

Item I: Cover Page

Eric M. Flanagan Trading, LLC

Healdsburg, CA 95448

October 2024

This Brochure provides information about the qualifications and business practices of Eric M. Flanagan Trading LLC. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer (“**CCO**”) Eric M. Flanagan at 707-331-0617 or emf@ericmflanagan.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.

Registration of an investment adviser does not imply any level of skill or training. Additional information about Eric M. Flanagan Trading, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Any reference to Eric M. Flanagan Trading, LLC as a “registered investment adviser” or as being “registered” does not imply a certain level of skill or training.

Item 2: Material Changes

This document is the initial Form ADV Part 2A, also referred to as the Firm Brochure (the “**Brochure**”) for Eric M. Flanagan Trading, LLC. Pursuant to SEC requirements and rules, you will receive a summary of any material changes to this Brochure within 120 days of the close of Eric M. Flanagan Trading, LLC’s fiscal year. This Brochure may be requested at any time, without charge, by contacting Eric M. Flanagan Trading, LLC’s CCO at emf@ericmflanagan.com.

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Item 4: Advisory Business

Eric M. Flanagan Trading, LLC ("**EMF Trading**," the "**Firm**," "**we**," "**us**," "**our**" or the "**Adviser**"), is a California limited liability company formed in August 2024 with its principal office in Healdsburg, CA. Eric M. Flanagan is the President, Chief Compliance Officer (the "**CCO**"), and principal owner (the "**Principal**") of EMF Trading.

The Adviser anticipates providing investment advisory services to private funds on a sub-advisory basis. Unless otherwise specified, the sub-advised private funds are each referred to as a "**Client**" and collectively, as the "**Clients**".

The Adviser's investment advisory relationship with its Clients will be governed by an investment management agreement (each, an "**IMA**"). EMF Trading intends to tailor its services to each Client based on the negotiated terms within each corresponding IMA.

The Adviser will not tailor its advisory services to the individual investors or limited partners in the sub-advised private funds. Accordingly, an investment in any of the Clients does not create a client-adviser relationship between such investors and the Adviser.

Additional detailed information about the Adviser is provided below, including information about EMF Trading's advisory services, investment approach, brokerage practices, personnel and affiliations.

The Adviser does not participate in wrap fee programs.

EMF Trading currently has no assets under management but intends to advise assets in excess of the asset eligibility level requirements within 120 days of being approved as a registered investment adviser with the U.S. Securities and Exchange Commission (the "**SEC**"). In accordance with Rule 203A-2 of the Investment Advisers Act of 1940, as amended (the "**Advisers Act**"), EMF Trading intends to update this Form ADV Part 2A (along with the Form ADV Part 1) to reflect, among other things, its regulatory assets under management within 120 days of registration to indicate that it has met the asset eligibility requirements for registration.

Item 5: Fees and Compensation

The Fees and compensation will be described fully in each Client's IMA. Further, the Adviser may receive a quarterly draw from each Client which will be calculated and payable quarterly in advance of the first day of each quarter. The quarterly draw will be a non-refundable "draw" against Performance Fees (as described below) and shall reduce the amount payable as a Performance Fee by an equal amount.

Account Expenses

Payment of expenses relating to the organization and maintenance of the Client's account and the investment of the assets of the Client's account (each, an "**Account Expense**" and collectively, "**Account Expenses**") will be the Client's responsibility and will be payable from the Client's account. Account Expenses shall include, but are not limited to, trading expenses, brokerage commissions and other transaction charges, fees and expenses incurred in the borrowing and lending of securities, interest, margin expense and other financing charges charged to the Client's account attributable to the acquisition of securities or other assets by the Client, custodial fees,

bank service fees, transfer taxes, withholding taxes, filing fees and other fees and expenses (including legal and related fees and expenses incurred by a Client) directly related to or in connection with the holding, purchase, sale or other disposition of any Client account assets, and other out-of-pocket charges or expenses paid by any Client on behalf of or for the benefit of Adviser.

Adviser Expenses

The Adviser is responsible for its overhead expenses of an ordinary and recurring nature, such as rent, supplies, secretarial expenses, its direct compliance expenses, stationery, charges for furniture and fixtures, salaries and bonuses of its employees, employee insurance, employee benefits and payroll taxes.

No other hourly, flat or asset-based fees are charged to Clients by the Adviser.

Item 6: Performance-Based Allocations and Side-By-Side Management

Pursuant to a Client's IMA, the Adviser may be entitled to receive a "**Performance Fee**" based on the net profits and appreciation from a Client's account.

Further, the net profits intend to intend to be reduced by any carryforward loss, quarterly draws (as discussed above), and/or offset provision which will be detailed in each IMA (when applicable).

The Adviser, in its sole discretion, may waive all or any portion of the Performance Fee.

Net profits will include net realized and unrealized profits and losses including, without limitation, any dividends, interest and other payments, less Account Expenses.

Performance-based allocation and fee arrangements may create an incentive for the Adviser to recommend investments which may be riskier or more speculative than those which would be recommended under a different arrangement. The Adviser may, in the future, advise multiple Clients and therefore may be required to allocate investments amongst multiple Client accounts. Such an allocation arrangement may also create an incentive to favor higher investment allocation or performance fee accounts over other accounts in the allocation of investment opportunities. The Adviser has procedures designed and implemented to ensure that the Clients (and any future client accounts) are treated fairly within the limits of the investment constraints and objectives of each Client, and to prevent this potential conflict from influencing the allocation of investment opportunities among multiple Client accounts. These procedures include, to the extent orders are aggregated, that orders are average priced.

Item 7: Types of Clients

EMF Trading's Clients intend to be private funds that the Firm sub-advise.

The IMA for each Client will provide the eligibility criteria and minimum requirements to be a Client.

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

Investment Philosophy and Strategy

EMF Trading aims to generate absolute returns and outperform the market over a long period of time.

The Adviser seeks to achieve the Client's investment objective by constructing a diverse basket of Relative Value trades utilizing Treasury Notes and Bonds, Futures on interest rate products, and swaps. These strategies include Basis Trades, Cash, Swaps, or Futures Butterflies, Asset Swap Spreads, and Off the run on the run Treasury Trades.

Key Risk Factors:**Nature of Investments**

In accordance with the Client's investment objective, the Adviser has broad discretion in making investments for the Client. Investments will consist of assets that may be affected by business, financial market or legal uncertainties and are subject to a number of risks. There can be no assurance that the Adviser will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on the Client's investments. Prices of investments may be volatile and are inherently difficult to predict. Any of these factors may significantly affect the results of the Client's activities and the value of its investments. The risk considerations summarized herein only address a subset of the risks applicable to certain types of investments. Other risks applicable to these types of investments or other types of investments not described in herein may have an adverse impact on the Client. No guarantee or representation is made that the Client's investment objective will be achieved.

Market Risks

The profitability of a significant portion of the Client's investment program depends to a large extent upon the Adviser correctly assessing the future course of price movements of specific securities and other investments. There can be no assurance that the Adviser will be able to accurately predict such price movements.

Options

The Adviser may invest in options for Clients. The purchase or sale of an option (including an over-the-counter option) involves the payment or receipt of a premium by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security, commodity or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses its premium. Selling options involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received (which could result in a potentially unlimited loss). Over-the-counter options also involve counterparty solvency risk.

Equity Derivatives

The Adviser may use equity derivatives in its investment program, including, without limitation, listed equity options and over-the-counter ("**OTC**") equity derivatives, such as variance swaps,

conditional variance swaps, correlation swaps and dividend swaps. These types of equity derivatives are frequently valued based on implied volatilities of these derivatives rather than the historical volatility of their underlying securities or instruments. Fluctuations or prolonged changes in the volatility of these underlying securities or instruments can adversely affect the value of equity derivative positions held by the Client.

Derivatives

On behalf of Clients, the Adviser may trade both exchange-traded and OTC derivatives, including, without limitation, futures, forwards, swaps, options and contracts for differences, as part of its investment approach. Those instruments can be highly volatile and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds deposited as initial margin and may result in unquantifiable further loss exceeding any margin deposited. In addition, daily limits on price fluctuations and speculative position limits on exchanges may prevent prompt liquidation of positions resulting in potentially greater losses. The pricing relationships between derivatives and the instruments underlying such derivatives may not correlate with historical patterns, potentially resulting in unexpected losses. Further, when used for hedging purposes, there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC contracts may involve additional risk as there may be no exchange market on which to close out an open position. It may therefore be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk. These can include break clauses, whereby a counterparty can terminate a transaction on the basis of a certain reduction in net asset value, incorrect or disputed collateral calls or delays in collateral recovery. The Client may also sell covered and uncovered options on securities and other assets. To the extent that such options are uncovered, the Client could incur an unlimited loss.

Institutions, such as brokerage firms, banks and broker-dealers, generally have custody of the Client's portfolio assets and may hold such assets in "street name." The Client is subject to the risk that these firms and other brokers, counterparties, clearinghouses or exchanges with which the Client deals may default on their obligations to the Client. A default by any of such parties could result in material losses to the Client. Bankruptcy or fraud at one of these institutions could also impair the operational capabilities or the capital position of the Client. In addition, securities and other assets deposited with custodians or brokers may not be clearly identified as being assets of the Client, causing the Client to be exposed to the credit risk of such parties.

Swaps

The Adviser may enter into swap agreements and/or options on swaps agreements ("swaptions") on behalf of its Clients. Whether the use of swap agreements or swaptions will be successful will depend on the Adviser's ability to select appropriate transactions for the Client. Swap agreements and swaptions can be individually negotiated and structured to include exposure to a variety of different types of investments, asset classes and/or market factors. Depending on their structure, swap agreements may increase or decrease the holder's exposure to, for example, equity securities, long-term or short-term interest rates, non-U.S. currency values, credit spreads or other factors. Swap agreements can take many different forms and are known by a variety of

names. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Client's portfolio. Moreover, the Client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Client will also bear the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Client to post or maintain required collateral. It is possible that developments in the swap markets, including potential government regulation, could adversely affect the Client's ability to terminate swap transactions or to realize amounts to be received under such transactions.

Futures Contracts

The prices of futures contracts and options used for speculation and hedging purposes may not correlate with price movements of the underlying securities being hedged. Although the Adviser intends to purchase or sell commodity futures contracts only if there is an active market for each such contract, no assurance can be given that a liquid market will exist for the contracts at any particular time. Futures exchanges and boards of trade limit the amount of fluctuation permitted in certain futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit.

Short-Term Trading Risks

The Adviser's investment objective is based in part on the ability of the Adviser to take advantage of very short-term market trends and the market's volatility. Because market trends in general and changes in market trends during a trading day cannot be predicted with any degree of accuracy or consistency, the Client's performance may fluctuate substantially from period to period, and it is possible that the Client may sustain substantial and continuing losses. Furthermore, although the Adviser intends to use its best efforts to monitor the Client's investments, no assurance can be given that these efforts will be successful or that the Client will not sustain substantial losses on single positions. In addition, the nature of the Client's investment objective requires the Client to make very short-term transactions. As a result, the commissions payable by the Client will be substantially in excess of those normally paid by an investment vehicle of comparable size to the Client.

Use of Leverage

The Adviser on behalf of Clients may utilize leverage, which will result in the Clients controlling substantially more assets than the Clients have equity. Leverage increases the Clients' returns if the Clients earn a greater return on investments purchased with borrowed funds than the Clients' cost of borrowing such funds. However, the use of leverage exposes the Client to additional levels of risk, including: (i) greater losses from investments than would otherwise have been the case had the Clients not borrowed to make the investments; (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions; and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Clients' cost of borrowing such funds. In the event of a sudden, precipitous drop in value of the Clients' assets, the Client might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying its losses.

In an unsettled credit environment, the Adviser may find it difficult or impossible to obtain leverage for the Clients. In such event, the Clients could find it difficult to implement its strategy. In addition, any leverage obtained, if terminated on short notice by the lender, could result in the

Adviser being forced to unwind the Clients' positions quickly and at prices below what the Adviser deems to be fair value for such positions.

To the extent that options, swaps, swaptions and other "synthetic" or derivative financial instruments are used by the Adviser, they inherently contain much greater leverage than a non-margined purchase or sale of the underlying security, commodity or instrument. This is due to the fact that generally only a very small portion (and in some cases none) of the value of the underlying security, commodity or instrument is required to be paid in order to make such investments. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions. Depending on conditions in the credit markets at any given time, the amount that the Client is required to pay in order to make such investments in "synthetic" or derivative financial instruments may increase substantially, thereby making it difficult or impossible for the Adviser to obtain leverage for the Clients' portfolio. Since leveraging its assets is an integral part of the investment strategy employed by the Adviser on behalf of the Clients, in such event the Adviser could find it difficult to implement its strategy.

Investment Flexibility

The Adviser has broad and flexible authority to invest the Clients' capital. In particular, the Adviser is not required to invest any particular percentage of the Clients' portfolio in any type of investment, sector or region, and the amount of the Clients' portfolio which is invested in any type of investment, long or short, or which is weighted in different countries or different sectors can change at any time based on the availability of attractive market opportunities. Accordingly, at any time, the Clients may have significant investments in strategies, sectors or instruments not specifically described herein and therefore be subject to risks that are not specifically described in herein. There can be no assurance that the Adviser will be successful in applying its approach, and there is material risk that an investor may suffer significant impairment or total loss of its capital.

Fundamental Analysis

Investment decisions made by the Adviser on behalf of the Clients may be based on fundamental analysis. Data on which fundamental analysis relies may be inaccurate or may be generally available to other market participants. To the extent that any such data is inaccurate or that other market participants have developed, based on such data, trading strategies similar to the Client's trading strategies, the Client may not be able to realize its investment goals. In addition, fundamental market information is subject to interpretation. To the extent that the Adviser misinterprets the meaning of certain data, the Client may incur losses.

Due Diligence Risks

Before making investments, the Adviser intends to conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence and making an assessment regarding an investment, the Adviser will rely on resources available to it, including information provided by the target of the investment and, in some circumstances, third party investigations. The due diligence process may at times be subjective with respect to newly-organized companies for which only limited information is available. Accordingly, there can be no assurance that the due diligence investigation that the Adviser will carry out with respect to any investment opportunity will reveal or highlight all

relevant facts that may be necessary or helpful in evaluating such investment opportunity. Further, there can be no assurance that such an investigation will result in an investment being successful. The Adviser may be required to undertake its investment analyses and decisions on an expedited basis in order to take advantage of investment opportunities. Therefore, no assurance can be given that the Adviser will have knowledge of all circumstances that may adversely affect an investment.

Brokerage and Custodial Risk

There are risks involved in dealing with the custodians or prime brokers who settle Client trades. The Clients will maintain custody accounts with its prime brokers and primary custodians (the “**Prime Brokers**”). Although the Adviser will monitor the Prime Brokers and believes that they are appropriate custodians, there is no guarantee that the Prime Brokers, or any other custodian that the Clients may use from time to time, will not become bankrupt or insolvent. While both the U.S. Bankruptcy Code and the Securities Investor Protection Act of 1970 seek to protect customer property in the event of a bankruptcy, insolvency, failure or liquidation of a broker-dealer, there is no certainty that, in the event of a failure of a broker-dealer that has custody of Client assets, the Clients would not incur losses due to its assets being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

The Clients and/or the Prime Brokers may appoint sub-custodians in certain non-U.S. jurisdictions to hold Client assets. The Prime Brokers may not be responsible for cash or assets held by sub-custodians in certain non-U.S. jurisdictions, or for any losses suffered by the Clients as a result of the bankruptcy or insolvency of any such sub-custodian. The Clients may therefore have potential exposure on the default of any sub-custodian and, as a result, many of the protections that would normally be provided to a fund by a custodian may not be available to the Client. Under certain circumstances, including certain transactions where the Clients’ assets are pledged as collateral for leverage from a non-broker-dealer custodian or a non-broker-dealer affiliate of a Prime Broker, or where the Clients’ assets are held at a non-U.S. custodian, the securities and other assets deposited with the custodian or broker may not be clearly identified as being assets of the Clients and the Clients could be exposed to a credit risk with regard to such parties. Custody services in certain non-U.S. jurisdictions remain undeveloped and, accordingly, there are transaction and custody risks of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy, insolvency, or mismanagement in certain non-U.S. jurisdictions, the ability of the Client to recover assets held by a sub-custodian in the event of the sub-custodian’s bankruptcy or insolvency could be in doubt, as the Clients may be subject to significantly less favorable laws than many of the protections that would be available under U.S. laws. In addition, there may be practical, or timing problems associated with enforcing the Clients’ rights to its assets in the case of a bankruptcy or insolvency of any such party.

Cybersecurity Risk

The Adviser and their respective service providers, including banks, broker-dealers, custodians and their affiliates, may be subject to operational and information security risks resulting from cyber-attacks. Cyber-attacks include, among other behaviors, stealing or corrupting data maintained online or digitally, denial of service attacks on websites, the unauthorized release of confidential information, unauthorized asset transfers and various other forms of cybersecurity breaches. Cyber-attacks affecting the Clients, the Adviser or their service providers may adversely impact the Clients. For instance, cyber-attacks may interfere with the processing or execution of

Client transactions, cause the release of confidential information, including private information about Investors, subject the Clients, \ the Adviser or their affiliates to regulatory fines or financial losses or cause reputational damage. Additionally, cyber-attacks or security breaches (e.g., hacking or the unlawful withdrawal or transfer of funds), affecting any of the Clients' key service providers, such as the Adviser, banks, broker-dealers, custodians or other counterparties holding assets of the Clients, may cause significant harm to the Clients, including the loss of capital.

Effects of Health Crises and Other Catastrophic Events

Health crises, such as pandemic and epidemic diseases, as well as other catastrophes that interrupt the expected course of events, such as natural disasters, war or civil disturbance, acts of terrorism, power outages and other unforeseeable and external events, and the public response to or fear of such diseases or events, have and may in the future have an adverse effect on the Clients' investments and the Adviser's operations. In addition, under such circumstances the operations, including functions such as trading and valuation, of the Adviser and other service providers could be reduced, delayed, suspended or otherwise disrupted. Further, the occurrence and pendency of such diseases or events could adversely affect the economies and financial markets either in specific countries or worldwide.

Item 9: Disciplinary Information

EMF Trading has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

Item 10: Other Financial Industry Activities and Affiliations

Neither the Adviser nor any of its affiliates are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither the Adviser nor any of its affiliates are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

EMF Trading has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act (the "**Code**") that establishes certain standards of conduct and rules for its employees and/or access persons (as applicable). As of the date of this Brochure, EMF Trading only has one supervised person, therefore, any reference to employee refers to future employees and how the Adviser will operate pursuant to the Code of Ethics.

A summary of the Code is provided below. All employees of EMF Trading must acknowledge annually that they understand and agree to the terms of the Code.

The Code incorporates the following general principles that all employees are expected to uphold at all times:

- Employees must place the interest of Clients first;

- Employees must conduct all personal securities transactions in a manner consistent with the Code and seek to avoid both actual conflicts of interest and the appearance thereof; and
- Employees may not take inappropriate advantage of their own positions with EMF Trading for their own personal benefit.

Participation or Interest in Client Transactions

Employees, affiliates of the employees, and relatives of the employees may make investments in the Clients. EMF Trading may or may not receive any compensation (directly or indirectly) from such investments from employees.

EMF Trading and EMF Trading's affiliates and employees do not have a financial interest in the Clients nor anticipate to in the future.

Employee Investment Policy

EMF Trading has adopted an Employee Investment Policy that establish various procedures with respect to conflicts of interest including investment transactions in accounts in which employees of EMF Trading or related persons have a beneficial interest or accounts over which an employee has investment discretion.

In general, employees (and members of their immediate households) are generally prohibited from executing personal transactions in single-name securities (and derivatives thereof) in their personal accounts. Further, employees must obtain written pre-approval from the CCO prior to executing a personal transaction in initial public offering (IPOs)(to the extent not considered a single-name security), and limited offerings, at times termed private investments. Additionally, all employees are required to disclose to the CCO all outside business activities.

All EMF Trading employees must direct their brokers to send duplicate copies of brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies.

EMF Trading does not anticipate that either the Firm or its employees will invest in the same securities or other financial instruments in which EMF Trading invests on behalf of the Clients. EMF Trading's Code of Ethics and Employee Investment Policy contain policies and procedures designed to minimize foreseeable actual or potential conflicts.

Gifts and Entertainment, Political Activities and Outside Activities

The Code provides that gifts and entertainment must be reasonable in light of industry practices and should never be given or received if the purpose is to influence the recipient. EMF Trading requires access persons to report or receive approval for the receipt or giving of gifts and entertainment under certain circumstances and above certain thresholds.

The Code also generally requires supervised persons to obtain prior approval before the supervised person, a spouse or certain other immediate family members makes a political contribution or engages in certain campaign-related fundraising activities. This policy is intended to prevent scenarios whereby an access person may contribute or engage in an activity for the selection of EMF Trading as an investment adviser for a governmental entity.

Finally, the Code provides that, without prior approval, supervised persons are generally not permitted to engage in certain types of outside business activities. This policy is intended to prevent material conflicts of interest that could arise from an access person's personal activities.

EMF Trading's Code of Ethics and Employee Investment Policy are available to Clients upon request.

Item 12: Brokerage Practices

In selecting brokers for execution, EMF Trading will assess the reasonableness of their compensation and commissions charged based on the range and quality of a broker's services, including execution capability, trading expertise, accuracy of execution, commission rates, research, reputation and integrity, fairness in resolving disputes, financial responsibility, and responsiveness.

In selecting a broker-dealer to execute transactions and determining the reasonableness of the broker dealer's compensation, EMF Trading need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not EMF Trading's practice to negotiate "execution only" commission rates, thus the Clients may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

EMF Trading may from time to time speak at conferences and programs for investors interested in investing which are sponsored by prime brokers. These conferences and programs may be a means by which we can be introduced to potential clients. Prime brokers generally are not compensated for providing such "capital introduction" opportunities. In addition, prime brokers or custodians may provide financing and other services to the Clients. EMF Trading may place transactions for the Clients with such firms, if EMF Trading determines that it is otherwise consistent with seeking best execution. In no event will EMF Trading select a broker-dealer as a means of remuneration for recommending EMF Trading or the Clients or affording EMF Trading with the opportunity to participate in capital introduction programs.

EMF Trading does not intend to use "soft dollars" generated through brokerage transactions for research and brokerage and research-related products and services. However, in the event this were to change, EMF Trading will ensure such use falls within the safe harbour provided under Section 28(e) of the Securities Exchange Act of 1934, as amended.

Trade Aggregation and Allocation

In advising the Clients, EMF Trading will aggregate trades for the Clients as best to its ability. Upon execution of an aggregated trade for multiple Clients, the intention is that the shares of the trade are allocated amongst the multiple participating Clients at an average price to the extent appropriate or practicable.

Cross Trades and Principal Trades

EMF Trading does not anticipate to engage in cross trades or principal trades.

Trade Errors

Pursuant to the exculpation and indemnification provided by the Clients to EMF Trading and its affiliates and personnel, EMF Trading and its affiliates and personnel will generally not be liable to the Clients for any act or omission, absent bad faith, gross negligence, willful misconduct or actual fraud of such person, and the Clients will generally be required to indemnify such persons against any losses they may incur by reason of any act or omission related to the Clients, absent bad faith, gross negligence, willful misconduct or actual fraud of such person. As a result of these provisions, the Clients (and not EMF Trading) will benefit from any gains resulting from Trade Errors and other errors and will be responsible for any losses (including additional trading costs) resulting from Trade Errors and other errors, absent bad faith, gross negligence, willful misconduct or actual fraud of the relevant person. EMF Trading will not offset any such gains and losses resulting from Trade Errors and other errors unless the underlying transactions constitute a single transaction or closely related series of transactions.

Item 13: Review of Accounts

Review of Accounts

The Principal of EMF Trading frequently reviews the Clients to assure conformity with the relevant investment objectives and guidelines. In particular, EMF Trading reviews the Clients' transactions, positions and cash balances on a daily basis.

EMF Trading will also review Client accounts at other times when circumstances warrant.

Reporting

Each Client will receive reports as described in the IMA. The Clients will receive quarterly unaudited financial reports or account statements in accordance with the IMA.

Item 14: Client Referrals and Other Compensation

EMF Trading does not currently compensate, either directly or indirectly, persons for client referrals.

Item 15: Custody

EMF Trading does not have custody of any Client assets. All Client assets are held at an independent qualified custodian.

A bank, broker-dealer, or other independent, qualified custodian holding Client funds and securities sends the Client account statements at least quarterly. The account statements from the custodian(s) will indicate the amount of EMF Trading's advisory fees deducted from the account(s) each billing period. Clients should carefully review account statements for accuracy.

Item 16: Investment Discretion

Pursuant to the IMA for each Client, EMF Trading intends to have authority to determine (i) the securities to be purchased and sold for each of the Clients, and (ii) the amount of securities to be purchased or sold for each of the Clients.

Item 17: Voting Client Securities

Proxy Voting Policy

Although EMF Trading does not anticipate voting proxies on behalf of Clients, the Adviser has adopted proxy voting policies and procedures that are designed to ensure that proxies are voted in the best interest of each Client (in the event the Adviser were to commence trading in securities that vote proxies).

Upon request from a Client, EMF Trading will provide such Client with a copy of its proxy voting policies and procedures and information about how EMF Trading voted proxies on behalf of such Client.

Item 18: Financial Information

The Adviser 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.