



Part 2A of Form ADV: *Firm Brochure*

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03/31/2011

This brochure provides information about the qualifications and business practices of Union Heritage Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (313) 963-8824 or sfairley@unionheritage.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Union Heritage Capital Management, LLC 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 Firm's CRD number is 108408.

MATERIAL CHANGES

The SEC adopted “Amendments to Form ADV” in July 2010. This Firm Brochure, dated 03/31/2011, is Union Heritage Capital Management, LLC (“UHCM”) new disclosure document prepared according to the SEC’s new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that UHCM was not previously required to disclose.

After UHCM’s initial filing of this Brochure, this Item will be used to provide its clients with a summary of new and/or updated information. UHCM will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, UHCM will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of its business’ fiscal year. Furthermore, UHCM will provide you with other interim disclosures about material changes as necessary.

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ADVISORY BUSINESS

Union Heritage Capital Management, LLC (“UHCM”) is an SEC registered investment advisor with its principal place of business located in Michigan. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training. UHCM began conducting business in 1990.

Listed below are the Firm’s principal owners (i.e., those individuals and/or entities controlling 25% or more of this company):

- Derek T. Batts, President and Chief Investment Officer

UHCM offers the following advisory services to its clients:

INVESTMENT SUPERVISORY SERVICES (“ISS”) TO INSTITUTIONAL CLIENTS

UHCM accepts accounts from pension and profit sharing plans, state and local government plans, non-profit or charitable organizations and other registered investment advisers (on a sub-advisory basis). Portfolio management is provided on a discretionary basis.

To ensure that each account continues to be managed in a manner consistent with the client’s investment guidelines and objectives, UHCM will:

1. Adhere closely to a disciplined investment decision-making procedure;
2. Monitor and adhere to clients’ investments guidelines and objectives; and
3. Monitor investment performance for each account regularly.

CLIENT ASSETS UNDER MANAGEMENT

As of December 31, 2010, the Firm had over \$142 million of discretionary assets under management.

FEES AND COMPENSATION

Fees for UHCM’s investment advisory or sub-advisory services are based on an annual percentage of each account’s assets under management depending on the type of account. Fees are computed and payable quarterly in arrears, based on the market value of the account at the end of the previous calendar quarter after advisory services are rendered and become due the following business day. Fees are billed directly to the clients as negotiated at the time the investment management agreement is executed. Initial fees are calculated based upon the number of days in the quarterly period the account came under UHCM’s management and are based

either on the quarter-end balance or on average monthly balances for the quarter, as provided in the relevant investment advisory agreement. All subsequent quarters are billed for the full quarter. Representative fee schedules for balanced, equity and fixed income accounts are set forth below.

BALANCED AND EQUITY ACCOUNTS

ANNUAL FEE	MARKET VALUE
1.0% on the first	\$ 3,000,000
0.8% on the next	\$ 2,000,000
0.7% on the next	\$ 5,000,000
0.5% on the next	\$20,000,000
Negotiated on the value over	\$30,000,000

FIXED INCOME ACCOUNTS

ANNUAL FEE	MARKET VALUE
0.7% on the first	\$ 3,000,000
0.4% on the next	\$12,000,000
0.3% on the next	\$10,000,000
Negotiated on the value over	\$25,000,000

Management fees are negotiable and may deviate from the fee schedule above. UHCM reserves the right, in its sole discretion, to negotiate and charge different fees for certain accounts based on the client's particular needs as well as overall financial condition, goals, risk tolerance and other factors unique to the client's particular circumstances. There may also be differences in fees paid by certain clients based on account inception dates. Fees are not based on a share of capital gains upon or capital appreciation of an advisory client's account.

UHCM's investment advisory agreements are mutually revocable at any time without penalty and continue in effect until written notice of termination is given by either party. Contracts canceled by clients within five (5) days of initial signing will not be charged an advisory fee. No fees are required to be pre-paid and, in the event of termination prior to quarter end, any outstanding fees are charged on a pro-rata basis.

Clients bear all execution and other costs associated with their accounts, including custody fees. Clients whose uninvested assets are swept into money market mutual funds for short-term cash management purposes by their custodians will also bear the additional fees and expenses assessed by such funds on their fund assets.

Neither UHCM nor any of its principals or employees receives any compensation for the sale of securities or other investment products.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

UHCM does not charge performance based fees.

TYPES OF CLIENTS

UHCM provides investment advisory services to the following types of clients:

- Pension and profit sharing plans (other than plan participants)
- Trusts and estates
- Charitable organizations
- State or municipal government entities

UHCM may also provide investment advice on a sub-advisory basis, such as a manager-to-manager program in which UHCM reports to another advisor and not directly to the respective client.

The general investment minimum required of UHCM's managed accounts is \$1,000,000. UHCM has the discretion to accept investments for lesser amounts.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS

UHCM does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm may use, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. Investing in any security entails risk of loss.

UHCM uses the following methods of analysis in formulating its investment advice and/or managing client assets:

Fundamental Analysis: UHCM attempts to measure the intrinsic value of a security by looking at economic and financial factors (including overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is under

priced (indicating that it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Quantitative Analysis: UHCM uses mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis: UHCM subjectively evaluates non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that UHCM's subjective judgment may prove incorrect.

Risk for all forms of analysis: UHCM securities analysis methods relies on the assumption that the companies whose securities it purchases and sells, the rating agencies that reviews these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While UHCM is alert to indications that data may be incorrect, there is always a risk that the analysis may be comprised by inaccurate or misleading information.

INVESTMENT STRATEGIES

UHCM is a domestic equity manager whose overall objective is to provide long-term capital appreciation by investing in U.S. companies that have growth potential, are undervalued, and are trading below their risk-adjusted expected growth rates.

UHCM uses the following strategy in managing client accounts, provided that such strategy is appropriate to the needs of the client and consistent with the client's investment guidelines and objectives.

Long-term purchases: UHCM purchases securities with the idea of holding them in the client's account for a year or longer. Typically UHCM employs this strategy when UHCM believes the securities to be currently undervalued.

A risk in a long-term purchase strategy is that by holding the security for this length of time, UHCM may not take advantage of short-term gains that could be profitable to a client. Moreover, if UHCM's predictions are incorrect, a security may decline sharply in value before UHCM makes the decision to sell.

Risk of Loss: Securities investments are not guaranteed and the client may lose money on their investments.

DISCIPLINARY INFORMATION

UHCM is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

UHCM and its management personnel have no reportable disciplinary events to disclose.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Investment Adviser

Mr. Derek T. Batts is the primary owner and controller of UHCM. He is also the co-founder and 50% owner of Life Assurance Investment Advisors, LLC ("LAIA") and the founder and 90% owner of Life Assurance Fund Investment Company ("LAFIC"), both of which are unregistered investment advisers. Mr. Batts provides investment management services to the Private Funds through his role as President of the General Partnership's ("GP"). UHCM shares office space with both LAIA and LAFIC and with their respective Private Funds. As CIO of UHCM and adviser to the Private Funds, Mr. Batts is aware of all investment advice provided to both UHCM clients and the Private Funds. However, there is no conflict of interest involved in securities recommended to UHCM clients and investments recommended to the Private Funds as described below.

Entity that Creates Limited Partnerships

Both LAIA and LAFIC are unregistered advisers which were created to serve as the GPs and managers of certain Private Funds.

Private Funds

LAIA, an entity founded and 50% owned by Mr. Batts, is the GP of one Private Fund and LAFIC, an entity founded and 90% owned by Mr. Batts, is the GP of another Private Fund which is not yet funded. Mr. Batts also serves as the CIO of each Private Fund and may, as deemed appropriate, suggest that UHCM clients invest in the Private Funds. However, the investments and strategies applicable to the Private Funds are completely unrelated to UHCM. The Private Funds invest primarily in life insurance policies subject to certain criteria. UHCM provides no advice or services with respect to life insurance policies. When awaiting investment in such policies, the Private Funds may also invest in cash and cash equivalents such as money market mutual funds and short-term government securities which are readily available and do not create a conflict of interest with respect to investments recommended to UHCM clients. It should be noted that the Private Fund managed by LAIA is closed to all new investors. Additionally, the Private Fund to be managed by LAFIC is not currently funded.

Neither UHCM, nor any of its officers or principals is registered as a broker-dealer or a representative of a broker-dealer or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither UHCM nor any of its officers or principals is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING
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Code of Ethics

UHCM imposes restrictions upon itself and any person associated with it when effecting personal securities transactions. The Code was adopted by UHCM in accordance with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act") to govern the conduct of and personal transactions by supervised persons and access persons and to ensure that their interests do not conflict with the interests of UHCM's clients. All UHCM principals and employees with knowledge of investment recommendations and proposed transactions are treated as "access persons" under the Code.

Before it or any person associated with UHCM effects transactions for their own accounts in securities recommended to UHCM clients, UHCM requires that all transactions in discretionary clients' accounts have previously been effected and that any clients with non-discretionary accounts are given adequate opportunity to act on such recommendation.

All access persons are required to notify the CCO in order to pre-clear personal securities transactions in IPOs and limited offerings and to pre-clear all other transactions in excess of certain stated exceptions. No UHCM personnel may effect personal transactions in securities being recommended for purchase or sale for UHCM clients within three days of such recommendations or transactions absent pre-clearance approval from the CCO.

All access persons must provide to the CCO monthly reports of their personal securities transactions within 15 calendar days of the end of each calendar month, which may consist of monthly brokerage statements of all accounts in which they have a beneficial interest unless they have demonstrated to the CCO's satisfaction that they have no direct or indirect control over any such account. In addition, access persons must instruct their brokers to send to the CCO copies of all brokerage confirmations relating to all personal securities transactions in which they have a beneficial ownership interest. The Code also requires all access persons and any other "supervised person" of UHCM to comply with ethical restrictions relating to clients and their accounts, including restrictions on giving gifts to, and receiving gifts from, clients or other specified parties, in violation of the gift policies set forth in section 18.2 of the Code. Additionally, all access persons are prohibited from intentionally spreading false rumors or engaging in collusive activity as set forth in the Code. And finally, all access persons shall advise to CCO of any involvement in litigation or when making political contributions as set forth in the Code. A copy of the Code is available to any client or prospective client upon request by contacting our office at (313) 963-8824.

Participation or Interest in Client Transactions

UHCM may act as investment manager to numerous client accounts. UHCM may give advice and take action with respect to any account it manages or for its own accounts or the account of an access person that may differ from action taken by UHCM on behalf of other accounts. UHCM is not obligated to recommend, buy or sell, or to refrain from recommending, buying or selling any security that UHCM or an access person may buy or sell for its or their own accounts or for any other account UHCM manages. UHCM is not obligated to refrain from investing in securities held in the accounts it manages except to the extent that such investments violate the Code of Conduct/Ethics ("Code") adopted by UHCM.

From time to time, Mr. Batts may recommend to certain UHCM clients who are also Accredited Investors a potential investment in the Private Fund which he manages through LAIA, an entity he founded and co-owns. As a principal of the Private Fund's GP, Mr. Batts has a financial interest in the Private Fund since the GP is entitled to receive a 2% management fee of the face amount of each policy purchased for the Private Fund and a one time fee of up to 2% of the aggregated initial capital contributions to reimburse the GP for organizational expenses. As the initial limited partner in the Private Fund, Mr. Batts is also entitled to receive his share of the profits attributable to each limited partner. However, as noted above, there is no conflict of interest between UHCM clients and the Private Fund given the nature of eligible investments for the Private Fund.

From time to time, principals and employees of UHCM may have interests in securities owned by or recommended to UHCM's clients. As these situations may represent a potential conflict of interest, UHCM has implemented procedures relating to personal securities transactions and insider trading that are designed to prevent actual conflicts of interest.

Personal and Insider Trading

UHCM may, from time to time, come into possession of material nonpublic and other confidential information which, if disclosed, might affect an investor's decision to buy, sell or hold a security. Under applicable law, UHCM may be prohibited from improperly disclosing or using such information for its personal benefit or for the benefit of any other person, regardless of whether such other person is an advisory client. Accordingly, UHCM has adopted policies relating to "Personal Securities Transactions and Insider Trading" in accordance with Advisers Act Section 204A to prevent the misuse of material nonpublic information by UHCM's supervised persons. These policies are incorporated into UHCM's Code. Should UHCM come into possession of material nonpublic or other confidential information with respect to any company, it may be prohibited from communicating such information to, or using such information for the benefit of, its clients, and has no obligation or responsibility to disclose such information to, nor responsibility to use such information for the benefit of, its clients when following policies and procedures designed to comply with law.

Any principal or employee of UHCM who fails to observe the above-described policies risks serious sanctions, including dismissal and personal liability.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease this activity.

BROKERAGE PRACTICES

Selection Criteria for Brokers and Dealers

Absent specific client direction of a broker dealer without regard to best execution, UHCM places all orders for the purchase or sale of securities with the primary objective of obtaining the best price and execution from responsible broker-dealers at competitive commission rates. UHCM insists on a high standard of quality regarding execution services and deals only with brokers that can meet that standard. The commission rates paid by UHCM are reviewed by UHCM's principal on a regular basis.

UHCM's objective in selecting brokers and dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its accounts' portfolio transactions. The best net price, giving effect to brokerage commissions, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant.

The factors include, but are not limited to: UHCM's knowledge of negotiated commission rates and spreads currently available; the nature of the security being traded; the size and type of the transaction; the nature and character of the markets for the security to be purchased or sold; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities as well as the reputation and perceived soundness of the broker-dealer selected and others which are considered; UHCM's knowledge of actual or apparent operational problems of any broker-dealer; the broker-dealer's execution services rendered on a continuing basis and in other transactions; and the reasonableness of spreads or commissions.

When buying or selling securities in dealer markets, UHCM may, subject to best execution, deal directly with market makers either on a commission basis or on a "net" basis, without paying the market maker any commission, commission equivalent or markup/markdown other than the "spread." Net trades mean that the market maker profits from the "spread," that is, the difference between the price paid (or received) by UHCM and the price received (or paid) by the market maker in trades with other broker-dealers or other customers. Most NASDAQ securities are now traded on a commission basis as more market makers shift from principal to agency trading. UHCM may also place over-the-counter (OTC) trades with a broker on an agency basis. It is possible that clients may incur transaction costs in addition to any commissions charged by an executing broker when trades in OTC securities are executed on their behalf through brokers used by UHCM.

Commission Rates or Equivalents Policy

UHCM endeavors to be aware of current charges of eligible broker-dealers and to minimize the expense incurred for effecting portfolio transactions to the extent consistent with the interests and policies of its accounts. However, UHCM will not select broker-dealers solely on the basis of “posted” commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction. Although UHCM generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker-dealer involved resulting in higher commissions or their equivalents than would be the case with transactions requiring more routine services.

The reasonableness of commissions is based on the broker’s ability to provide professional services, competitive commission rates, research, and other services which will help UHCM in providing investment management services to clients. UHCM may, therefore, use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance.

Batch Transaction Policy

As part of the duty to seek best price and execution, UHCM may, but is not required to, “bunch” or batch together purchases or sales for several clients and allocate the trades, in a fair and equitable manner, across participating client accounts. While UHCM may effect trades in this manner to reduce the overall level of brokerage commissions paid or otherwise enhance the proceeds or other benefits of the trade for its clients, UHCM may direct transactions to brokers based on both their ability to provide high quality execution and the nature and quality of research services, if any, such brokers provide to UHCM. As a result, clients may not always pay the lowest available commission rates where their trades are effected in this manner, so long as UHCM believes that it is nonetheless obtaining best price and execution.

UHCM may also consider the following when allocating trades: (1) cash flow changes (including available cash, redemptions, exchanges, capital additions and capital withdrawals) may provide a basis to deviate from a pre-established allocation as long as it does not result in an unfair advantage to specific accounts or types of accounts over time; (2) accounts with specialized investment objectives or restrictions emphasizing investment in a specific category of securities may be given priority over other accounts in allocating such securities; and (3) for bond trades, street convention and good delivery may dictate the minimum size and par amounts.

Pro rata allocation is generally used when a batch order, which usually involves only non-directed accounts and seeks only liquid, actively traded securities, cannot be fully executed in a single day, unless the client has expressly directed otherwise. The partial fill is generally allocated among the participating client accounts based on the size of each account’s original order, subject to rounding in order to achieve “round lots”. Unexecuted orders will continue until the block order is completed or until all component orders have been cancelled. New orders for the same security will be aggregated with any remaining unexecuted orders and will continue in the same manner. UHCM will generally apply a minimum order allocation amount of 100 shares, which may be adjusted based on market convention associated with the particular security. If remaining positions are too small to satisfy the minimum order amount, UHCM may decide to

allocate the remaining shares to those accounts seeking large positions which were unfilled. UHCM may also decide to allocate remaining shares to those accounts whose orders would be completed as a result of the allocation. Other methods of allocation may be used where *pro rata* allocation is deemed by UHCM to be less appropriate than such alternative means. Random allocation is especially appropriate when the transaction size is too limited to be effectively allocated *pro rata* among all eligible managed accounts.

Although Mr. Batts serves as the CIO of both UHCM, LAIA and LAFIC, there is no trade batching or trade allocation between clients of UHCM and the Private Fund. The Private Fund does not invest in any securities which are recommended to or acquired for UHCM clients. Similarly, Mr. Batts does not invest in life insurance policies for UHCM clients except to the extent that clients may choose to invest in the Private Fund.

Client-Directed Brokerage Transactions

Clients may limit UHCM's discretionary authority in any or all of the situations described above. In particular, clients may direct UHCM to use particular broker-dealers to execute portfolio transactions for their accounts. For clients who choose to direct their brokerage, UHCM cannot offer any assurances that it will be able to obtain the same execution quality as for fully discretionary clients. However, UHCM generally continues to seek best execution notwithstanding such constraints. Where a client directs the use of a particular broker-dealer, or broker-dealers, UHCM may not be in a position where it can negotiate commission rates or spreads or obtain volume discounts and best price may not be achieved.

In addition, transactions for a client that directs brokerage may not be combined or "batched" for execution purposes with orders for the same securities for other accounts managed by UHCM. Trades for a client that has directed use of a particular broker or dealer may be placed at the end of batched trading activity for a particular security. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the batched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if UHCM could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution.

Research and Other Soft Dollar Benefits

In allocating brokerage, UHCM may take into consideration the receipt of research services as long as such consideration does not jeopardize the objective of seeking best price and execution in connection with the transaction. When appropriate under its discretionary authority and consistent with the duty to seek best execution, UHCM may direct brokerage transactions for client accounts to broker-dealers who provide UHCM with research and brokerage products and services. The brokerage commissions used to acquire research in these arrangements are known as "soft dollars."

Broker-dealers typically provide a bundle of services including research and execution of transactions. The research provided can be either proprietary (created and provided by the

broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by a third party but provided by broker-dealer). UHCM may use soft dollars to acquire either type of research.

SEC regulations provide a “safe harbor” which allows an investment adviser to pay for research and brokerage services with the commission dollars generated by client account transactions. In determining whether a service or product qualifies as research or brokerage, UHCM evaluates whether the service or product provides lawful and appropriate assistance to UHCM in carrying out its investment decision-making responsibilities.

The receipt of research in exchange for soft dollars benefits UHCM by allowing UHCM, at no cost to it, to supplement its own research and analysis activities, to receive the views and information of individuals and research staffs of other securities firms, and to gain access to persons having special expertise on certain companies, industries, areas of economy and market factors. Research services acquired with soft dollars may include reports on industries, sectors and individual companies or issuers; statistical information; risk measurement; and financial and market database services.

The determination and evaluation of the reasonableness of the brokerage commissions paid in connection with portfolio transactions are based primarily on the professional opinions of the persons responsible for the placement and review of such transactions. These opinions are formed on the basis of, among other things, the experience of these individuals in the securities industry and information available to it concerning the level of commissions being paid by other investors of comparable size and type. UHCM may select broker-dealers based on its assessment of each broker-dealer’s ability to provide quality executions and its belief that the research, information and other services provided by such broker-dealer may benefit client accounts. It is not possible to place a dollar value on the special executions or on the research services UHCM receives from dealers effecting transactions in portfolio securities. Accordingly, broker-dealers selected by UHCM may be paid commissions for effecting portfolio transactions for client accounts in excess of amounts other broker-dealers would have charged for effecting similar transactions if UHCM determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or UHCM’s overall duty to discretionary accounts.

Research obtained with soft dollars may not be utilized by UHCM for the specific account that generated the soft dollars. Because UHCM may routinely batch client transactions, brokerage commissions attributable to one or more client accounts may be allocated to brokers who provide statistical data and other research used by UHCM in managing the accounts of other clients, and vice versa. UHCM does not usually attempt to allocate the relative costs or benefits of research among client accounts because it believes that, in the aggregate, the research it receives benefits clients and assists UHCM in fulfilling its overall duty to clients.

UHCM may receive directives from certain clients to make a “best efforts” attempt to transact business with a client-designated broker in consideration for services received solely by that client from the broker. In such instances, only the client’s own soft dollars are used. Primary consideration is still given to seeking best execution of such client-directed transactions.

UHCM will not enter into any agreement or understanding with any broker-dealer which would obligate UHCM to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent.

UHCM may receive “mixed use” items through a brokerage firm (products or services that provide both research and non-research benefits). For mixed use services, UHCM may use available soft dollar credits for the research portion and pay cash for the non-research portion. Although the allocation between soft dollars and cash is not always capable of precise calculation, UHCM will make a good faith effort to allocate such items reasonably. Records of any such allocations and payments will be prepared.

Within the last fiscal year, UHCM did not use soft-dollars for any research products or services.

REVIEW OF ACCOUNTS

All accounts are reviewed by UHCM’s principal (unless there is more than one portfolio manager) at least once a month or more frequently if market circumstances warrant. Each review includes a comparison to the client’s investment policy as well as a review of general investment decisions made for the account. Currently, the principal is responsible for less than ten (10) accounts.

Nature and Frequency of Client Reports – Most clients receive quarterly written performance reports from UHCM. In addition, clients receive monthly (or at least quarterly) written holdings reports and quarterly performance reports from their own independent custodians and/or consultants.

CLIENT REFERRALS AND OTHER COMPENSATION

UHCM may, from time to time, enter into and maintain referral arrangements with third parties. Any such arrangements involving cash referral fees will be in compliance with Advisers Act Rule 206(4)-3, including the referral agreement and the related activities. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser prior to the payment of a cash fee directly or indirectly, for a client solicitation or referral. UHCM currently has one arrangement under which a consultant with existing relationships with Board members of a UHCM pension client is paid a flat fee by UHCM for one-on one meetings with Board members and for preparing and providing quarterly reports about such meetings to UHCM.

UHCM does not, nor do any of its principals or employee, receive any economic benefit from non-clients for providing advisory services to its clients.

CUSTODY

UHCM does not have actual or constructive custody of client accounts. Clients are strongly urged to compare performance reports received from UHCM with statements received from their account custodian.

INVESTMENT DISCRETION

Generally, UHCM is retained on a discretionary basis and is authorized to make the following determinations in accordance with clients' specified investment objectives without client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for client accounts are effected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

However, UHCM may accept advisory accounts with limited discretion or where investments are client-directed pursuant to the management agreement or side letter.

VOTING CLIENT SECURITIES

UHCM has written proxy voting policies and procedures as required by Advisers Act Rule 206(4)-6. Under these policies and procedures, UHCM votes proxies relating to equity portfolio securities in the best interests of clients, unless the client contract specifies that UHCM will not vote.

UHCM uses an external proxy voting agency to provide research, vote recommendation and execution and record keeping services, including but not limited to documenting:

- the account that owns the security;
- the date the proxy was received;
- the date the proxies are due to be voted;
- the meeting agenda;
- management recommended vote; and
- the external proxy voting agency recommended vote and support for all votes against management.

The CCO will review this information electronically and forward to the principal or analyst to ensure that any unusual or controversial issues are addressed and written client specific guidelines are followed. The principal or analyst will decide to accept or reject the external proxy voting agency's recommendations.

Basis for Voting Decisions

- (a) *Individual Accounts with Proxy Voting Policy.* An appropriate investment manager or analyst will make proxy voting decisions for an individual account in accordance with the plan's proxy voting policy as communicated to UHCM, unless UHCM decides that to follow such policy in a particular instance would violate ERISA.

- (b) *Individual Accounts with No Proxy Voting Policy.* An appropriate investment manager or analyst will make proxy voting decisions for an individual account in accordance with UHCM's proxy voting policy as described in this document for any account that has not communicated a proxy voting policy to UHCM in writing.

Clients may obtain copies of UHCM's written proxy voting policies and procedures as well as information on how proxies were voted for their own account by requesting such information from UHCM at the address and phone listed on page 1 of Part 2A of this Form ADV. UHCM will not disclose proxy votes for a client to other clients or third parties, unless specifically requested, in writing, by the client. However, to the extent that UHCM may serve as a sub-adviser to another adviser to a client, UHCM will be deemed to be authorized to provide proxy voting records on such client accounts to such other adviser.

FINANCIAL INFORMATION

Under no circumstances does UHCM require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, UHCM is not required to include a financial statement.

However, as an advisory firm that maintains discretionary authority for client accounts, UHCM is required to disclose any financial condition that is reasonably likely to impair the Firm's ability to meet its contractual obligations. UHCM has no additional financial circumstances to report.