withdrawal of capital at a time of potential illiquidity, market uncertainty or for other reasons as specified by the governing documents of the investment. Alternative investments are regulated less stringently than public equities and can involve

significant use of leverage, making them potentially riskier than other investments. Investments in alternative investments may entail substantial risks, including the risk of loss of the principal investment amount.

EMM will value investments in the clients' consolidated report at the Portfolio Manager level and will not include a report valuing the individual holdings in each account. The valuation used to report the value of a client account will be based on reports or statements received from the Portfolio Manager, investment vehicle or qualified custodian. EMM will seek to obtain reliable third party statements of value, and when this information is not readily available the client account will be valued in a manner determined in good faith by EMM to reflect fair market value.

EMM generally does not have discretion over its clients' advisory accounts. The clients engage or subscribe directly with the Portfolio Managers to manage assets for the client. Each Portfolio Manager has its own procedures for taking instructions from its clients or investors on transactions, including liquidations, withdrawals, trade instructions etc. Since EMM does not have discretion over clients' assets, the Portfolio Manager may not take instructions from EMM. Clients may be at risk to provide timely and proper notice of instructions with proper authority to the Portfolio Managers in order to instruct the Portfolio Manager regarding a change (including liquidation) to the Portfolio Managers current trading discretion.

All investments involve a risk of loss and there can be no guarantee that returns or risks are accurately predicted or that unforeseen events will not occur which will have a substantial adverse impact on actual investments. EMM does not guarantee the future performance or any specific level of performance, the success of any investment decision or strategy that EMM may use, or the success of the overall management of the client's account. Investment recommendations made for clients' accounts by EMM are subject to various market, currency, economic, political and business risks, and as a result will not always be profitable.

Clients should understand that investing in any securities, including pooled investment vehicles, involves a risk of loss of both income and principal. The foregoing is a broad description of the general types of risks associated with investments in pooled investment vehicles and other securities and investment products recommended by EMM to its clients and is not intended to serve as an exhaustive or comprehensive list of all material risk factors associated with each such investment. With respect to each investment in an investment product recommend by EMM, prior to making a decision to accept such recommendation and make such investment, each client is urged to carefully review, where available, the detailed risk factors set forth in the offering materials or other relevant disclosures relating to the specific risks associated with an investment in such investment product.

Item 9. Disciplinary Information

EMM has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

As noted in Item 4, EMM is affiliated with Sage by virtue of the fact that Sage and EMM are under the common control of EMM Group, LLC, the sole owner of Sage and EMM. Specifically, each firm is wholly owned by EMM Group, LLC. As noted above, certain employees of EMM serve on the Investment Committee that is shared by Sage and EMM and assist in various aspects of the Funds' management and administration (including, but not limited to, conducting due diligence on prospective and current Portfolio Managers). Sage and EMM share office space and, pursuant to an expense sharing arrangement between EMM and Sage, EMM is reimbursed by Sage (out of the administration fees Sage receives from its clients) for Sage's allocable share of various overhead expenses incurred by EMM in connection with Sage's business operations.

EMM provides a wide range of financial services to wealthy individuals, estates, trusts and other types of investors. These services include giving investment advice (typically on a non-discretionary basis), income and estate planning, supervision and preparation of tax returns, forensic accounting and other related services. As noted above under "Item 4 – Advisory Business," in connection with the investment advisory services EMM provides to its own clients, EMM, where appropriate and consistent with such clients' investment strategies, guidelines, restrictions, liquidity needs and other relevant criteria, recommends to such clients investments in one or more private investment funds managed by Sage. To-date, a significant proportion of the investors in such private investment funds have been EMM's advisory clients. EMM also offers investment advice with respect to other nonaffiliated investment limited partnerships, hedge funds or other investments.

While EMM does not provide audit and other attestation services associated with a public accounting firm, Supervised persons of Sage and EMM (including their respective principals) are also certified public accountants, who, in their capacity as the supervised persons of Sage and EMM, in addition to investment advisory services, provide financial planning, tax planning, tax preparation and other accounting-related services to certain of EMM's clients. EMM will, where appropriate, provide services in consultation with a client's other advisers, such as a client's attorneys and auditors.

Potential conflicts of interest may also arise to the extent that EMM's non-advisory activities may require a significant time commitment, thus limiting the amount of time that EMM can be dedicated to the management of advisory client accounts.

EMM and Sage endeavor at all times to put the interest of their clients first over their own personal interests and/or the personal interests of their affiliates as part of their fiduciary duty as registered investment advisers and take the following steps to address potential conflicts arising from the services EMM and/or its affiliates may provide to clients.

1. EMM discloses to clients the existence of all material conflicts of interest, including the potential for EMM and/or its affiliates to earn additional compensation from such investors in connection with aforementioned investment advisory and non-investment advisory services EMM and/or its affiliates may provide such clients;

2. EMM discloses to clients that they are not obligated to purchase additional non-investment advisory services;
3. EMM requires that employees seek prior approval of any outside employment activity so that it may be ensured that any conflicts of interests in such activities are properly addressed;
4. EMM periodically monitors outside employment activities, if any, to verify that all conflicts of interest continue to be properly addressed; and
5. EMM educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Conflicts of interest may arise in the allocation of investment opportunities/investment recommendations among accounts that EMM or Sage advises. EMM and Sage seek to allocate investment opportunities/investment recommendations believed appropriate for their respective investment advisory client accounts equitably and in a manner consistent with the best interests of all accounts involved. There can be no assurance that a particular investment opportunity that comes to the attention of Sage or EMM will be allocated/recommended in any particular manner.

EMM or Sage has occasionally in the past allocated client assets to, or recommended that clients invest in, Portfolio Managers that have retained EMM to provide financial planning, tax, advisory or other consulting services to the Portfolio Manager or a related party. EMM or Sage may also engage in such practices from time to time in the future. In any such instance, a Portfolio Manager engaging EMM for services would be subject to services and fee schedules similar to other EMM clients engaging EMM for such services. EMM's existing financial service relationships with Portfolio Managers or its efforts to obtain such relationships are not a consideration with respect to EMM or Sage's investment allocations or investment recommendations in relation to Portfolio Managers. The Portfolio Manager evaluation and selection process described above under Item 4 applies to all current and prospective Portfolio Managers irrespective of whether EMM or Sage has relationships with such Portfolio Managers outside the context of the Funds or EMM's investment advisory clients. As such, EMM and Sage's investment allocation and investment recommendation decisions are independent of any service engagements that may exist between EMM and any Portfolio Manager. As of the date of this brochure, EMM does not have any such service engagements with any Portfolio Manager.

As noted above under Item 5, EMM also engages the services of one or more third-party investment consultants to assist in the sourcing and selection of non-affiliated Portfolio Managers to gain access to a greater and more diverse array of investment strategies for its clients. Any such Portfolio Managers will be subject to EMM's standard due-diligence process, including final approval by the Investment Committee, prior to being recommended to clients for investment. Clients should note that if they invest in any Portfolio Manager sourced by such third-party investment consultant, they will be directly responsible for paying any fees charged by such third-party investment consultant for its services. The advisory fees payable by EMM's clients to Portfolio Managers sourced via such consultants are typically lower than if the Portfolio Manager were accessed independently by EMM's clients. Consequently, the

additional fees borne by a client relating to such third-party consultants may be partially or completely offset by the reduced advisory fees described in the preceding sentence. EMM will clearly disclose to each client, prior to the client's investment with a Portfolio Manager, the nature of any such third party investment consultant fees that the client may have to pay in connection with such investment.

EMM serves as investment adviser to a number of clients. Clients also understand that EMM, its personnel and its affiliates may give advice or take action in performing their duties on behalf of other clients, or for their own accounts, that differ from advice given to or action taken for a particular client. EMM is not obligated to buy, sell or recommend for a client any Portfolio Manager, security or other investment that EMM or its personnel or affiliates may buy, sell or recommend for any other client or for their own accounts.

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

EMM instills in its employees an awareness of the fiduciary principles which govern the advisory business and sensitivity to conflicts of interest that may arise as a result of EMM's business. The firm has adopted a Code of Ethics (the "Code") which addresses standards of business conduct, compliance with applicable federal securities laws and regulations, insider trading, and personal investments by employees. EMM employees are required to report all covered transactions quarterly, annually disclose all individual security holdings, annually certify that they have read, understood and complied with the Code and acknowledge receipt of any amendments to the Code. Among other things, EMM's Code also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

Consistent with EMM's multi-manager investment approach, EMM recommends that clients invest in pooled vehicles managed by Portfolio Managers and/or in Portfolio Managers via separate account arrangements. As such, with the exception of recommendations regarding client investments in: (i) pooled investment vehicles managed by Portfolio Managers and/or their affiliates and (ii) certain other securities (such as shares of mutual funds and ETFs) and certain derivative instruments (such as options on market indices), EMM generally does not, behalf of its clients, make recommendations regarding direct investments in securities. As such, given the limited nature of EMM's recommendations to its clients regarding direct investments in publicly-traded/publicly-offered securities, EMM does not anticipate that the personal trading practices of its employees will typically conflict with the interests of EMM's clients.

A copy of the Code is available to advisory clients and prospective clients upon request to the Chief Compliance Officer, Thomas O'Brien, at the firm's principal address or at (212) 476-5555 or tobrien@emmny.com.

As noted in Item 10, EMM, where appropriate, recommends that its non-discretionary investment advisory clients invest in private investment funds managed by Sage. Similarly, Sage, where appropriate, recommends EMM's investment advisory and non-investment advisory services to investors in the private investment funds managed by Sage. Such non-investment advisory services include financial planning, tax planning, tax preparation and other accounting-related services. No EMM client is under any obligation to invest in the private investment funds

managed by Sage and no investor in any such fund is under any obligation to engage EMM for any investment advisory or non-investment advisory services.

Item 12. Brokerage Practices

As a primarily non-discretionary manager, EMM does not itself utilize the services of broker-dealers in connection with the investment advisory services it provides its clients. Consequently, EMM generally does not select or recommend broker-dealers for client transactions, including securities transactions undertaken by Portfolio Managers. Each Portfolio Manager has discretion, subject to its duties and its responsibilities for best execution, to execute securities transactions on behalf of its clients through brokerage firms selected by the Portfolio Managers. Such clients may include: (i) the pooled investment vehicles managed by such Portfolio Manager in which one or more of EMM's clients have invested or (ii) the separate account(s) EMM clients have established with such Portfolio Manager pursuant to which such EMM clients have allocated a portion of their assets to the Portfolio Manager.

Item 13. Review of Accounts

Reviews: EMM periodically performs reviews and analysis for clients with regard to EMM's investment advisory and tax and financial planning services. Such review generally occurs quarterly, depending upon the nature and extent of each client's needs with respect to tax planning and updating of income, assets or liabilities items or review of clients' asset allocation. Investment advisory services provided include the review of a client's portfolio and sub-advisers, including an analysis of the clients performance, risk, and liquidity. EMM periodically (generally quarterly) meets with its investment advisory clients to discuss the clients consolidated report and EMM's recommendations based upon the review of the client's accounts. As a result of such review and analysis, EMM from time to time recommends certain changes to a client's asset allocation and recommends certain investment strategies or Portfolio Managers. EMM generally assigns one or more principals to each client account. The sequences in which clients' accounts are reviewed depends, in each instance, upon the nature and size of such account and the needs of each client. Services to a particular client are determined based on that client's needs and current market conditions. Tax and financial planning clients are reviewed based upon tax filing needs and as needed based on the client's overall financial plan or any special needs that may arise. As part of its regular meetings (generally quarterly) with its clients, EMM will assess whether there have been any significant changes in a client's financial needs, goals or current situation.

Reports: EMM provides clients with periodic (generally quarterly) consolidated reports of the assets related to the client's account. This report will provide an asset allocation at the market value as of the report date, and performance data for the period and certain historical periods. The report will compare the performance returns to applicable indices and benchmarks. These reports will be based upon the information received by EMM from the Portfolio Managers or custodians that manage or hold client assets. EMM will report on the client's assets at the Portfolio Manager account value level and will not include a detailed listing of the security holdings in each account. In addition to the EMM report, client should receive statements and reports directly from Portfolio Managers and/or qualified custodians. EMM will review these reports, the performance, associated risk and any recommendations with clients during scheduled

meetings. Services and the type of reporting provided to a particular client are determined based on the particular client's needs and current market conditions.

Item 14. Client Referrals and Other Compensation

EMM may compensate consultants, financial advisers, placement agents (including broker-dealers) and other unaffiliated third parties who refer investment advisory clients to EMM. If such a client is introduced to EMM by either an unaffiliated or an affiliated solicitor, EMM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities law requirements. Any such referral fee shall be paid solely by EMM and shall not result in any additional charge to the client.

If a client is introduced to EMM by an unaffiliated solicitor, the solicitor shall provide the client with a copy of EMM's Form ADV Part 2 and a copy of the disclosure statement between EMM and the solicitor containing the terms and conditions of the solicitation arrangement, including compensation.

Payment of referral fees for prospective client referrals creates a potential conflict of interest to the extent that such a referral is not objective and the solicitor is, at least partially, motivated by financial gain. Therefore, such a referral may be made even if EMM's advisory services are not suitable to a particular client's needs or investment objectives or entering into an advisory relationship with EMM is not, overall, in the best interest of the client. As these situations represent a conflict of interest, EMM has established the following restrictions in order to ensure adherence to applicable fiduciary duties:

1. All such referral fees will be paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940.
2. Any such referral fee will be paid solely by EMM out of its own assets and will not result in any additional charge to the client;
3. If the client is introduced to EMM by an unaffiliated solicitor, the solicitor, at the time of the solicitation, will disclose the nature of his/her/its solicitor relationship and provide each prospective client with a copy of EMM's Form ADV Part 2 Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between EMM and the solicitor, including the general terms of the compensation to be received by the solicitor from EMM; and
4. All referred clients will be carefully screened by EMM to ensure that the clients' fees, services, and investment strategies are suitable to their investment needs and objectives.

Item 15. Custody

EMM generally does not have physical or constructive custody over client funds and securities, which are maintained with a qualified custodian (including investments with investment partnerships). In certain circumstances, an EMM principal is a trustee (or co-trustee) of a client's Trust and have some authority over that client's assets. The possession of such authority means that EMM is deemed to have custody of client's assets under current applicable regulatory interpretations, even though EMM does not have actual possession of the client's assets. EMM

ensures any such Trusts are subject to an annual surprise examination by an independent auditing firm first registered with and subject to inspection by the Public Companies Accounting Oversight Board (“PCAOB”).

EMM urges all of investment advisory clients to carefully review and compare their quarterly reports of account holdings and/or performance results received from EMM to the quarterly account statements they receive from their custodian. Should clients notice any discrepancies, please notify EMM and/or your custodian as soon as possible.

Item 16. Investment Discretion

EMM generally does not accept from clients the granting of discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account. As such EMM will not have investment discretion over the acquisition and disposition of securities and other assets held in client accounts with respect to which EMM provides investment advisory services. In certain circumstances, an EMM principal is a trustee (or co-trustee) of a client’s trust account and have some discretion over that portion of the client’s Trust assets. However, as a matter of practice, EMM still requires the client to approve and authorize each transaction related to any such trust account before EMM executes the transaction.

Item 17. Voting Client Securities

Except in limited instances in the case of its discretionary clients, EMM neither votes proxies nor retains proxy voting authority over client assets. Proxies pertaining to securities held in client accounts over which Portfolio Managers exercise investment discretion will typically be voted by those Portfolio Managers as agreed upon by and between the applicable clients and such Portfolio Managers.

In the case of a limited number of client accounts where EMM’s exercises investment discretion and retains proxy voting authority over the assets in such accounts, EMM, in relevant part, utilizes a “fund-of-funds” investment approach here and, as such, the frequency and subject matter of proxy votes relating to such client accounts will typically be infrequent and limited to proposed changes to the terms of the underlying funds in which EMM has invested such client accounts’ assets. EMM will vote any such proxies in the best interests of such client accounts, provided no material conflicts of interest exist. If a material conflict of interest is identified, EMM will determine whether it is appropriate to disclose the conflict to the affected clients and give such clients the opportunity to direct the voting of the proxies in question themselves. Upon written request, EMM will deliver to any client over whose account EMM has retained proxy voting authority a complete copy of EMM’s proxy voting policies and procedures and/or information on how EMM voted proxies for such client’s account. If you would like to request any such information, please contact Thomas O’Brien, EMM’s Chief Compliance Officer, at (212) 476-5555.

In cases where EMM does not have proxy voting authority (i.e., instances in which EMM is acting as a non-discretionary adviser to a client), such clients may seek advice from EMM regarding proxy voting matters, and EMM may from time to time, at EMM’s sole discretion, advise such clients regarding such matters and make recommendations on how these clients

should vote such proxies. Such non-discretionary clients will generally receive their proxies directly from the respective Portfolio Managers they have invested with or from such clients' administrators or other service providers. Under no circumstances, will EMM act on behalf of a non-discretionary client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, such clients may direct EMM to transmit copies of class action notices to the client or a third party. Upon such direction, EMM will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18. Financial Information

This item is not applicable to EMM.