

SUMMARY DISCLOSURE BROCHURE
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MARCH 30, 2016

This Brochure provides information about the qualifications and business practices of Chickasaw Capital Management, LLC (“CCM,” or “we”). If you have any questions about the contents of this Brochure, please contact us at 901-537-1866.

CCM is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about CCM is also available on our web site at www.chickasawcap.com and also on the SEC’s web site www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the rules related to the disclosure document that we provide to our clients (the “SEC Rules”). This Brochure was prepared by Chickasaw Capital Management, LLC (“CCM”) according to the SEC Rules.

As part of our annual review, we have revised our Brochure since it was last updated on March 25, 2015. We consider the following revisions to be material:

- Item 8 - *Methods of Analysis, Investment Strategies and Risk of Loss*. We added disclosures related to our equity, core and master limited partnership (“MLP”) investment strategies and principal risks.
- Item 10 - *Other Financial Industry Activities and Affiliations*. We added disclosure about CCM’s executives who also serve as portfolio managers, officers and trustees of MainGate MLP Fund, an open end mutual fund managed by CCM and other outside business activities of CCM’s executives.
- Item 12 – *Brokerage Practices*. Chickasaw Securities, LLC, an affiliated broker-dealer registered with the SEC and member FINRA/SIPC, has replaced J. P. Morgan Clearing Corp. with National Financial Services, LLC as clearing broker and qualified custodian for customers’ accounts. We will provide an updated Brochure, or a summary of material changes to our Brochure, to clients at least annually or as otherwise required by SEC Rules.

Currently, our Brochure may be requested without charge by contacting Debra McAdoo, Chief Compliance Officer, at 901-537-1866.

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Item 4 – Advisory Business

CCM is a Delaware limited liability company that manages investment advisory accounts for a variety of individual and institutional clients. CCM has been in business since 2003.

The principal owners of CCM are Matthew G. Mead and Geoffrey P. Mavar.

CCM offers advisory services by providing investment management services to institutions, high net worth individuals and the MainGate MLP Fund, an open end mutual fund (the “Mutual Fund”). Our advisory service may be provided on a discretionary or non-discretionary basis, subject to investment guidelines in our investment advisory contract. We manage certain investment advisory accounts not involving investment supervisory services.

CCM may offer advice on the following as well as the foreign equivalents of the following investment products:

- Equity securities
- Master limited partnerships (“MLPs”)
- Corporate debt securities
- Municipal securities
- U.S. Government and Government Agency securities
- Commercial paper
- Certificates of deposits
- Convertible and preferred securities
- Mutual funds
- Options contracts on securities
- Warrants
- Interests in partnerships investing in real estate, oil and gas and other
- Currencies
- Derivatives
- Private placements and other limited partnership interests.

Clients may also impose restrictions on investing in certain securities or types of securities.

CCM managed \$3,113,976,555 in client assets on a discretionary basis as of December 31, 2015.

Item 5 – Fees and Compensation

The amounts and specific manner in which advisory fees are charged are negotiated and memorialized in CCM's advisory contract with each client. We generally bill our fees on a quarterly basis, either in arrears or in advance as determined by contractual agreement. Fees may be deducted from clients' assets or clients may be billed for fees incurred as determined by the client. Although our fees and payment terms may be subject to negotiation, our standard advisory fees are set forth below:

Fee Schedule		
Fee Type	Fee	When Charged
Advisory Fee	<p>An annual fee generally based on the average gross assets under management in the account, including any margin debt in the account, according to the following schedule:</p> <p>MLP Accounts - 1.50%</p> <p>Equity and Balanced Accounts - 1.50%</p> <p>Fixed Income Accounts - 0.40%</p> <p>The annual fee is typically based on the average or ending market value of gross assets under management for the period being billed.</p>	Quarterly, in arrears or in advance as determined by contractual agreement
Advisory Fee	<p>MainGate MLP Fund – CCM receives an annual fee of 1.25% for managing the Mutual Fund.</p> <p>Advisory clients that invest in the Mutual Fund will not pay an advisory fee to CCM in addition to the advisory fee paid by the Mutual Fund.</p>	Monthly, in arrears

Fee Billing/Termination of Advisory Agreement

Clients generally authorize us to directly debit fees from their accounts. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee, although advisory fees typically are not prorated for contributions and withdrawals during the quarter. Generally,

investment advisory contracts may be terminated by clients at any time, subject to any notice requirements set forth in the client's advisory agreement.

Other Fees and Expenses

Our advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by custodians, front-end or deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Please see *Item 12 – Brokerage Practices* for more information about brokerage commissions and fees. Mutual funds and exchange-traded funds in which clients invest also charge their own internal management fees and other expenses, which are disclosed in the applicable fund's prospectus.

Use of Affiliated Broker

Chickasaw Securities, LLC ("CS"), a registered broker-dealer and member FINRA/SIPC owned by CCM, introduces brokerage clients on a fully disclosed basis to National Financial Services, LLC ("NFS"). For advisory clients that use CS to execute trades through NFS, CS receives commissions paid from clients' accounts. In addition, certain of CCM's personnel are registered representatives of CS and may receive a portion of the transaction fees paid by clients for effecting securities transactions through CS. If advisory clients purchase shares of a mutual fund that pays 12b-1 fees to CS, CS may be entitled to receive 12b-1 fees for distribution or shareholder servicing. Advisory clients who choose to invest in the Mutual Fund will invest in Class I shares that do not pay 12b-1 fees.

Commission Rates. Generally, commissions paid for transactions are in the range of \$0.06/share or as negotiated for certain equity transactions, and \$20.00 per \$1000 bond or less for transactions in fixed income securities, subject to applicable minimum ticket charges. For example, the purchase of \$25,000 of a particular bond equals 25 bonds which at \$20 per bond would be a maximum charge of \$500. Also, the general minimum ticket charge is \$25 but may be less depending on the particular transaction. The minimum ticket charge may exceed the clearing cost to CS from its clearing broker. A general range is provided for transaction fees as fees may vary from client to client due to particular circumstances, additional or differing levels of servicing, or as otherwise contractually agreed upon with specific clients. CCM may receive indirect transaction based compensation from clients from such transactions as described above and in Item 12. This indirect transaction based compensation generates additional revenue to CCM due to commission revenues that may exceed the clearing cost to CS, CCM's affiliated broker-dealer. Employee-related accounts may pay transaction fee rates that are lower than other

clients. Transactions executed through CS may include a service fee to NFS, the unaffiliated clearing broker, in addition to commissions.

The receipt of commissions (and, when applicable, 12b-1 fees) from client transactions gives CCM and its personnel an incentive to recommend investment products based on compensation to CS and/or CCM personnel, rather than based on a client's needs. CCM seeks to address this conflict of interest by fully disclosing the terms of its fee arrangements with clients, including the disclosure in this Brochure. Clients have the option to purchase investment products recommended by CCM through other brokers that are not affiliated with CCM.

Please see Item 12 – Brokerage Practices, below, for a description of factors that CCM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

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

CCM may charge fees based on the annual appreciation of a client's account. Performance-based fees are individually negotiated with each client. Any performance-based fee will be arranged subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") in accordance with the available exemptions, including the exemption set forth in Rule 205-3.

In measuring clients' assets for the calculation of performance-based fees, CCM will include realized and unrealized capital gains and losses. Performance-based fees may create an incentive for CCM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. These fee arrangements create an incentive for CCM to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. However, CCM has procedures designed to treat all clients fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among all of our clients.

CCM provides advice to a pooled investment vehicle that is exempt from registration under the Investment Company Act of 1940 which offered its limited partnership interests on a private placement basis pursuant to an exemption from registration under the Securities Act of 1933 (the "Private Fund"). CCM receives an annual fee of 1.5% based on the limited partners' contributed capital, plus 20% of any net profits distributed by the Private Fund after total distributions equal to the sum of the capital contributions of the limited partners. CCM may, in its sole discretion, waive or reduce these fees for any limited partners, including but not limited to, limited partners that are members, principals, employees or affiliates of CCM, relatives of such persons and

certain large or strategic investors. The Private Fund is not managed on a side-by-side basis with advisory clients' accounts, and the Private Fund is not currently open to new investors.

Item 7 – Types of Clients

CCM offers investment management for institutions, high net worth individuals, the Private Fund and the Mutual Fund. CCM provides investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit sharing plans (other than participants)
- Charitable organizations
- Trusts
- Estates
- Private business owners
- Public company affiliates
- Private foundations
- Retirement plans

CCM generally requires that high net worth clients have a minimum net worth or net assets of \$2,000,000 and or assets under management of \$2,000,000. CCM may reduce or waive its required minimum amount of assets under management in its discretion.

In addition, investors in the Private Fund are required to be “accredited investors,” as defined in the Securities Act of 1933. The Private Fund is not currently offered to new investors.

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

Methods of Analysis

CCM's primary methods of security analysis are fundamental and technical. When using fundamental analysis, CCM generally relies on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data CCM reviews is generally considered reliable but CCM cannot guarantee nor has CCM verified its accuracy. In addition, the data that CCM reviews is

sometimes subjective in nature and open to interpretation. Even if its data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in fundamental analysis.

When using technical analysis CCM reviews statistics to determine trends in security prices and makes its investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

Investment Strategies

CCM uses a variety of investment strategies, including MLP, equity and core investment strategies. To implement its investment strategies, CCM may make long-term purchases, short-term purchases, or engage in short sales, short-term trading and margin transactions.

CCM's investment philosophy is founded on building a portfolio that has the opportunity for solid total returns from the ownership of public companies with growing earnings, the re-valuation of a company's earnings to higher multiple, or from both earnings growth and multiple expansion.

CCM seeks long-term appreciation by investing in high-quality companies with superior management in a variety of situations, including small, medium and large public companies. CCM's investment team analyzes a potential investment to assess the key drivers of the business and determine if it merits consideration. We pay particular attention to the company's management team, the return on capital, and the company's growth prospects and valuation.

CCM seeks to cultivate value by:

- Investing at a fair price in strong, industry-leading businesses with the potential to grow at better than market rates over the long term; or
- Purchasing highly promising yet undervalued businesses at an attractive price, giving us the opportunity to benefit from the future revaluation of the business to a higher valuation multiple; or
- Identifying opportunities to obtain both strong growth and multiple expansion.

MLP Strategy – Subject to investment guidelines agreed upon with clients, CCM has full authority in its discretion to purchase, sell, tender, exchange, convert or exercise and otherwise acquire or dispose of and trade and deal in or with MLP interests, including MLP common units, interests in MLP general partners and MLP I-shares, cash and cash equivalents, and to execute such assignments, instruments of transfer, orders and other instruments and to enter into such agreements as may be necessary or proper in connection with the management of a client's account. CCM typically concentrates its investments in MLPs in the energy sector. MLP accounts are not generally diversified, which means that investment results will be dependent upon the results solely of MLP investments

Long-term purchases – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Short-term purchases – Using a short-term purchase strategy generally assumes that CCM can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short sales – A short sales strategy is profitable when the price of the security that is “sold short” declines. If you purchase a security, the maximum amount of money you can lose is the value of the investment (the price goes to \$0). If you “sell short” the same security, and the price of the security increases, your potential for loss is unlimited.

Short-Term Trading – A trading strategy generally involves the purchase and sale of securities within 30 days. Trading can negatively affect performance through increased brokerage and other transaction costs and taxes.

Margin – Using margin involves the use of leverage by borrowing money to purchase securities. If the price of the purchased security decreases, you risk losing significantly more money than your initial investment. Further risks are disclosed in the margin agreement you will sign before we engage your account in this activity.

Principal Risks

Investing in securities involves risk of loss that investors should be prepared to bear. Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. CCM cannot guarantee that it will achieve a client's investment objective.

Investors in the Mutual Fund should refer to the Fund's prospectus for a description of the Fund's investment objective, fees, expenses, and principal investment strategies and risks.

Investors in the Private Fund should refer to the Private Fund's confidential offering memorandum for a description of the Fund's investment objective, fees, expenses, and principal investment strategies and risks.

MLP Risks - MLPs involve risks that differ from investments in common stocks, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and its general partner, cash flow risks, dilution risks and risks related to the general partner's limited call right. MLPs are subject to various risks related to the underlying operating companies they control, including dependence upon specialized management skills and the risk that such companies may lack or have limited operating histories.

When an account invests in MLPs that operate energy-related businesses, its return on investment may be highly dependent on energy prices, which can be highly volatile. Energy sector companies are highly sensitive to events relating to international politics, governmental regulatory policies, including energy conservation and tax policies, fluctuations in supply and demand, environmental liabilities, threats of terrorism and to changes in exchange rates or interest rates. MLPs that operate energy sector companies also can be affected by supply and demand for oil and gas, costs relating to exploration and production and the success of such explorations, access to capital, as well as by general economic conditions.

Investments by MLPs in commodities may subject a client's account to greater volatility. The commodities markets may fluctuate widely based on a variety of factors including changes in overall market movements (such as changes in the demand for commodities), domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates or inflation rates, changes in investor expectations concerning interest rates or inflation rates, and investment and trading activities of mutual funds, hedge funds and commodities funds.

MLPs do not typically pay U.S. federal income tax at the partnership level. Rather, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. Advisory clients will receive a K-1 from each MLP in which the client's account invests. Because each client's tax situation is unique, clients should consult a tax professional about federal, state and local tax consequences of MLP investments.

Although income and gain recognized by a tax-exempt entity generally is exempt from U.S. federal income (and state and local) taxes, such exemption does not apply to the extent of the entity's unrelated business taxable income ("UBTI"). In the case of an investment in an MLP by such an entity, UBTI is determined on a look-through basis. Thus, if an MLP in which the entity invests regularly carries on a trade or business, the entity's share of such income will be treated as UBTI to the entity. Although UBTI does not generally include passive income such as dividends, interest, rents and gains from the sale of property that is neither inventory nor held for sale to customers in the ordinary course of business, if such an entity's acquisition of its MLP units is debt-financed or an MLP incurs debt that is allocated to the entity, all or a portion of the income attributed to the debt-financed property would be included in UBTI regardless of whether such income would otherwise be passive income exempt from UBTI. Tax-exempt clients are urged to consult their own tax advisers prior to undertaking an MLP investment.

Equity Investments Risks - The value of a company's common stock generally increases or decreases in value based on factors directly relating to that company, such as demand for the company's products or decisions by management. The value of a company's common stock is also affected by other factors not directly affecting the company, such as general industry or market conditions. Stocks of small- and mid-cap companies may be more volatile than stocks of larger companies. Small- and mid-cap companies also may lack the managerial, financial or other resources necessary to implement their business plans or succeed in the face of competition. Many of these companies are young and have a limited track record. Thus, small- and mid-cap companies may be more vulnerable to adverse business or market developments than larger companies. Their stock may also trade less frequently and in more limited volume than those of larger companies, which may make it difficult to sell a small- or mid-cap stock on favorable terms.

Fixed-Income Risks –

- **Credit Risk.** The issuer of a fixed-income security may be unable or unwilling to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If this occurs, or

is perceived as likely to occur, the value of the fixed-income security may fall significantly.

- **Issuer Risk.** The value of a fixed-income security may decline due to a number of factors relating to the issuer or its industry or economic sector. This risk is heightened for lower rated fixed-income securities.
- **Interest Rate Risk.** As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of real interest rates and an expected inflation rate.
- **Government and Government Agency Securities Risk.** Securities of U.S. government sponsored entities, such as Freddie Mac or Fannie Mae, are neither issued nor guaranteed by the U.S. government. It is possible that the U.S. government would not provide financial support to its agencies or instrumentalities if it is not required to do so by law. If a U.S. government agency or instrumentality in which a client's portfolio or investment company invests defaults and the U.S. government does not stand behind the obligation, the value and yield of the security could fall.

Foreign Securities Risks - For certain clients, CCM may recommend that a portion of the client's portfolio be invested in foreign securities (either directly or through investment companies that invest primarily in foreign securities). Investment in foreign securities involve special risks. Foreign issuers and markets may not be subject to the same degree of regulation and accounting discipline as U.S. issuers and markets. In addition to credit and market risk, investments in foreign securities involve sovereign risk, which includes fluctuations in foreign exchange rates, future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws or restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could adversely affect investments in those countries. There may be less publicly-available information about a foreign company than about a U.S. company. Securities of foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. Dividend and interest income from foreign securities will generally be subject to withholding taxes by the country in which the issuer is located and may not be recoverable by the client (or investment company). These risks may be greater in less developed countries, which are sometimes referred to as "emerging markets."

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CCM or the integrity of CCM's management.

CCM has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Mutual Fund. CCM's owners and certain executive officers are also officers and trustees of MainGate MLP Fund. Messrs. Mavar, Mead and Fleischer are portfolio managers of the Mutual Fund. Mr. Mavar is Chairman and Chief Financial Officer, and Mr. Mead is Chief Executive Officer and Trustee, while Ms. McAdoo serves as Secretary, of the Mutual Fund.

Chickasaw Securities, LLC. CCM will generally effect securities transactions for advisory clients custodied at NFS through CS, a correspondent broker-dealer that clears through NFS on a fully disclosed basis. CS is an affiliated broker-dealer wholly owned by CCM that is registered with the SEC and various states and is a member of FINRA/SIPC. CS pays a service fee to CCM, primarily to offset costs incurred on behalf of CS, although revenues may exceed actual costs.

For clients with accounts custodied at NFS, these clients generally direct CCM in the client's advisory contract to execute transactions through CS. Where a client directs CCM to use CS for client transaction, CCM will not search for, or attempt to negotiate, a lower rate from other broker-dealers.

Clients who direct trades to CS will pay CS transaction fees such as commissions, commission equivalents, mark-ups, or mark-downs, and service fees and/or ticket charges charged by NFS on any such transaction. Geoffrey Mavar, Matthew Mead, and David Fleischer, owners of CCM, are registered representatives of CS and, as such, may receive a portion of the transaction fees paid by clients for effecting securities transactions through CS.

Additionally, purchase and sale transactions (including swaps) may be effected between CCM's advisory clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary transaction fees (such as brokerage commission) or other fee (except for customary

transfer fees or transaction fees) or other remuneration shall be paid in connection with any such transaction.

Matthew Mead and Geoffrey Mavar, CCM's managing members, serve as President and Chief Financial Officer, respectively, of CS. Transaction fee rates for trades executed through CS may not always be as favorable as those that could be obtained if transactions were executed through another broker-dealer. The fact that CCM's advisory clients are likely to use an affiliated broker to execute transactions presents a potential conflict of interest in that CCM owns CS, and CCM's personnel receive additional compensation in their capacity as CS's registered representatives.

Private Fund. CCM serves as the general partner and provides investment advice to the Private Fund, a limited partnership that was organized to own shares of Oakworth Capital Bank, which currently is a private commercial bank. The Private Fund is exempt from registration under the Investment Company Act of 1940 and its securities are not required to be registered under the Securities Act of 1933.

Bank Director. Mr. Mead has been a member of the Board of Directors of Oakworth Capital Bank since 2008. CCM may have a conflict in charging advisory fees on the Private Fund's assets invested in the Bank to the extent that Mr. Mead were to receive inside information as a result of his role as a bank director, because the information could not be acted upon by CCM on behalf of the Private Fund until the information is made available to all investors by the Bank.

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

CCM has adopted a Code of Ethics that sets forth the standards of conduct expected of its personnel. The Code of Ethics requires CCM's personnel to report their personal securities holdings and transactions to CCM's Chief Compliance Officer and requires pre-approval of certain investments. In particular, CCM personnel are required to arrange for the Chief Compliance Officer to receive directly from the executing broker-dealer, bank, or other third-party institution, duplicate copies of trade confirmations for each transaction and periodic statements for each covered account. CCM personnel are also required to submit initial and annual holdings reports. CCM personnel annually must acknowledge receipt of CCM's Code of Ethics and certify that the individual has complied, and will comply, with the CCM's Code of

Ethics. CCM is required to keep copies of the Code of Ethics and records relating to the Code of Ethics. Clients and prospective clients can obtain a copy of the Code of Ethics, free of charge, by contacting CCM.

CCM has implemented compliance policies and procedures that govern personal trading by all employees of CCM and which are based on the notion that the officers and employees of CCM must act in the best interest of advisory clients. These policies state that CCM employees should avoid engaging in business activities, including personal investments, which create or appear to create a conflict of interest. To the extent CCM purchases a block of securities on behalf of clients and related persons, CCM strives to ensure that none of CCM, nor any persons employed by CCM, nor the account of an affiliated party under the control of any such persons, receives a better price than the price received by clients in the same transaction.

CCM (or its respective members, principals, employees and affiliates), serve as investment manager or investment advisor to various advisory accounts, including the Mutual Fund and the Private Fund. CCM (or its respective members, principals, employees and affiliates) may also advise additional accounts in the future and conduct investment activities for their own accounts. All such accounts may have similar or different investment objectives and implement similar or different investment strategies.

CCM (or its members, principals, employees and affiliates) may give advice or take action with respect to certain advisory clients that differs from the advice given with respect to its other clients. To the extent a particular investment is suitable for several of CCM's advisory accounts, such investments will be allocated among such accounts in accordance with CCM's established procedures.

From the standpoint of an advisory client, simultaneous identical portfolio transactions for such client and other CCM clients may tend to decrease the prices received, and increase the prices required to be paid, by such client for its portfolio sales and purchases. Where less than the maximum desired number of securities to be purchased is available at a favorable price, the securities purchased will be allocated among CCM's advisory accounts in accordance with CCM's established procedures which are designed with the objective of fair and equitable treatment of all clients. It may not always be possible or consistent with the investment objectives of the various persons or entities described above and of the advisory clients for the same investment positions to be taken or liquidated at the same time or at the same price.

Item 12 – Brokerage Practices

CCM typically has discretion to select the broker-dealer to execute trades for institutional client accounts, other than for clients that have directed CCM to execute trades through its affiliated broker-dealer, CS.

Institutional Client Accounts

Institutional clients typically select their own independent custodian and authorize CCM to direct trades in the institution's custodial account to the broker-dealers selected by CCM in its discretion.

When selecting broker-dealers on behalf of institutional accounts, CCM seeks to execute securities transactions on the markets or with or through broker-dealers that it believes provide the most favorable total cost or net proceeds reasonably obtainable under the circumstances. Executing broker-dealers charge commissions and other transaction and service fees to execute transactions in the customer's account. CCM selects broker-dealers based on its analysis of several factors, including price, the broker-dealer's reliability to affect securities transactions on CCM's behalf and its recommendations of securities and responsiveness to, and communication with, CCM. CCM may direct a broker-dealer to effect securities transactions through another broker-dealer in consideration of research services provided by such broker. Negotiated commission rates will be based upon CCM's judgment of execution requirements of the transaction as well as the quality of research services provided by the broker-dealer.

In selecting a broker-dealer other than CS to execute transactions, CCM will, consistent with its obligations to obtain best price and best execution for its clients, take into account such relevant factors as:

- Price
- Broker's or dealer's facilities, reliability and financial responsibility
- The ability of the broker or dealer to effect transactions, particularly with regard to such aspects as timing, order size, and execution of orders
- The research and related brokerage services provided by such broker or dealer to CCM, notwithstanding that an account may not be the direct or exclusive beneficiary of such services;
- Opportunity costs, *i.e.*, the cost associated with the opportunity to work with a major broker-dealer that may offer a wide variety of product and services. Opportunity cost

might also be associated with “boutique” firms, which only deal with specialized products such as MLPs; and

- Any other factors CCM considers relevant as permitted under its Best Execution Policy.

Affiliated Broker

CCM’s advisory clients that have established custodial accounts with NFS generally direct CCM to execute trades through CS as introducing broker to NFS in their client account agreements.

CCM’s owners, executives and other personnel, including Messrs. Mavar and Mead, are registered representatives of CS and may receive compensation from transaction fees such as commissions, commission equivalents, mark-ups, mark-downs, dealer spreads, credits, or otherwise from trades executed by CS for advisory clients. Thus, CCM has a financial interest in executing such transactions because CS is a wholly owned subsidiary of CCM, and CS and CCM personnel may earn compensation from transaction and other fees in connection with these transactions. Additionally, transaction fees generate additional revenue to CCM as rates charged may exceed the cost to CS.

CCM may use mutual funds to fill components of a client’s overall investment strategy. CS and certain associated persons of CCM may receive Rule 12b-1 fees from these mutual funds, in addition to the advisory fees paid to CCM. Clients are also advised that the Mutual Fund pays an advisory fee to CCM. Advisory clients will not pay an advisory fee to CCM in addition to the advisory fee charged by the Mutual Fund. Advisory clients who choose to invest in the Mutual Fund will invest in Class I shares that do not pay 12b-1 fees.

Certain unaffiliated mutual funds, including money market, municipal money market and government money-market funds pay CS, and indirectly through CS, certain associated persons of CCM, a distribution fee in its capacity as a broker-dealer. Clients may borrow money by using a margin account at CS, and personnel of CCM may receive compensation from CS in connection with these margin loans. Transaction fee rates for trades executed through CS may not be as favorable as those that could be obtained if transactions were executed through another broker-dealer.

In addition, CCM’s members, principals, employees or affiliates may serve and receive compensation as directors of companies in which CCM’s advisory clients may invest. CCM’s advisory clients will not be entitled to receive any portion of such director compensation paid to members, principals, employees, or affiliates of CCM, which may give rise to conflicts of

interests in allocating the advisory clients' assets to companies for which members, principals, employees or affiliates of CCM act as directors.

Trades executed through CS, the affiliated broker-dealer, are typically entered through NFS's electronic trading system, Streetscape, and are directed to the exchanges as determined electronically by the trading system. The trading system increases order efficiency by routing orders for listed securities directly to a specialist on the trading floor, instead of through a broker.

While recognizing the potential conflicts of interest, CCM uses its affiliated broker, CS, to execute clients' trades because CCM believe that it gives CCM control over the timeliness and speed of execution while concurrently evaluating current market conditions and trading levels.

General.

While CCM believes that the commissions charged by CS and other selected broker-dealers are competitive, transactions may not always be executed at the lowest available commission rate.

Executing brokers are required to forward confirmations upon the completion of every securities transaction or to provide quarterly reports of all transactions for a client, as selected by the client, which disclose the dollar amount of the commission and transaction and other fees charged in connection with the transaction. Clients also will receive regular account statements directly from their custodian.

From time to time CCM may purchase securities that are part of an initial public offering. The Financial Industry Regulatory Authority ("FINRA") has taken the position in its Conduct Rules that such securities may be part of a "new issue" and, accordingly, members of FINRA may not sell such securities to an account in which a member, or person affiliated with or related to a member, of FINRA has an interest. Similar restrictions apply in the case of senior bank officers and certain other persons, including officers of registered investment advisory firms. Accordingly, certain clients (including but not limited to partners of limited partnerships and shareholders of corporations which may be clients of CCM, as the case may be) may be ineligible to participate in new issues.

Best Execution/Soft Dollars

Where CCM has an obligation to obtain best execution under the circumstances of the particular transaction, CCM seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances.

Section 28(e) of the Securities Exchange Act of 1934 permits CCM to cause a client account to pay commission rates in excess of those that another broker/dealer would have charged for effecting the same transaction, if CCM determines, in good faith, that the commission paid is reasonable in relation to the value of the brokerage and research services provided. The determination may be viewed in terms of either the particular transaction involved or the overall responsibilities of CCM with respect to the accounts over which it exercises investment discretion.

Research furnished by brokers-dealers may be used to service any or all of CCM's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealer providing the research. Research services may include subscriptions to financial information services such as Bloomberg, information on the economy, industries, group of securities, individual companies, statistical information, accounting and tax law/interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance analysis and analysis of corporate responsibility issues. To the extent that research services of value are provided by broker-dealers, CCM may be relieved of expenses that it might otherwise bear. CCM may allocate brokerage for research services that are also available for cash, where appropriate and permitted by law.

CCM does not enter agreements with, or make commitments to, any broker-dealer that would bind CCM to compensate that broker-dealer with client commissions in return for client referrals.

Directed Brokerage.

Clients may instruct CCM to direct all or a portion of the securities transactions for its account to a specified broker or dealer such as CS. CCM will treat the client direction as a decision by the client to retain the discretion that CCM otherwise would have in selecting a broker-dealer to effect transactions and in negotiating transaction fees generally for the client's account. The client who directs CCM to use a specific broker may pay higher or lower transaction fees such as commissions, commission equivalents, mark-ups, mark-downs, dealer spreads, credits or otherwise, and may receive less or more favorable execution services than if the client did not direct transactions to a particular broker.

Any instruction or limitation relating to the selection of broker-dealers must be in writing. Because client-directed trades often cannot be aggregated with non-directed trades, such designations may adversely affect CCM's ability to obtain volume discounts on aggregated

orders or to obtain best price and execution by effecting certain transactions directly with the market maker.

Block Trades.

CCM may enter trade orders (“Block Trade”) in a given security for groups of its clients that are bunched or aggregated, including employee related accounts and accounts of affiliated entities. When entering Block Trades, CCM generally determines the full allocation to each participating account at the time the orders are placed. When execution of the order is completed in a single trading day, the Block Trade is average priced and allocated in full to the accounts that were part of the Block Trade. When both client and employee related accounts participate in a Block Trade, they receive the same average price calculation.

When execution of the order is not completed in a single day (“Partial Fill”), each account’s allocation of shares purchased or sold in the Block Trade is provided to the broker-dealer using one of several fair and equitable methods of allocation generally at the end of the day's trading. The allocation of a Partial Fill will be done in a fair and equitable manner using various allocation methods at the average price for the day.

These allocation methods include, but are not limited to:

- (1) Reduced, pro-rata allocation to participating accounts,
- (2) Full allocation to participating accounts ordered by either
 - (a) Account number, or
 - (b) Account name using either
 - (i) First to last,
 - (ii) Last to first, or
 - (c) Randomly as generated by an electronic trading system

This procedure is intended to have the effect of treating all participating accounts equitably with respect to the purchase or sale price realized. However, a given account may receive a better or worse price than if its trading had been accomplished separately. Any allocation procedures administered are not intended to operate concurrently to favor or disfavor the same accounts. The commission or commission equivalent paid by clients participating in Block Trades may differ from and be higher than the rate paid by other clients participating in the same transaction, including employee related accounts. These differing rates may be due to differences in the size and nature of the accounts, and differences in the services provided. The commission or

commission equivalent paid by the client is separate from and has no effect on the average price for the day.

CCM's commission policy for employee and family related accounts is a minimum ticket charge of \$25.00 (for trades of 200 shares or less) and \$.06 per share for other trades. CCM has the discretion to reduce the per share commission on larger trades of low-dollar stocks for affiliated accounts. The effect of this policy may result in clients paying a higher commission rate than the affiliated accounts for the exact same execution.

CCM is not required to bunch orders if CCM determines that it would be consistent with its fiduciary duties not to do so or if portfolio management decisions are not made together. If client and employee related accounts have the same order type (buy or sell), in the same security, on the same day and are not bunched or aggregated together in a Block Trade, CCM seeks to provide clients first with the best price obtained during that day.

Item 13 – Review of Accounts

CCM's management members, Messrs. Mead and Mavar, are primarily responsible for reviewing clients' accounts. Each of these individuals will oversee a portion of client accounts and will perform daily, weekly, or monthly reviews, as appropriate for their respective clients. Generally, reviews may be undertaken in response to change in market conditions, security positions, or investment objectives, or in connection with a client meeting. The sequence of review may be alphabetical, by account number, by investment objectives, random, or otherwise. Performance of accounts in connection with investment objectives, security positions and potential investment opportunities, are among the matters which may be the focus of a review.

In addition, the Chief Compliance Officer of CCM will review all client accounts quarterly. Though CCM will attempt to correct trading errors as soon as they are discovered, CCM is not responsible for poor executions or trading errors by independent brokers. Clients will receive account statements at least quarterly directly from the client's custodian that includes a summary of account activity and current valuations of portfolio securities. See also Item 15 below.

Item 14 – Client Referrals and Other Compensation

Incoming Referrals

CCM encourages and promotes referrals of clients to our advisory firm. We do not, but may in the future, compensate people or firms for providing referrals.

Referrals of Other Professionals

CCM may refer clients to other service professionals if requested or deemed necessary, based on the specific needs of the client. For example, CCM may refer clients to legal counsel or accountants. It is possible that these professionals may, in turn, make referrals of their clients seeking investment advice to CCM.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their assets. CCM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. CCM's reports to clients may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

We usually receive discretionary authority from the client at the outset of an advisory relationship through the execution of a client agreement which includes a limited power of attorney. The discretionary authority generally grants us the ability to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, CCM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be agreed upon in writing.

Item 17 – Voting Client Securities

It is CCM's policy to vote proxies for shares held in the accounts for which it has voting authority in a manner in which CCM believes to be in the best interests of its clients. The investment philosophy of CCM involves investing in companies with good management. In light of this, CCM typically votes along with management recommendations. Additional information about how CCM votes proxies is available in CCM's proxy voting policies and procedures. Copies of our proxy voting policies and procedures as well as a copy of our voting record for your account is available to clients free of charge upon request.

Item 18 – Financial Information

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

Item 19 – Information About State Registered Advisers

Because CCM is a federally registered investment adviser, this Item is not applicable.