



MPM

Municipal Portfolio Managers, Inc

Form ADV Parts 2A and 2B

This brochure provides information about the qualifications and business practices of MPM. If you have any questions about the contents of this brochure, please contact us at: 404-239-9940, or by email at: thusted@mpmnc.org. 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 MPM is available on the SEC's website at www.adviserinfo.sec.gov

Phone: 404-239-9940 Fax: 404-239-0449 Email: jduffy@mpmnc.org

March 30, 2015

3500 Lenox Road, Suite 695, Atlanta, GA 30326

Municipal Portfolio Managers Inc.
Form ADV Part 2
March 30, 2015

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

A material change has occurred since the previous release of the Firm Brochure dated March 30, 2015. MPM's physical office location has changed as of June 1, 2015. The new address is: Municipal Portfolio Managers, Inc., One Alliance Center, 3500 Lenox Road, Suite 695, Atlanta, GA 30326. The address has been updated on each page of the Firm Brochure.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 404-239-9940 or by email at: phusted@mpminc.org.

Municipal Portfolio Managers Inc.
Form ADV Part 2
March 30, 2015

Table of Contents

Material Changes	i
Annual Update	i
Material Changes since the Last Update.....	i
Full Brochure Available.....	i
Advisory Business	1
Firm Description	1
Principal Owners.....	1
Types of Advisory Services	1
Tailored Relationships	2
Investment Management Agreement	2
Asset Management.....	2
Fees and Compensation.....	3
Description	3
Fee Billing.....	4
Other Fees	5
Expense Ratios.....	5
Termination of Agreement.....	5
Performance-Based Fees	6
Sharing of Capital Gains	6
Types of Clients	6
Description	6
Account Minimums	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	7
Methods of Analysis	7
Investment Strategies	7
Risk of Loss	9

Municipal Portfolio Managers Inc.
Form ADV Part 2
March 30, 2015

Disciplinary Information.....	10
Legal and Disciplinary	10
Other Financial Industry Activities and Affiliations.....	10
Financial Industry Activities.....	10
Affiliations	10
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
Code of Ethics.....	10
Participation or Interest in Client Transactions	11
Personal Trading	11
Brokerage Practices	11
Selecting Brokerage Firms.....	11
Best Execution	12
Soft Dollars	12
Order Aggregation	13
Review of Accounts	13
Periodic Reviews	13
Review Triggers.....	13
Regular Reports	14
Client Referrals and Other Compensation.....	14
Incoming Referrals.....	14
Referrals Out.....	14
Other Compensation	14
Custody	14
Account Statements	14
Performance Reports.....	15
Net Worth Statements	15
Investment Discretion.....	15
Discretionary Authority for Trading.....	15
Limited Power of Attorney	16

Municipal Portfolio Managers Inc.
Form ADV Part 2
March 30, 2015

Voting Client Securities	16
Proxy Votes.....	16
Financial Information	16
Financial Condition.....	16
Business Continuity Plan	16
General.....	16
Disasters.....	16
Alternate Offices.....	17
Loss of Key Personnel	17
Information Security	17
Information Security	17
Privacy Notice.....	17
Brochure Supplement (Part 2B of Form ADV)	19
Education and Business Standards.....	19
Professional Certifications	19
JOHN L. DUFFY, JR.	19
PATRICIA J. HUSTED.....	20
CASEY ENFIELD INGRAM, CFA.....	21

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Advisory Business

Firm Description

Municipal Portfolio Managers, Inc., ("MPM") was founded in 2002. The platform was founded by John Duffy during his years with Lehman Brothers (1994-2002).

MPM specializes in providing discretionary municipal bond portfolio management for the benefit of high net worth individuals in the form of individual or joint accounts, trusts, LLC's, partnerships and similar entities.

MPM's primary business is a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

MPM does not act as a custodian for the municipal bond portfolios. The client always maintains asset control. MPM places trades for clients under a limited power of attorney.

MPM also acts as General Partner for the M1 Opportunity Fund, a Private Investment Fund.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone or in person, is free of charge and is considered an exploratory interview to determine the extent to which investment management may be beneficial to the client.

Principal Owners

John L. Duffy, Jr. is a 100% stockholder.

Types of Advisory Services

MPM's primary business is providing investment supervisory services, also known as asset management services, exclusively for Municipal Bond Portfolios. Investment supervisory services include giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client.

MPM also acts as General Partner for the M1 Opportunity Fund, a Private Investment Fund. As General Partner, MPM exercises ultimate authority over the Fund and is responsible for its day-to-day operations. The Investment Manager, Angel Oak Capital Advisors, LLC, will select investments for the Fund's portfolio based on a credit-driven approach that primarily seeks to identify undervalued assets within the structured-credit fixed income market to build a diversified and actively managed

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

portfolio focused on non-agency residential mortgage-backed securities (“**RMBS**”) that offer the potential for above average risk-adjusted returns.

As of December 31, 2014, MPM manages \$577,950,964 in assets for 142 clients (181 accounts). 100% of these assets are managed on a discretionary basis.

Tailored Relationships

Investment guidelines are outlined in MPM’s Investment Advisory Agreement (contract) detailing the portfolio characteristics including rating, maturity and other portfolio characteristics unique to each client’s needs and goals.

Clients may impose restrictions on investing in certain securities or types of securities. Clients may not impose restrictions on investing for the M1 Opportunity Fund.

Investment Management Agreement

Most clients choose to have MPM manage their Municipal Bond Portfolios in order to obtain professional portfolio management.

An Investment Guidelines Schedule, which outlines various characteristics of the portfolio (such as rating and maturity) specific to each client’s needs and goals, and fees are provided in the Investment Advisory Agreement which is provided to the client in writing prior to the start of the relationship.

Agreements may not be assigned without client consent.

Asset Management

MPM provides investment management services with respect to municipal bond portfolios and related instruments to its clients. At the beginning of a client relationship, MPM works with the client and/or their primary adviser to develop appropriate investment guidelines for the client's municipal bond portfolio.

Under its standard form of Investment Advisory Agreement, clients engage MPM to provide discretionary investment management services for a portfolio of municipal bonds and related instruments. MPM supervises, manages and directs assets in the client's portfolio as the client's agent on a discretionary basis by making investments, changes and adjustments to the portfolio as MPM deems appropriate in light of the client's written investment guidelines.

Bonds may be purchased or sold through various broker dealers acting as executing broker. MPM chooses the executing broker based on many factors including but not limited to best execution capabilities, access to bonds for sale or buyer for bonds MPM decides to sell. The brokerage firm typically assesses a mark-up or mark-down

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

for bond trades. MPM typically controls the amount of the mark-up for bonds purchased from the broker dealer on bid wanted situations. MPM does not receive any compensation, in any form, from the brokerage firm.

Investments may also include mutual fund shares, such as money market funds invested in municipal securities or United States government securities, and its agencies.

Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. MPM does not receive compensation, in any form, from the fees charged by the fund companies.

Stock initial public offerings (IPOs) are not available through MPM.

MPM also provides investment management services with respect to municipal bond portfolios and related instruments through wrap-fee programs sponsored by UBS and Barclays. In our traditional portfolio management program, MPM's advisory services are provided for a fee. In the wrap-fee programs, the sponsor has negotiated a management fee with MPM and the sponsor charges the client a wrap fee which includes custodial, transaction, and management fees.

Fees and Compensation

Description

MPM's fees are based on a percentage of assets under management and are typically charged in arrears.

Regular Municipal Bond/Related Securities Accounts

Assets Under Management Annual Fee (as a % of assets)

First \$5,000,000 0.50%

Next \$5,000,000 0.40%

Balance over \$10,000,000 0.35%

If management begins after the start of a calendar quarter, fees will be prorated accordingly. Under certain circumstances, management fees may be negotiable.

In the case of wrap-fee clients, the Wrap-Fee Sponsor bills the client a "wrap fee" (which includes custodial, trading, management fees, etc.) and remits payment to MPM for our management fee. These fees may be billed in advance based on the contract the client has with the Wrap-Fee Sponsor.

MPM is flexible when working with the client's custodian selection. In certain cases the client may authorize and direct MPM to calculate the custodian fee for the client's custodian.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

The fees for the M1 Opportunity Fund are as follows:

Portfolio Management Fee. The Fund will pay to the Investment Manager, out of the Capital Account of each Limited Partner, a quarterly management fee, payable in advance, in an amount equal to 0.50% per annum (0.125% per quarter) of the net asset value of the Subscriber's investment in the Fund, (the “**Portfolio Management Fee**”).

Administration Fee. The Fund will pay to the General Partner, out of the Capital Account of each Limited Partner, a quarterly administration fee, payable in advance, in an amount equal to 0.30% per annum (0.075% per quarter) of the net asset value of the Subscriber's investment in the Fund, (the “**Administration Fee**”).

Organizational and Initial Offering Expenses. The General Partner will pay for the organizational expenses of the Fund; provided, however, that the Fund will reimburse the General Partner for such expenses on the Nine (9) Month Anniversary of the Commencement Date.

Operating Expenses. The Fund will be responsible for the operating expenses incurred in connection with the Fund including administration, management, rating agency fees, accounting and audit, legal, insurance, custody, offering expenses, printing and mailing expenses, filing fees, interest on indebtedness and any other operating expenses incurred by the Fund.

Extraordinary Fees and Expenses. The Fund will pay any extraordinary fees and expenses.

Fee Billing

Investment management fees are typically billed quarterly, in arrears, meaning that fees are charged after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are typically deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Clients who have authorized MPM to deduct fees from their accounts should note that MPM may direct assets in their account to be liquidated to pay such fees. The Client will be responsible for verifying the accuracy of the fee calculation -- the Custodian will not determine whether the fee is calculated properly. While MPM intends to liquidate money market or other cash equivalent positions to pay such fees, in some cases MPM may have to liquidate municipal bond or other positions to pay such fees in its discretion.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Fees calculated by MPM are calculated based on the following formula:

(Avg. Daily Ending Value) X (Days in Quarter / Days in Year) X (Annual Fee Rate).

If the Portfolio is used as collateral for a margin account, any margin debit is excluded from the calculation of the value of the Portfolio.

If the custodian chosen by the client calculates, and collects management fees for MPM, please review that custodian's fee process.

Other Fees

Clients should also note that all fees paid to MPM for investment management services are separate and distinct from the fees and expenses of any mutual funds (described in each fund's prospectus) in the client's portfolio. Additionally, management fees paid to MPM are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or any other third party. The client should review all fees charged by MPM, the client's custodian and broker and others to fully understand the total amount of fees to be paid by the client. MPM calculates portfolio value based upon prices reported to MPM by pricing services, broker-dealers and/or custodians. Generally, MPM uses prices from FT Interactive, a pricing service, when MPM receives different prices for the same security from different custodians.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to MPM.

Performance figures quoted by mutual fund companies in various publications are typically after their fees have been deducted.

Termination of Agreement

A Client or MPM may terminate the agreement at any time upon 30 days written notice. Fees will be pro-rated for the period the assets were not under management.

Limited Partners in the M1 Opportunity Fund may generally withdraw Interests in part or in whole on March 31, June 30, September 30 and December 31 of any calendar year (each, a "**Withdrawal Date**"), subject to the General Partner's receipt of at least 30 days' prior written notice. Notwithstanding the foregoing, all withdrawal requests are subject to the withdrawal limitations described below and Interests may not be withdrawn for a period of nine months after purchase (the "**Lock-Up Period**") unless the Limited Partner pays a 2% early withdrawal fee to the Fund. In addition,

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

redemptions are subject to the “Fund Withdrawal Limitation” described in the PPM, private placement memorandum.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities in either Municipal Bond Portfolio Managed Accounts or the M1 Opportunity Fund.

MPM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

MPM generally provides investment advice to high net worth individuals and entities that benefit such individuals i.e., trusts, estates, LLC’s, etc.

Client relationships vary in scope and length of service.

Portfolio Minimums

The minimum portfolio size is \$5,000,000 of assets under management, which equates to an annual fee of \$25,000. If assets under management fall below \$2,500,000 in value, the minimum annual fee of \$8,750 is charged.

MPM has the discretion to waive the account minimum. Portfolios of less than \$5,000,000 may be set up when the client and the advisor anticipate the client will add additional funds to the portfolio bringing the total to \$5,000,000 within a reasonable time. Other exceptions will apply to employees of MPM and their relatives, or relatives of existing clients.

Clients with assets below the minimum portfolio size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

MPM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related portfolios, portfolio composition, negotiations with clients, etc.).

The minimum investment in the M1 Opportunity Fund is generally \$500,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

MPM utilizes various methods of analysis, sources of information, and investment strategies include charting, fundamental analysis, and technical analysis. The main sources of information that MPM uses include issuer financials, annual reports, prospectuses, and research materials prepared by others.

MPM uses third party research materials and internally developed, proprietary methods to analyze and select securities for client portfolios.

The Investment Manager for the M1 Opportunity Fund may use a number of different investment techniques in managing the portfolio including, without limitation, the following: fundamental credit analysis, prepayment analytics, proprietary models and quantitative and qualitative research.

In selecting RMBS, the Investment Manager generally seeks instruments secured by interests in a single residential mortgage loan or a pool of mortgage loans secured by residential property that satisfy the RMBS Investment Guideline's as stated in the PPM.

Investment Strategies

The investment strategy for a specific client is based upon the objectives stated by the client and/or the client's primary adviser. The client may change these objectives at any time in writing. Each client executes an Investment Guidelines that documents their objectives and their desired investment strategy.

The investment strategies used to implement any investment advice given to clients includes, but is not limited to, the average credit quality of bonds to be in the portfolio, average effective maturity of the bonds for the portfolio, certain tax considerations such as AMT (alternative minimum tax), state of residence for tax purposes and capital gain/loss considerations i.e. long-term purchases (securities held at least a year), and short-term purchases (securities sold within a year).

Purchases

Municipal Bonds and Similar Securities. MPM generally locates municipal bonds and similar securities ("Municipal Securities") for client accounts in several ways. MPM may notify broker-dealers of the characteristics of the Municipal Securities it is seeking for client accounts. Broker-dealers contact MPM if they have or locate holders of securities that match the characteristics MPM is seeking. MPM may then engage in a negotiation to purchase this security through that broker dealer. MPM will also search for Municipal Securities on various electronic platforms marked as positions for sale by various holders from which MPM may identify attractive opportunities.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Single Broker/Dealer Bid Submission. MPM generally purchases Municipal Securities by submitting a bid for the security through a single broker-dealer (typically, the first broker-dealer who notified MPM about the security). In these cases, MPM requests that the broker-dealer submit MPM's bid directly to the ultimate seller (the "Seller"). If MPM's bid is accepted, then the broker-dealer buys the security for its own account and contemporaneously sells it to MPM at the MPM bid price plus an additional, negotiated markup. MPM negotiates this markup with the broker-dealer based on a number of factors including, without limitation, the characteristics of the transaction (e.g., size of the transaction, difficulty of the transaction and any special circumstances related to the transaction), the broker-dealer's clearance and settlement capabilities, MPM's experience with the broker-dealer, MPM's volume of business with the broker-dealer, the broker-dealer's access to markets and other considerations.

Other Types of Purchases. MPM may purchase securities directly from an issuer (e.g., an initial offering), or purchase Municipal Securities directly from the broker-dealer's inventory ("Inventory Purchases").

Floating Rate Securities. When MPM purchases floating rate securities for client accounts, MPM pays the price at which the securities are offered (their par value). Floating rate Securities include a remarketing fee that is paid by the remarketing agent to the broker dealer. MPM does not participate in these remarketing fees in any way.

Sales

Municipal Securities. When MPM seeks to sell a Municipal Security for one or more client accounts, MPM may solicit bids from several broker-dealers for the security and may sell the security to the highest bidder.

MPM also may seek to sell Municipal Securities through several website trading platforms (each a "Web Site"). In these cases, MPM publishes the names, prices and related information about Municipal Securities it has for sale on the Web Site and then sells the security when it locates a buyer. The portfolio receives the execution price less a nominal fee charged by the website fee for its assistance in the transaction that is based on the Web Site's fee schedule.

Floating Rate Securities. When MPM sells Money Market Securities, MPM instructs the issuer's re-marketing agent to sell the securities. No commission or other remuneration is paid by MPM for these transactions.

The M1 Opportunity Fund's investment objective is to achieve capital appreciation and income. There can be no assurance that the Fund will achieve its investment objective.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

The Investment Manager will select investments for the Fund's portfolio based on a credit-driven approach that primarily seeks to identify undervalued assets within the structured-credit fixed income market to build a diversified and actively managed portfolio of RMBS that offer the potential for above average risk-adjusted returns. Among the major differences are that interest and principal payments are made more frequently, usually monthly, and that principal may be prepaid at any time because the underlying residential mortgage loans or other assets generally may be prepaid at any time.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause bond prices to fluctuate. For example, when interest rates rise, bond prices generally decline and vice versa. The degree of the price movement can vary based on many factors including the bonds coupon rate, maturity and call date along with other structural characteristics.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power may erode at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate).
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders and/or investors are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Credit Risk:** Deteriorating management of municipality's finances can result in a decline in value and in extreme cases loss of all or a substantial portion of principle.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

For the M1 Opportunity Fund, volatility and portfolio turnover are expected to vary, often considerably, as different investment opportunities are recognized. In addition, both volatility and portfolio turnover may be affected by the size of the Fund. In addition, the Fund may invest in highly credit-sensitive securities, for example, by acquiring a high concentration of similar RMBS. Moreover, the types of securities the Investment Manager purchases may be illiquid with little price transparency. Although risk management and monitoring is an integral component of the Investment Manager's strategy, the Investment Manager is not subject to any specific risk management or portfolio diversification policies in managing the Fund's portfolio.

Disciplinary Information

Legal and Disciplinary

MPM has no legal or disciplinary events to report.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

MPM has no other financial industry activities.

Affiliations

MPM may provide discretionary advisory service for municipal bond portfolios as a sub-advisor for other investment advisers from time to time. MPM concentrates its investment advisory services on municipal bonds and related securities, which may include, without limitation, derivative securities.

MPM provides investment management services with respect to municipal bond portfolios and related instruments through wrap-fee programs sponsored by UBS and Barclays.

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

Code of Ethics

MPM has adopted a Code of Ethics that all employees abide by to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by MPM Investment Personnel. A full text copy of the Code of Ethics is available upon request.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Participation or Interest in Client Transactions

MPM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the MPM Compliance Manual.

The Compliance Manual contains the written supervisory policies and procedures of the Company and is followed by all personnel in carrying out their responsibilities with the Company. Its purpose is to help ensure that the Company conducts its business in compliance with all applicable federal and state laws, rules and regulations and in keeping with the highest level of professional and ethical standards.

The General Partner and/or its principals and advisors have committed to make an aggregate capital contribution to the M1 Opportunity Fund of at least \$750,000, which investment shall be subject to the terms, conditions and restrictions applicable to the Limited Partners' investments in the Interests

Personal Trading

The Chief Compliance Officer of MPM is Patricia J. Husted. Miss Husted oversees the firm's compliance program. An integral part of the program is that all employee trades each quarter are documented and reviewed by compliance personnel. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Brokerage Practices

Selecting Brokerage Firms

MPM does not have any affiliation with product sales firms. MPM is typically not involved with custodial selection where the assets are held. If requested, MPM suggests TD Ameritrade, Fidelity and JP Morgan based on the proven integrity and financial responsibility of the firm and the client's needs. MPM does not receive fees or commissions from any of these arrangements.

With respect to those accounts managed on a discretionary basis, MPM normally has the authority to determine which securities are to be bought and sold, the amount of the securities to be bought and sold, the timing of such transactions, and (absent client selected custodian direction) the broker-dealer to be used for executing the transaction(s).

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

MPM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, amount of securities to be bought or sold, broker or dealer to be used, and commission rates paid.

Best Execution

Clients should note that when making the selection of the broker-dealer to use for purchasing Municipal Bonds, MPM may be limited because only one or a small number of broker-dealers may have a relationship with the selling party or may be the only firm offering the security. However, to the extent that MPM has multiple options with respect to broker-dealer selection, MPM seeks best execution for each client in each trade, which is a combination of price, execution and other factors. In making these determinations, MPM considers a number of judgmental factors, including, without limitation, clearance and settlement capabilities; quality of confirmations and account statements; the ability of the broker to settle the trade promptly and accurately; the financial standing, reputation and integrity of the broker-dealer; the broker-dealer's access to markets, research capabilities, market knowledge, any "value added" characteristics, MPM's past experience with the broker-dealer, MPM's past experience with similar trades, and other factors.

Certain Limits

Certain broker-dealers (e.g., Morgan Stanley) have policies that restrict or prohibit the broker-dealer from acting as broker or dealer with respect to certain transactions (e.g., fixed income principal transactions) in accounts custodied at the broker-dealer. Clients should note that if the client's custodian has such a policy, MPM may be unable to use the custodian as broker dealer for certain transactions in the client's portfolio, which may prevent MPM from obtaining best execution for such transactions.

The M1 Opportunity Fund executes and clears trades through various unaffiliated brokers selected by the Investment Manager. The Fund pays brokerage commissions and fees in connection with its investment activities at negotiated rates. The Investment Manager expects to obtain favorable rates for the Fund that will be competitive with charges of other brokers. However, no assurance can be given that the Fund's brokers will not charge other customers lower rates or that the Fund will pay the lowest rates available.

Soft Dollars

All research and software maintenance is paid for by MPM and is used to service all of MPM's accounts. Since MPM does not participate in soft dollar relationships, the interests of MPM and its clients are aligned.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Order Aggregation

Aggregated Trades

MPM typically aggregates orders for multiple client portfolios, purchasing or selling the same Municipal Security in large blocks to enhance execution. When an aggregated trade is completed, the price (including the negotiated executing broker's markup, if any) is the same for each portfolio.

Allocations

In each case where MPM has an investment opportunity recommended by MPM for more than one client portfolio, MPM will attempt to enable all client portfolios to participate. However, if MPM is unable to obtain a sufficient number of bonds to meet its goals for each client portfolio, MPM may allocate the opportunity among its eligible client portfolios on a pro rata or other basis deemed reasonable and fair, over time, by the portfolio manager.

Cross-Trading

In certain circumstances where the client directs MPM to raise cash by selling securities in the portfolio MPM may engage in "cross-trading", which involves the purchase and sale of securities between portfolios managed by MPM in order to benefit the accounts by eliminating or minimizing transaction costs while acquiring suitable bond positions for individual clients. In these cases, MPM may facilitate a cross-trade between client accounts, provided that (i) MPM determines that the cross-trade represents best execution and does not disfavor any client account; and (ii) MPM uses either bids received from broker dealers or a price provided by an independent pricing source in determine the price for the trade. MPM will not be paid any compensation for cross trades (other than its investment management fee), and generally will not act with discretion on both sides of a cross-trade transaction.

Review of Accounts

Periodic Reviews

John L. Duffy, Jr. (President, Portfolio Manager), Patricia J. Husted (Vice President, Chief Compliance Officer, Co-Portfolio Manager) and Casey Enfield Ingram, CFA (Co-Portfolio Manager) review client portfolios and accounts on a periodic basis.

These reviews focus on account's investment guidelines and portfolio makeup. MPM does not assign accounts to individuals for review since this is a collective process.

MPM, as General Partner of The M1 Opportunity Fund, will review purchases made by the Investment Manager to review alignment with funds investment parameters.

Review Triggers

Other conditions that may trigger a review are changes in market conditions, new investment information on the securities held, aging of a bond position, material

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

events concerning a bond position, changes in a client's own situation, a client request for a review, etc.

Regular Reports

Account reviewers are instructed to consider the client's current security positions and the likelihood that the attributes of each security will contribute to the investment objectives of the client.

Each client receives quarterly reports detailing the client's portfolio holdings - ratings, yield on cost for each position, yield on market for the portfolio, a breakdown of the portfolio maturity and coupon rate. MPM may prepare upon client request or in preparation of a client meeting, a Value Added Analysis which compares the yields on the bonds purchased to what prevailing rates were in the generic market in an effort to show best execution.

Client Referrals and Other Compensation

Incoming Referrals

From time to time, MPM may pay referral fees to third parties for soliciting clients for MPM, subject to the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940.

Referrals Out

MPM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

No other compensation is accepted by MPM.

Custody

Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

Clients may select the custodian for their accounts. However, if clients ask, MPM will generally recommend TD Ameritrade, Fidelity Investments or JP Morgan to clients in need of custodial services. Clients should note that custodians charge various fees for their services, including trade away fees that could be incurred by client accounts in certain trading circumstances (other custodians may or may not charge such trade away fees). MPM does not receive payment of any kind for these referrals.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

JP Morgan is the qualified custodian for the M1 Opportunity Fund, as is Wintrust for the fund's cash/funding account, which depending on the timing of investor funding and investment activity (i.e. payments of earned interest) at that point in time, may or may not have a cash balance. MPM is deemed to have custody of the M1 Opportunity Fund for which it serves as General Partner. Investors in such fund will receive the fund's annual audited financial statements from an independent public accounting firm. Such investors should review these statements carefully. If investors in the fund do not receive audited financial statements in a timely manner, then they should contact MPM immediately. Accordingly, the M1 Opportunity Fund will have its financial statements audited on an annual basis by an independent public accounting firm and each investor will receive a copy of the audited financial statements within 120 days of fiscal year-end.

Performance Reports

Clients are urged to compare the account statement received directly from their custodians to the quarterly report provided by MPM.

Net Worth Statements

MPM does not provide Net Worth Statements. MPM does not offer financial planning.

Investment Discretion

Discretionary Authority for Trading

MPM accepts discretionary authority to manage securities accounts on behalf of clients. MPM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold in accordance with each portfolio Investment Guidelines Schedule of the Investment Advisory Agreement

MPM does not receive any portion of the transaction fees or any other fees paid by the client to the custodian, except for management fees in accordance with contract for wrap fee program.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that MPM may promptly implement the Investment Guidelines Schedule of the Investment Advisory Agreement that you have approved in writing.

Within the municipal bond portfolio management program, clients may place limitations on MPM's discretionary authority in certain instances. For example, if the client does not wish to invest in a certain security or sector. Any restrictions on discretionary limitations are discussed at the start of a relationship and are included in the Investment Guidelines Schedule of the Investment Advisory Agreement.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Decisions with respect to the investment of the Fund's Assets will be made by the Investment Manager pursuant to the Investment Advisory Agreement, subject to the ultimate authority of the General Partner. The Investment Manager relies on the services of its personnel. Limited Partners will have no right or power to take part in the management of the Fund. Should any of the Investment's Manager's personnel involved with the Fund terminate their relationships with the Investment Manager, or the Investment Manager itself terminates its relationship with the Fund, the profitability of the Fund's investments may suffer.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades in your account(s).

Voting Client Securities

Proxy Votes

MPM does not vote proxies on securities.

Financial Information

Financial Condition

MPM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because MPM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance unless the client has authorized their custodian to collect management fees in advance.

Business Continuity Plan

General

MPM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage,

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

MPM does not hold customer funds or securities nor do we perform any type of clearing function. Therefore, our customers may access their funds and securities at any time through their qualified custodian and we recommend that they obtain a Business Continuity Plan (BCP) directly from their custodian.

Alternate Offices

In the event of a significant business disruption (SBD) the firm has established an alternative business location and maintains back-ups of the network server with all vital information needed in order to continue its operations. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

MPM's investment professionals function as a team, so as to reduce any gaps or down time should a member of the team be absent or a permanent loss occurs.

Information Security

Information Security

MPM maintains certain security controls that may that may reduce the risk of a breach of personal information.

Privacy Notice

In the course of client relationships, MPM gathers and maintains personal, non-public information regarding its clients' financial circumstances and investment objectives. MPM is committed to maintaining the privacy and confidentiality of this client information. Accordingly, MPM has adopted a privacy policy in accordance with SEC and FTC privacy regulations which require investment advisers to determine and disclose how they treat nonpublic information about their clients and potential clients.

A. MPM may collect nonpublic personal information about MPM's clients from the following sources:

- Information received from account applications, questionnaires, interviews, information forms and other client interactions;
- Information about transactions with MPM, MPM's affiliates, or others; and
- Information MPM obtains or receives from a consumer reporting agency.

All client information is to be maintained in MPM's master client files and/or stored on appropriate electronic media.

B. Adviser personnel will not share or disclose nonpublic information regarding any client or potential client of MPM, except (i) as necessary to service client accounts including, without limitation, the settlement, billing, processing,

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

clearing, or transferring of client transactions; or (ii) as otherwise directed by a client. Access to all client files and information, whether in paper or electronic format, is limited to Adviser personnel for the purposes of servicing client accounts.

- C. With prior approval from management, Adviser personnel may remove client files or information from MPM's premises overnight or over a weekend when necessary to service client accounts.
- D. MPM will provide clients with a privacy notice (the "Privacy Notice") when the client engages MPM for advisory or other services. The Privacy Notice shall detail the types of nonpublic client information MPM collects, the information MPM shares with third parties or with affiliates, the kinds of third parties with which MPM shares information, the policies and practices MPM has in place to protect the confidentiality and security of nonpublic client information; and the procedures MPM has in place to permit clients or potential clients to opt out of information sharing arrangements with third parties (inapplicable to MPM so long as MPM only shares information with third parties for purposes of servicing client accounts).
- E. MPM shall distribute an updated Privacy Notice to all of its clients each year, even if the policy has not changed since the previous year.
- F. Privacy Notices shall be sent by mail unless otherwise requested by the client, and may be included in a quarterly report, newsletter or other client mailing.

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

There are general standards of education or business experience that MPM requires of those involved in determining or giving investment advice to clients.

Persons acting as part of the portfolio management team have obtained degrees in Economics or Finance and/or have extensive work experience in the financial industry.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

JOHN L. DUFFY, JR.

Year Born:

- 1954

Educational Background:

- Adelphi University (1973 -1976).
- New York Institute of Finance, Continuing Education (1983)

Business Experience:

- Registered Representative of Bear, Stearns (New York and Atlanta, GA) 1985 - 1994
- Portfolio Manager and Registered Representative for Lehman Brothers, Inc. (Atlanta, GA) 1994 to 2002

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

- Founded MPM in June 2002, Director, President and Portfolio Manager of MPM

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

- John L. Duffy is the Owner, Director, and President of MPM. As such he is not supervised by anyone, but may be monitored by Patricia J. Husted, Chief Compliance Officer. All employees of the firm, including the chief compliance officer work in an open and shared environment with constant interaction and may monitor each other's activities as part of the firm's compliance program.

PATRICIA J. HUSTED

Chief Compliance Officer- since January 2013

Year Born:

- 1981

Educational Background:

- BA in Economics from Hollins University 2003

Business Experience:

- Interned with Jefferies & Co. Inc. in 2002 and Morgan Stanley Dean Witter 2003
- Joined MPM 2003, Portfolio Analyst, Co-author of periodic MPM Market Commentary 2004 to 2005
- Vice President, Co-Portfolio Manager since October 2005

Disciplinary Information: None

Other Business Activities:

- Member National Federation of Municipal Analysts (NFMA) and the Southern Municipal Finance Society (SMFS)

Additional Compensation: None

Supervision:

- Patricia J. Husted is supervised by John L. Duffy, Jr., Director, President and Portfolio Manager of MPM. He reviews Patricia J. Husted's work through frequent office interactions as well as remote interactions.

John L. Duffy, Jr.'s contact information:

404-239-9940 jduffy@mpminc.org

- 20 -

3500 Lenox Road, Suite 695 Atlanta, GA 30326

Municipal Portfolio Managers Inc.

Form ADV Part 2

March 30, 2015

All employees of the firm, including the Chief Compliance Officer work in an open and shared environment with constant interaction and may monitor each other's activities as part of the firm's compliance program.

CASEY ENFIELD INGRAM, CFA

Year Born:

- 1978

Educational Background:

- BA in Finance from Wofford College 2000

Business Experience:

- Credit Analyst for Wachovia Business Banking Group 2000-2002
- Credit Analyst for Wachovia Government and Institutional Risk Management Group 2002-2004
- Research Analyst for MPM since January 2005 and Co-Portfolio Manager since October 2005

Disciplinary Information: None

Other Business Activities:

- Member of the Atlanta Society of Financial Analysts, a CFAI Member Society
- Member of the National Federation of Municipal Analysts (NFMA) and the Southern Municipal Finance Society (SMFS)

Additional Compensation: None

Supervision:

- Casey Enfield Ingram is supervised by John L. Duffy, Jr., Director, President and Portfolio Manager of MPM. He reviews Casey Enfield Ingram's work through frequent office interactions as well as remote interactions.

John L. Duffy, Jr. contact information:

404-239-9940 jduffy@mpminc.org

Casey Enfield Ingram may be monitored by Patricia J. Husted, Chief Compliance Officer. All employees of the firm, including the Chief Compliance Officer work in an open and shared environment with constant interaction and may monitor each other's activities as part of the firm's compliance program.