

## **Part 2A of Form ADV: Firm Brochure**

### **Eccles Street Asset Management, LLC.**

5301 N. Federal Highway  
Boca Raton, FL 33487

Telephone: (917) 957-7893  
Email: [rshaw@ecclesst.com](mailto:rshaw@ecclesst.com)  
Web Address: [www.ecclesst.com](http://www.ecclesst.com)

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This brochure provides information about the qualification and business practices of Eccles Street Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (917) 957-7893 or [rshaw@ecclesst.com](mailto:rshaw@ecclesst.com). 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.

Additional information about Eccles Street Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 175311.

## **Item 2 Material Changes**

There are no material changes since this is a new application.

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#### Item 4 Advisory Business

The Company is a new investment adviser. The Company's business will initially involve the management of a public investment fund (the "ETF") and may later expand to other activities. If it does expand to other activities, this Form ADV will be amended as appropriate. Accordingly, this Form ADV only discusses the Company's business as it pertains to the ETF. Our principal owners are [Lewitt entity, Kirsh entity, Shaw entity]. Our Chief Executive Officer and Chief Investment Officer is Michael E. Lewitt.

#### Item 5 Fees and Compensation

With respect to the ETF, we will be compensated for our services based on a percentage of assets managed and fees will be paid by the ETF. Investors in the ETF will pay their pro rata portion of the ETF's legal, accounting, audit and administrative fees.

#### Item 6 Performance-Based Fees and Side-by-Side Management

The Credit Strategist Group, Inc., an affiliate of the Registrant (the "Affiliate"), manages private investment funds and separate managed accounts and is compensated with performance-based fees for certain of these activities. We are required to disclose that the opportunity to earn performance-based fees may create an incentive for this affiliate to treat accounts that pay such fees more favorably than accounts that do not pay such fees. The Registrant (as well as the Affiliate) addresses the potential conflicts of interest that may result from such incentives by establishing procedures that provide that all securities purchased for clients must be allocated on a pro rata basis to all accounts under management to the extent that such securities are eligible to be purchased by such accounts due to their purchase being consistent with the investment guidelines of such accounts. In all cases, both the Registrant and the Affiliate are committed to acting as fiduciaries for all of their clients, which means that they will conduct themselves in a manner that treats all clients equally and places the interest of clients first in all situations.

#### Item 7 Types of Clients

We expect investors in the ETF to include both individuals and institutions.

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

##### Methods of Analysis

In order to manage the risks associated with our investment strategies, we employ three different but interacting types of analysis. First, we engage in extensive macroeconomic analysis of global economic and geopolitical conditions in order to form a view of the current economic and market environment. This analysis involves a broad range of inputs from a broad range of sources. We also monitor a broad range of financial market data points from around the world that serve as early warning signals that may alert us to impending market instability. We have developed a proprietary list of early warning signals that we employ to identify inflection points in the financial markets that help us increase or decrease exposures to the markets. The most important decision we make is what type of exposure we want to have to the markets. If we believe conditions are stable, we are likely to take more risk than when we believe markets are

unstable. Further, when we believe conditions are unstable, in our credit portfolios we are likely to shorten portfolio duration, shift from fixed to floating rate interest rate exposure, increase cash positions, or hedge our long positions. We believe it is very important to form a view on the stability and direction of markets at all times.

Once we have formed that view, we engage in the second type of analysis: fundamental financial analysis of each individual investment we make, whether it is a bond, loan, stock, master limited partnership, real estate investment trust, or a derivative thereof. This analysis involves detailed and exhaustive analysis of a company's balance sheet, income statement and cash flow statement, its business and industry, its historical financial and business performance, its management, its ownership, and similar factors. Finally, we analyze how a particular company is affected by current and expected macroeconomic conditions.

Once we are comfortable with the credit quality of a particular company, we begin the third type of analysis: analysis of the specific security we intend to purchase. This analysis studies the pricing of the security, its trading history and liquidity, its legal structure (i.e. covenants) and whether we believe it offers the appropriate compensation for the risk involved in owning it. We evaluate both the upside and downside of each security we purchase, and establish target purchase and sale prices for each security we purchase.

All three of these types of analysis interact with each other to help us make a decision whether to make a particular investment.

We also employ a variety of hedges when appropriate (and if permitted by the investment guidelines of a particular account or fund) to protect against losses.

Within the investment guidelines established for each account or fund, we try to overweight what we consider our "best ideas". A "best idea" is an investment that we believe offers the highest potential return in terms of the risk involved in owning it. That does not necessarily mean it will be the investment that produces the highest absolute return, but the investment that we believe will produce the highest risk-adjusted return. Even with this overweighting, we maintain diversified portfolios to insure that no single investment can cause a disproportionately large loss if our analysis proves to be wrong.

We generally do not employ leverage in our investments although there are exceptions to this policy in some of our funds and in separate managed accounts if agreed to in advance in writing by the client.

## Investment Strategies

Initially, we will manage one fund.

### I. The Eccles Street Event Driven Opportunities ETF

The ETF fund will generally invest in below investment grade bonds and loans, master limited partnerships, real estate investment trusts, and preferred and common stocks that provide credit exposure. The fund may also hedge these positions with a variety of instruments (in many cases other ETF funds) designed to protect against losses from interest rate, credit and systemic risk, as well as to generate returns from negative movements in credit-related markets. The investments in this fund will generally be made in companies that are rated below investment grade. This fund will be actively managed, which means that it is likely to generate short term rather than long term capital gains.

### Risk of Loss

Investing in securities, especially below-investment grade rated debt securities, involves the potential to lose money, and there can be no assurance that the strategies we employ will be successful. Many of our investments are made in bonds and loans issued by companies rated below investment grade by Moody's Investor Service and Standard & Poor's. As such, these bonds and loans are considered to have a higher risk of default – which poses a higher risk of loss to investors – than higher rated, investment grade bonds and loans. High yield bonds generally decline in value if interest rates rise because they are fixed income securities whose value is reduced by higher interest rates. High yield bonds may also decline in periods when the equity markets decline because these bonds are considered to be hybrid debt/equity securities. In certain periods, such as 2008, below investment grade securities can suffer severe drops in value that can result in catastrophic losses for investors who are forced to sell. Accordingly, clients should be prepared to bear the risk of loss with respect to their investments with us.

### Item 9 Disciplinary Information

There has been no disciplinary action against any management person of the Company.

### Item 10 Other Financial Industry Activities and Affiliations

The Credit Strategist Group, Inc., an affiliate of the company, is registered as an investment adviser with the State of Florida.

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

A. We have adopted a Code of Ethics that each of our employees must read and acknowledge in writing on an annual basis. This Code of Ethics not only sets forth the guiding ethical principles that govern the conduct of our business, but also encompass the policies that govern the different aspects of our business, including personal trading, advertising and marketing, allocation of trading among client accounts, document and email retention policies, internal financial controls, proxy voting procedures and policies, and all other important policies

and procedures. A copy of our Code of Ethics is available to clients and prospective clients upon request. The overriding principle expressed in our Code of Ethics is that the interests of our clients are paramount in our business and must be placed before the interests of any of the employees, shareholders or management personnel of the Company.

B. We may recommend to clients private investment funds in which the Affiliate acts as the general partner and act as the investment manager. In these roles, the Affiliate would receive compensation and therefore have a material economic interest. In order to manage any conflict of interest this may create, we would disclose our affiliate's economic interest as well as all other material information about these investments.

C/D. We discourage but do not forbid our employees from buying or selling the same securities that we invest in on behalf of our clients. To the extent our employees do invest in these securities, they must first seek approval from our Chief Compliance Office in writing. Further, they can only buy or sell a security on a day on which we are not buying or selling the same security in our fund. Any violation of this policy may result in severe disciplinary action including potentially the termination of employment.

#### Item 12. Brokerage Practices

A. We utilize brokers who provide us with the best execution. Best execution involves not only price but also the ability to buy or sell a particular security in markets that are not always liquid. With respect to stocks and ETFs, best execution primarily relates to price. With respect to bonds, bank loans and credit default swaps, best execution is related not only to price but also to whom can access a particular security since these markets are not always liquid.

We do not engage in soft dollar practices.

We do not mark up securities or charge brokerage commissions.

We may have an incentive to buy or sell securities through a particular brokerage firm in order to gain access to that firm's research products although in general we can gain that access without being compelled to do business with a specific brokerage firm.

We may direct trades to specific brokerage firms in order to receive client referrals from a specific firm.

The ETF fund will not be required to trade through whichever firm it chooses as its prime broker and/or custodian.

#### Item 13. Review of Accounts

Our senior management reviews accounts as appropriate. The administrator of our funds, and the custodians of our separate accounts, provide monthly reports to partners and clients detailing the monthly performance of their investments.

#### Item 14 Client Referrals and Other Compensation

We may compensate third parties in possession of the required securities licenses for client referrals. Such parties will follow all applicable disclosure rules in order to inform clients that they are being compensated and therefore may have a conflict of interest in recommending our services because they will be compensated if the client invests with us. In general, such persons are paid a percentage of the total compensation we receive from clients they refer to us. Every client who is referred to us by a third party who receives compensation for that referral must sign a disclosure statement that describes the compensation paid to the third party. Clients do not pay higher fees when we compensate someone who referred them.

#### Item 15 Custody

We do not take custody of client assets. We are not authorized to instruct the custodian of the ETF to pay us.

#### Item 16 Investment Discretion

We will have investment discretion over the ETF.

#### Item 17 Voting Client Securities

We will have the authority to vote proxies with respect to securities owned by the ETF. Our proxy voting policies and procedures are available upon request.

#### Item 18 Financial Information

- A. We do not require or solicit prepayment of any fees from clients at any time.
- B. We do not foresee any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.
- C. Neither the company nor any executive or member of management has been the subject of a bankruptcy petition at any time in their history.