

Form ADV Disclosure Brochure

EMC Capital Management, LLC

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March 12, 2024

Item 1 – Cover Page

This Brochure provides information about the qualifications and business practices of EMC Capital Management, LLC (“EMC”). If you have any questions about the contents of this Brochure, please contact us at (832) 231-0130. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

While EMC Capital Management, LLC may refer to itself as a “registered investment advisor” or “RIA,” registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about EMC also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for EMC is 167761.

Item 2: Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

Please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 12, 2024.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Our brochure may be requested from Rasool Shaik at (832) 231-0130.

(Date of Most Recent Annual Updating Amendment: 03/12/2024)

Item 3 -Table of Contents

ITEM 1 – COVER PAGE	1
ITEM 2: MATERIAL CHANGES	2
ITEM 3 -TABLE OF CONTENTS	3
ITEM 4 – ADVISORY BUSINESS	4
ITEM 5 - FEES AND COMPENSATION.....	6
ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	8
ITEM 7 – TYPES OF CLIENTS.....	9
ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	9
ITEM 9 – DISCIPLINARY INFORMATION.....	14
ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	14
ITEM 11 – CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING	15
ITEM 12 – BROKERAGE PRACTICES.....	16
ITEM 13 – REVIEW OF ACCOUNTS	17
ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION	18
ITEM 15 – CUSTODY	19
ITEM 16 – INVESTMENT DISCRETION	19
ITEM 17 – VOTING CLIENT SECURITIES	20
ITEM 18 – FINANCIAL INFORMATION	20

Item 4 – Advisory Business

EMC Capital Management, LLC is a fee-based investment adviser that offers investment management services. EMC was founded in November 2013. EMC is owned by Rasool Shaik, Swatantra Jain, Ajay Jain, and Manish Jain.

As of December 31, 2023, EMC managed \$148,390,029 on a discretionary basis and \$0 on a non-discretionary basis.

Investment Management Services

EMC offers investment management services performed on a discretionary basis. EMC will work with the client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. EMC uses investment and portfolio allocation software to evaluate alternative portfolio designs. EMC evaluates the client's existing investments with respect to the client's investment policy statement. EMC works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by EMC. EMC will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold regular or as necessary review meetings with the client regarding the account. EMC will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. EMC will allocate the client's assets among various investments taking into consideration the overall risk profile selected by the client.

EMC primarily recommends portfolios consisting of mutual funds and exchange traded funds (ETFs) that follow a passive asset class investment philosophy with low holdings turnover. Although purchasing individual equity securities is never a part of our recommended investment strategy, client portfolios may also include some individual equity securities if a position held over from a prior investment manager has tax implication or the client specifically requests they be retained for a personal reason. Some such assets may be held but may not be considered as part of the relationship for billing or in the IPS.

Clients may impose any reasonable restrictions on EMC's discretionary authority, including restrictions on the types of securities in which EMC may invest the client's assets and on specific securities that the client may believe to be appropriate.

EMC may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds. EMC will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third

party fixed income manager. EMC will prepare a separate Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Private Funds

EMC acts as an investment adviser to the following private funds:

- EMC Alpha Fund, LP is a Delaware limited partnership formed to achieve long-term capital appreciation by investing, under normal market conditions, in equity or equity-related securities (including, but not limited to, exchange-traded funds, equity options, equity index futures, equity index swaps and depositary receipts) of US and international companies traded on US exchanges. EMC Asset Management, LLC, a Delaware limited liability company, is the general partner of the EMC Alpha Fund.
- EMC CorePLUS Fund, LP is a Delaware limited partnership which seeks to outperform the S&P 500 index over most annual periods. The Fund seeks to achieve its investment objective by investing under normal circumstances in long and short positions of equity securities primarily US common stocks. The Adviser will invest a portion of the assets in securities intended to track the performance of S&P 500 index (the “***Index***”). EMC CorePLUS Fund GP, LLC is the general partner of the EMC CorePLUS Fund LP.

Employee Benefit Retirement Plan Services

EMC also provides advisory services to participant-directed employee retirement benefit plans. EMC will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. EMC will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

EMC will recommend changes in the plan's investment vehicles as may be appropriate from time to time. EMC generally will review the plan's investment vehicles and investment policy, as necessary.

Item 5 - Fees and Compensation

Investment Management Services

Standard Fee Schedule for EMC:

Assets Under Management	Annual Fee
First \$2 million	1.00%
Next \$3 million	0.80%
Next \$5 million	0.60%
Amount > \$10 million	0.50%

In certain circumstances, fees, account minimums and their applications to family circumstances may be negotiable.

Private Funds

Investors in the private funds should refer to the offering documents for a full description of the fees to be charged by the funds. Only "qualified clients" will be eligible for performance-based fee arrangements.

EMC Alpha Fund LP

The Company receives a management fee from the EMC Alpha Fund LP based on the management fees charged to the investors, which are equal to an annual rate of 1.50% of the value of each investor's capital account as of the last day of each calendar month. The management fee is payable monthly in arrears and will be charged pro rata for any withdrawals made prior to the end of the calendar month or for contributions made other than at the beginning of a calendar month. The General Partner receives additional performance-based fees discussed below.

EMC CorePLUS Fund LP

The Company receives a management fee from the EMC CorePLUS Fund LP based on the management charged to the investors, which are equal to an annual rate of 1.50% of the value of each investor's capital account as of the last day of each calendar month. The management fee is payable monthly in arrears and will be charged pro rata for any withdrawals made prior to the end of the calendar month or for contributions made other than at the beginning of a calendar month.

Employee Benefit Retirement Plan Services

The annual fee for plan services will be 1.00% of assets within the plan. In certain circumstances, fees, account minimums and their applications to family circumstances may be negotiable.

Additional Information

The specific manner in which fees are charged by EMC is established in a client's written agreement with EMC. Generally, clients will be invoiced in advance at the beginning of each calendar quarter based upon the value of the client's account at the end of the previous quarter. (Market value is based on independent third-party sources or fair market value in the absence of market value; client account balances on which EMC calculates fees may vary from account custodial statements based on independent asset valuations and other accounting variances, including mechanisms for including accrued interest in account statements.)

EMC will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to EMC to withdraw fees from the account. EMC will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices.

All fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

All fees paid to EMC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in mutual funds directly, without the services of EMC. In that case, the client would not receive the services provided by EMC which are designed, among other things, to assist the client in

determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by EMC to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

EMC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, 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. Such charges, fees and commissions are exclusive of and in addition to EMC's fee, and EMC shall not receive any portion of these commissions, fees, and costs.

EMC has contracted with Buckingham Strategic Partners, for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. EMC has also contracted with Buckingham Strategic Partners for sub-advisory services with respect to Clients' fixed income accounts. EMC pays a fee for Buckingham Strategic Partners services based on management fees paid to EMC on accounts that use Buckingham Strategic Partners. The fee paid by EMC to Buckingham Strategic Partners consists of a portion of the fee paid by clients to EMC and varies based on the total client assets participating in Buckingham Strategic Partners through EMC. These fees are not separately charged to advisory clients. As a service provider assisting with trade processing, trade errors in client accounts may be caused by Buckingham Strategic Partners. According to Buckingham Strategic Partners' policies, our clients will be made whole by Buckingham Strategic Partners in the event of any losses caused by Buckingham Strategic Partners. In addition, EMC's policy pertaining to trade errors is to always make the client whole, therefore any gains resulting from a trade error are credited to the client's account.

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

EMC does not charge any separately management account performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) for investment management services. All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

The General Partners of the private funds may receive an incentive allocation, calculated and applied pursuant to the terms specified in the applicable private placement memorandum. For each fiscal year there will be reallocated to the capital account of EMC

Asset Management from the capital account of each investor a performance allocation (the “Incentive Allocation”) equal to ten percent (10%) of such investor’s share of any net profits, including realized and unrealized gains and losses, for such fiscal year, provided that the Incentive Allocation shall be subject to a loss carryforward provision or “high water mark,” whereby no Incentive Allocation is paid with respect to any Partner’s capital account unless the net profits allocated to an investor for such fiscal year exceed such investor’s loss carryforward amount.

Item 7 – Types of Clients

EMC manages investment portfolios for individuals, qualified retirement plans, trusts and small businesses. As described earlier, EMC generally requires a minimum account of \$1,000,000 for investment management services, and a minimum fee of \$10,000 per year.

Only accredited investors are permitted to invest in the Private Funds. Additionally, only qualified clients within the meaning of Rule 205-3 under the Advisers Act are allowed to be investors in EMC Alpha Fund LP and EMC CorePLUS Fund LP.

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

Methods of Analysis and Investment Strategy

EMC's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. EMC's investment approach is firmly rooted in the belief that markets are "efficient" over long periods of time and investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. EMC recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds and ETFs. EMC selects or recommends to clients' portfolios of securities, principally broadly traded open-end mutual funds to implement this investment strategy.

Although all investments involve risk, EMC's investment advice seeks to limit risk through broad diversification among asset classes. EMC's investment philosophy is designed for investors who desire a buy and hold strategy. EMC's strategy seeks to minimize frequent trading of securities that increase brokerage and other transaction costs.

In the implementation of investment plans, EMC therefore primarily uses mutual funds. EMC may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and EMC may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

EMC's strategies do not utilize securities that we believe would be classified as having any unusual risks and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

Private Funds

EMC Alpha Strategy – This portfolio seeks to achieve long-term capital appreciation by investing in attractively valued companies, with positive momentum and a stable business under normal market conditions. The strategy invests in equity or equity-related securities (including, but not limited to, exchange-traded funds, equity options, equity index futures, equity index swaps and depositary receipts of US and international companies traded on US exchanges.)

EMC CorePLUS Fund LP -The EMC CorePLUS Fund, LP seeks to achieve its investment objective by investing under normal circumstances in long and short positions of equity securities primarily US common stocks. The Adviser will invest a portion of the assets in securities intended to track the performance of the S&P 500 index.

EMC Alpha Investments are selected by a quantitative approach that weights variables deemed to be mispriced by the markets with such factors that include dividend yields, dividend sustainability factors, valuation metrics, and top-down macro risk variables. Companies are considered to be good value investments if they appear cheap based on multiple fundamental measures, including price-to-book and price-to-earnings ratios relative to other securities in its relevant universe at the time of purchase. In assessing positive momentum, the Company favors securities with strong medium-term performance relative to other securities in its relevant universe at the time of purchase. Further, the Company favors stable companies, in good business health, including those with strong profitability. The Company may add to or modify the economic factors employed in selecting securities. The EMC Alpha Fund's portfolio manager, under the supervision of one of the Company's Senior Partners, is responsible for making the Fund's investment decisions.

Analysis of a Client's Financial Situation

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, EMC relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, EMC may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis.
- The risk that future rates of return will fall short of the estimates used in the simulation.
- The risk that inflation will exceed the estimates used in the simulation.
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investments present the risk of loss of principal – the risk that the value of securities (mutual funds and ETFs), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by EMC may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in EMC's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by EMC may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

Risks Specific to the EMC Alpha Strategies

Risks associated with investing in EMC Alpha include:

- **Short selling:** The sale of securities not owned by a client expose the client to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and in the case of equities, without effective limit. There is the risk that the securities borrowed by a client in connection with a short sale would need to be returned to the securities lender on short notice. If such request for a return of securities occurs at a time when other short sellers of the subject security are receiving similar requests, a "short squeeze" can occur, wherein the Company might be compelled, at the most disadvantageous time, to replace borrowed securities previously sold short with purchases on the open market, possibly at prices significantly in excess of the proceeds received earlier.
- **Options:** The purchase or sale of an 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.
- **Counterparty Risk:** To the extent that the funds invests in swaps, swaptions, "synthetic" equivalents, derivative instruments, repurchase agreements, certain types of options or other customized financial instruments, the clients take the risk of non-performance by the other party to the contract. This risk may include credit risk of the counterparty and the risk of settlement default. The Funds will seek to mitigate these risks by engaging only highly-rated firms with substantial capital,

credit and market expertise. The Company may diversify its counterparty relationships.

- **Derivatives:** Investing in derivatives involves a degree of risk of financial loss. In general, a derivative contract typically involves leverage, i.e., it provides exposure to potential gain or loss from a change in the level of the market price of a security, currency or commodity (or a basket or index) in a notional amount that exceeds the amount of cash or assets required to establish or maintain the derivative contract; accordingly, the value of derivative instruments are highly volatile. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary, and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of government intervention may be particularly significant at certain times in the global derivatives markets, and such intervention (as well as other factors) may cause these markets and related investments to move rapidly, affecting global financial markets. Investments in derivatives and related financial instruments are also subject to the risk of the failure of any of the exchanges on which its positions trade or of their clearinghouses. Another risk of the Fund's use of derivatives is that the fluctuations in their values may not correlate perfectly with the overall securities markets.
- **Leverage:** The use of leverage increases returns to Fund Investors if the Funds earns a greater return on leveraged investments than the cost of such leverage. However, the use of leverage exposes the Funds to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Funds not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions, (iii) losses on investments where the investment fails to earn a return that equals or exceeds the Funds cost of leverage related to such investments and (iv) fluctuations in interest rates on the Funds' borrowings, which may have a negative effect on the Funds' profitability. In the case of a sudden, precipitous drop in the value of the Fund's assets, the Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Fund.

Additional risks involving an investment in the Private Funds are discussed in each Private Fund's Private Placement Memorandum.

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 EMC or the integrity of EMC's management. EMC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose any financial industry activities and affiliations that would be material to your evaluation of EMC or the integrity of EMC's advice.

EMC Asset Management, LLC

EMC Asset Management, LLC, a Delaware limited liability company, is affiliated with EMC as a result of Mr. Shaik's common control and ownership interest. EMC Asset Management, LLC acts as the general partner to the EMC Alpha Fund, a Delaware limited partnership formed to invest in US and non-US traded companies. EMC Asset Management, LLC also performs certain administrative duties on behalf of the EMC Alpha Fund. Mr. Shaik serves as the Principal of EMC Asset Management, LLC.

EMC CorePLUS Fund GP, LLC

EMC CorePLUS Fund GP, LLC, a Delaware limited liability company, is the general partner of EMC CorePLUS Fund LP. Rasool Shaik is the controlling member of EMC CorePLUS Fund LP.

Individual Outside Business Activities

Mr. Rasool Shaik is an investment adviser representative of the SEC registered firm, Doliver Advisors, LP (CRD#106247) whereby he provides investment management services to their microcap strategies.

Some associated persons of EMC may also participate in other private businesses involving real estate investments, which have no material relationship to EMC and its services. Clients of EMC are not recommended to invest in these outside private businesses or the real estate investments.

Buckingham Strategic Partners

As described above in Item 4, EMC may exercise discretionary authority provided by a client to select an independent third-party investment manager for the management of

portfolios of individual fixed income securities. EMC selects Buckingham Strategic Partners for such fixed income management. EMC also contracts with Buckingham Strategic Partners for back office services and assistance with portfolio modeling. EMC has a fiduciary duty to select qualified and appropriate managers in the client's best interest and believes that Buckingham Strategic Partners effectively provides both the back-office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of EMC continuously makes this assessment. While EMC has a contract with Buckingham Strategic Partners governing a time period for back office services, EMC has no such fixed commitment to the selection of Buckingham Strategic Partners for fixed income management services and may select another investment manager for clients upon reasonable notice to Buckingham Strategic Partners.

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

Personal Trading

EMC has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. EMC's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth EMC's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with EMC may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of EMC that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, EMC requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. EMC also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings). EMC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. EMC requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

EMC will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is EMC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. EMC will also not cross trade between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Investment Management Services

EMC arranges for the execution of all securities transactions with the assistance of Buckingham Strategic Partners. Through Buckingham Strategic Partners, EMC participates in the Schwab Institutional ("Schwab" or "SAS") services program offered to independent investment advisers by Charles Schwab & Company, Inc., TD Ameritrade Institutional ("TDA") services program offered to independent investment advisers by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") and the Fidelity Institutional Wealth Services (FIWS) program, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"). Schwab, TDA and Fidelity are FINRA broker dealers and members of SIPC.

The Schwab, TDA and Fidelity brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. EMC regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to EMC's service arrangements and capabilities. In certain circumstances, EMC may accept clients who direct the use of other brokers.

As EMC will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct EMC as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that EMC will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. EMC will seek to negotiate favorable commission rates for its clients at the aforementioned

recommended custodians. Not all investment advisers require clients to direct the use of specific brokers.

Schwab, TDA and Fidelity do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While EMC will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

EMC generally does not aggregate any client transactions in mutual funds or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which EMC arranges transactions.

EMC does not have any arrangements to compensate any broker dealer for client referrals. EMC may also recommend no-load annuity products and other specially-based products through TIAA-CREF.

When trading client accounts, errors may periodically occur. EMC does not maintain any client trade error gains. EMC makes client whole with respect to any trade error losses incurred by client and caused by EMC. For clients utilizing TDA for brokerage services, TDA maintains a policy that any trade error gains will be donated by TDA to charity.

Employee Benefit Retirement Plan Services

EMC does not arrange for the execution of securities transactions for plans as a part of this service. Transactions are executed directly through employee plan participation.

Item 13 – Review of Accounts

Reviews: Account assets are supervised continuously and formally reviewed quarterly by the Members of EMC. The review process contains each of the following elements:

- assessing client goals and objectives;
- evaluating the employed strategy(ies);
- monitoring the portfolio(s); and
- addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a specific client request;
- a change in client goals and objectives;
- tax loss harvesting opportunities;
- an imbalance in a portfolio asset allocation; and
- market/economic conditions.

Employee Benefit Retirement Plan Services

Plan assets are generally reviewed on a quarterly basis, and according to the standards and situations described above for investment management accounts.

Private Funds

With respect to the Private Funds, the holdings of such Private Funds are reviewed daily by the investment team responsible for the Private Funds. Investment reports are provided on a quarterly basis to investors or investors' consultants informing them of the performance of their investment for the select period.

Reports: All Investment Management clients will receive quarterly performance reports, prepared by EMC, that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions, and current market value.

Employee Benefit Retirement Plan Services accounts receive quarterly statements from their plan administrator. EMC will provide additional reports and recommendations to plan sponsors based on its review of plan asset performance or specific client requests.

Item 14 – Client Referrals and Other Compensation

As indicated under the disclosure for Item 9, Schwab, TDA and Fidelity each respectively provide EMC with access to services not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to advisers. SAS requires an adviser to maintain a total of at least \$10 million of the advisor's clients' assets in accounts at Schwab, or otherwise charges advisor a fee for these services. The services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

These services benefit EMC but may not benefit its clients' accounts. Many of the products and services assist EMC in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of EMC's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of EMC's accounts. Recommended brokers also make available to EMC other services intended to help EMC manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. EMC does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, EMC endeavors to act in its clients' best interests, EMC's requirement that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to EMC of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Item 15 – Custody

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

EMC is deemed to have custody of the Private Funds as a result of the General Partner relationship. EMC satisfies the custody requirements by ensuring the Private Funds are subject to a financial audit annually.

Item 16 – Investment Discretion

Investment management clients are requested to provide EMC with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on discretionary authority shall be included in the client's advisory agreement or added as an addendum. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Item 17 – Voting Client Securities

Proxy Voting: As a matter of firm policy and practice, EMC does not accept the authority to and does not vote proxies on behalf of separately managed advisory clients. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. EMC will be responsible for voting proxies on behalf of the private funds only.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that EMC will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct EMC to transmit copies of class action notices to the client or a third party. Upon such direction, EMC will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about EMC's financial condition. EMC 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.