

Item 1 – Cover Page

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March 26th, 2012

This Form ADV, Part 2 (our “Disclosure Brochure” or “Brochure”) is required by the Investment Advisers Act of 1940. It is a very important document between Clients (“you”, “your”) and European Credit Management Limited (“ECM”, “us”, “we”, “our”).

This brochure provides information about the European Credit Management Limited (“ECM”). If you have any questions about the contents of this Brochure, please contact us at (+44) 20 7529 7400. Please note that the information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about ECM is also available at the SEC’s website www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our name). This will give access to both Part 1 and 2 of our Form ADV.

ECM is a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

Item 2 – Material Changes

This Brochure, dated March 26, 2012 is prepared according to the SEC's requirements and rules and updates the previous version (dated March 31, 2011). Whilst certain information has been amended to reflect the current situation, we do not consider these changes to be material except that assets under management, as reported in Item 4, have fallen from €13.8bn at December 31, 2010 to \$9.4bn at December 31, 2011.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting the Chief Compliance Officer at ECM (email Compliance@europeancredit.com).

Additional information about ECM is also available via the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with ECM who are registered as investment adviser representatives of us.

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Item 4 – Advisory Business

OVERVIEW

ECM is incorporated in the England & Wales (registered no 3710963) and is a SEC registered investment adviser. On February 1st, 2012 Wells Fargo & Company, a diversified financial services company, became the ultimate 100% owner of ECM, having been the majority ultimate shareholder since December 2008.

ECM was established in 1999 and operates from London, UK. We manage fixed income portfolios for institutional clients such as pension funds, special purpose vehicles, European regulated investment funds, banks and insurance companies. ECM specialises in investing in fixed income securities, with a focus on those of European origin. ECM has approximately 85 staff, mostly UK based.

ECM is authorised and regulated by the UK's Financial Services Authority ("FSA"). Wachovia Corporation acquired a majority interest in ECM in 2007 and on 31 December 2008, Wells Fargo acquired Wachovia Corporation and all of its business lines, including the majority interest in ECM.

TYPES OF ADVISORY SERVICES

ECM provides discretionary investment advisory services primarily to institutional clients for fixed income portfolios only. The scope of the investment advisory services is determined by client agreement and regulation, and would typically include:

- Investment objectives, guidelines, restrictions, and strategies agreed between ECM and the client;
- Appropriate asset allocation;
- Portfolio management designed to achieve investment objectives within particular asset classes; and,
- Client reporting and review regarding portfolio, asset class, investment strategies and performance relative to appropriate benchmarks.

ECM offers a range of long only or long/short strategies, including:

- Single asset class strategies (eg corporate bonds, asset backed securities, high yield bonds, emerging markets, financials, special situations, loans and mezzanine finance)
- Multi asset class strategies (a combination of the asset classes mentioned above)
- Portable Alpha

ECM aims to hedge all non-credit risks such as currency and interest rate risks in accordance with the client mandate. The selection of securities and the construction of a portfolio will reflect the client's guidelines.

ECM is a discretionary investment manager and makes all investment decisions for advisory accounts as it deems appropriate, and without prior consultation with the client. It may buy, sell, exchange, convert and otherwise trade in any stocks, bonds or other securities and financial instruments, subject to any written investment guideline the client may provide. In order to

protect the interests of its clients, ECM may participate in corporate actions, proxy voting, shareholder proceedings, lawsuits, class actions or other undertakings that may affect the valuation or rights of client securities. In some cases, and always in its client's best interest, ECM may engage in discretionary activity that may appear contradictory to the actions it is taking for other clients concerning the same or related securities.

Additional information concerning ECM's discretionary authority is provided in Item 16 below. Notwithstanding the above, ECM may provide advisory or recommendation services to clients who maintain discretionary authority under specified conditions.

ECM is not a broker dealer and does not sponsor wrap fee programs. nor does ECM maintain direct contractual investment advisory relationships with Wrap sponsors.

CURRENT ASSETS UNDER MANAGEMENT

As of December 31, 2011, ECM has approximately \$9.4 billion in assets under management.

Item 5 – Fees and Compensation

All clients are charged a management fee and some clients are also liable to pay a performance fee.

Management fees and performance fees may be subject to individual negotiation. Investment Advisory Agreements do not generally contain a set expiration date and the client can terminate in normal circumstances by giving due notice in accordance with the terms of the agreement. In the event of termination, fees are prorated up to the termination date.

ECM has discretionary investment authority for investment accounts of institutions, including pension or other employee benefit trusts, corporations, special purpose vehicles, European regulated investment funds and other entities. For such services, ECM receives a fee usually based upon a percentage of the market value of assets under management (“Management Fee”). In certain circumstances, ECM may also receive other compensation, such as performance-based fees.

The management fee schedule for ECM's investment advisory services is set out. However, ECM may modify fees when circumstances warrant (e.g. large accounts size or accounts requiring special services), so this schedule is only indicative. Lower fees for comparable services may be available from other sources.

ECM has no fixed minimum account size as this depends on the investment style and asset class(es) of the portfolio. This is open to negotiation with the client. There are no start-up or closing fees and any partial periods are prorated over the billing cycle. ECM may bill in advance or in arrears. In the event of termination, if billing in advance, any fees prepaid to the firm will be refunded in cash on a pro rated basis, with the client only being charged for the period ending on the effective date of termination.

<u>Fund Strategy</u>	<u>Annual Management Fee (% of NAV)</u>
Diversified (levered)	0.50
Diversified (unlevered)	0.375
Focused - ABS	0.25
Focused - Mezzanine finance	1.50
Focused - Special Situations	1.25
Focused - Inv Grade Corporate bonds	0.375

<u>Fund Strategy</u>	<u>Annual Management Fee (% of NAV)</u>
Focused - Loans	0.75
Focused - Bank Capital	0.40
Long/short strategy	1.00

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

Under some agreements, certain ECM clients are liable to pay a performance-based fee in addition to a management fee. ECM has procedures to deter and detect potential conflicts of interest that might arise as a result of the performance-based fee structure of these accounts. Some of the performance fee methods of calculation include the following:

- Performance fee computations based on annual achieved returns of the client's portfolio against the designated benchmark.
- Performance fee equaling a percentage of the performance of the client's portfolio in excess of a designated benchmark.
- A base fee on all balances in the client's portfolio plus a percentage of incremental outperformance (performance of client's portfolio in excess of the designated benchmark).

Item 7 – Types of Clients

ECM provides services to a number of clients, such as:

- Institutional clients, corporations or other business entities
- Banking institutions, Investment companies (including European UCITS compliant funds) and other pooled investment vehicles
- Insurance companies
- Governmental bodies and municipalities
- Foundations, endowments, trusts and estates
- Pension funds
- Charitable organizations and non-profit entities

ECM provides services to institutional investors, it does not deal directly with retail clients.

ECM has no fixed minimum account size as this depends on the investment style and asset class(es) of the portfolio. This is open to negotiation with the client.

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

ANALYSIS

Economic analysis

ECM's decision making process considers macroeconomic factors in a variety of ways. Top down credit strategy considers macroeconomic fundamentals as well as the state of the banking system, equity market volatility, market technicals, credit fundamentals and relative value. This determines ECM's overall view on credit markets and guides asset class allocation decisions. In addition, at the sector and individual credit level, analysts consider how macroeconomic factors (especially expectations for growth) will affect the performance of the sector and/or of a particular credit within that sector, and will make recommendations accordingly.

Credit and sector analysis

ECM's Research team assesses the business and financial profile of each issuer, including a review of its industry, competitive position, key risks and opportunities. Financial analysis focuses in particular on cash flow/liquidity and debt service capacity, as well as profitability and business value. Additional information such as regulation and any particular vulnerability to specific economic drivers will also be considered.

At sector level, we consider fundamental drivers that could have a positive or negative influence on the credit quality of the sector, e.g. technology changes or a material change in the cost of a key input. Sector level allocations are reviewed at least monthly and the impact of changes on individual issuers within a sector is also assessed to determine which ones have been advantaged or disadvantaged.

Quantitative analysis

Quantitative models are not a core part of our investment decision-making but may be used to complement our fundamental and relative value analysis.

INVESTMENT STRATEGIES

ECM takes both a top down and bottom up approach when devising its investment strategy:

- The top down approach helps us formulate a broader portfolio strategy and to identify the sectors, countries, asset classes and industries offering best relative value. It also highlights those which should be avoided or reduced.
- The bottom-up approach focuses on fundamental credit and relative value of individual holdings in the portfolio across each credit asset class. As part of ECM's fundamental credit research, each potential investment will be carefully evaluated by the research team. Meetings are held with the management of issuers and are attended by both Research Analysts and Portfolio Managers from ECM. All investments are continually evaluated as to their fundamental credit quality, as well their relative value. All investment decisions must

be agreed by two Portfolio Managers, with the Research department having the right to veto any purchase.

RISK OF LOSS

All investments in securities include a risk of loss of your principal (the amount originally invested) and of any profits that have not been realized. Bonds and other fixed income instruments may fluctuate substantially over time and the performance of any investment is not guaranteed. As a result, there is a risk that there may be losses in value of assets we manage in the portfolio caused by circumstances beyond our control. We will do our very best in the management of your assets but we cannot guarantee any level of performance or that you will not experience a loss of value in the assets in your account.

Item 9 – Disciplinary Information

ECM must disclose to you any regulatory, disciplinary, or legal matter that may be material to you when evaluating your advisory relationship with us. We do not have any such item to report.

Item 10 – Other Financial Industry Activities and Affiliations

ECM offers only investment advisory services. It has no broker-dealer or investment banking functions. ECM is a 100% owned subsidiary of Wells Fargo & Company, a diversified financial services company. The Wells Fargo group of companies contains many entities, including banking and other investment advisory businesses. ECM has affiliations and arrangements with other members of the Wells Fargo group and additional information regarding any potential conflicts is identified in Item 11 (Code of Ethics and Conflicts of Interest) below.

ECM has an agreement with Wells Capital Management Inc (“WellsCap”) whereby ECM representatives may act as sales or referral agents for a number of other investment advisors within the Wells Fargo group.

ECM and its affiliated investment advisers may share research and analyst reports. These affiliated investment advisers believe that their clients generally will benefit from such shared research by effectively broadening the resources of each adviser. Although they may share research, each adviser will make buy and sell decisions independently from the others.

ECM is affiliated with other Wells Fargo owned investment advisers/broker-dealers but it does not have arrangements that are material to its advisory business or its clients with such investment advisers. For a full list of affiliated brokers, please contact us.

Item 11 – Code of Ethics and Conflicts of Interest

CODE OF ETHICS

ECM employees are subject to the Wells Fargo & Company Code of Ethics. The Code is designed to detect and prevent violations of securities laws while addressing the obligations we owe to you. It is comprehensive and compliance with it is a condition of employment. Code of Ethics training is provided when a person first joins ECM and thereafter annual refresher training is provided.

A copy of our Code of Ethics is available upon request by contacting us at the address listed in this brochure. In summary, the Code covers:

- Confidentiality requirements;
- Prohibitions on insider trading or the misuse of material, non-public information;
- Reporting of gifts and business entertainment, and a prohibition on the acceptance of gifts and entertainment that exceed our policy standards;
- Approval and reporting of employee personal securities transactions

In order to minimize conflicts of interest, ECM's personal trading rules prohibit staff dealing in securities that the firm may deal in on behalf of clients. Furthermore, ECM itself does not trade securities on its own account (proprietary trading). Therefore, the situation should never arise where staff or ECM, acting its own behalf, are buying and selling the same security contemporaneously with client transactions.

Any person in breach of the Code is liable for disciplinary action which could lead to termination of employment and/or reporting to the relevant regulatory body. Where a breach of law has occurred, the matter will be reported to the appropriate law enforcement agency.

ADDITIONAL POTENTIAL CONFLICTS AND CODE CONSIDERATIONS

Wells Fargo Affiliation

ECM is a subsidiary of Wells Fargo & Company ("WFC"), a large diversified financial services organisation. WFC has many subsidiaries, each of which can be considered an affiliate of ECM. As a result, these entities may be "related persons" of ECM under applicable securities regulations. In particular, some of these entities may engage in their own trading involving the same securities that ECM manages on your behalf. This means that while ECM is managing its fiduciary duties to you, other entities within Wells Fargo group might be engaged in transactions that could create a conflict eg. they may be selling the same security that ECM may be purchasing for you. In addition, these related persons may be recommending to their own clients the purchase or sale of securities in which you have a material financial interest.

In some instances, it is possible that you are also a client of one of these related entities, and your securities transactions may appear to be conflicted. With limited exceptions described below, these transactions by related persons are independent of ECM and are outside of the course and scope of ECM's investment advisory services. However, in order to manage these

potential conflicts, ECM has a range of policies to maintain effective business barriers and manage the confidentiality of its own information and activities, as described below.

Brokerage Transactions with Affiliates - Within the Wells Fargo group there are many broker dealers. At all times, ECM is bound by a duty of best execution to achieve the most advantageous price for you when trading securities. Trades will only be executed through Affiliates if this condition is satisfied.

Independent Activity by Wells Fargo Bank and Affiliates - For new security offerings or existing securities Wells Fargo Bank may act as an agent or principal eg. acting as a bond trustee, paying agent, note registrar, loan servicer, syndicate co-manager, originator of an Mortgage Backed Securities, Asset Backed Securities or Commercial Mortgage Backed Securities asset pool, remarketing agent, or lender in a bank loan syndicate (e.g., sales of pooled or packaged asset-backed securities). Wells Fargo may also participate in the underwriting syndicate.

ECM may from time to time purchase securities in an offering or underwriting in which Wells Fargo may have a financial interest. In such case, ECM and Wells Fargo strictly follow the requirements and constraints of Regulation W of the Federal Reserve Act, Section 10(f) of the Investment Company Act of 1940. ECM may also purchase existing securities in which Wells Fargo has a financial interest. However, with limited exceptions such purchases are only permitted where Wells Fargo is acting as agent for a separate issuer (e.g., as bond trustee), as opposed to purchases of securities issued by Wells Fargo directly.

Whilst it is generally not ECM policy to purchase securities issued directly by Wells Fargo, sometimes ECM accounts may hold publicly traded securities issued directly by Wells Fargo or its affiliates, including: 1) transferred accounts; 2) approved exceptions consistent with regulatory prohibitions and client requests; 3) index funds mandates; or, 4) positions resulting from the merger with Wachovia. Provided that the securities were purchased when it was initially appropriate to do so, ECM may continue to hold such positions on behalf of clients in its discretion.

Participation by other clients in Client Securities Transactions.

ECM provides investment advice to a range of clients and it may happen that the firm is making decisions about the same security at the same time for multiple clients. Situations may arise where a particular security is being sold for one client whilst it is being retained or bought by another client; or being bought for one client whilst being sold by another. Investment decisions are client specific, depending on the particular mandate and circumstances of each client eg. one client might wish to raise cash so ECM might sell a security on which it has a positive view.

ECM may manage accounts for related persons and in such cases generally will have full discretionary powers over the accounts. Other than establishing the investment objectives and policies of the portfolio, the related person generally has no influence or control over the investment decisions made for the account, and no prior knowledge of transactions that take place in the account. However, in certain instances, the related person may have influence or control over the investment decisions.

In the exercise of its discretion, ECM may cause an account to sell a security to another account managed by ECM or one of its affiliates. Any such transaction would be effected in accordance

with the investment Advisers Act of 1940 (the “Advisers Act”), and if applicable, the Investment Company Act of 1940.

ECM may purchase for its clients (i) securities in the secondary market that were originally underwritten by a related person, (ii) to the extent permitted by law, securities in an offering underwritten by a related person, provided that such purchases are from members of the underwriting syndicate other than a related person, and (iii) securities of issuers in which an affiliate of ECM may have an interest.

OTHER POTENTIAL CLIENT INVESTMENT CONCERNS AND INVESTMENT CONFLICTS

The investment identification, selection and management process may create potential or actual conflicts for clients, including:

- Certain types of investments may involve derivative-style exposure to underlying or reference securities, which may affect risk profiles and raise regulatory implications for certain types of clients;
- Some investments may be created, managed or issued by entities that may engage in social, economic, commercial or political activities that may be considered objectionable by certain clients;
- Some investments may only be available to clients who meet certain investor standards, such as qualified institutional buyer (QIB) or qualified purchaser status, or who may otherwise have considerations or restrictions with respect to investments in transactions that are private, unregistered or regulated by the federal government or state law (e.g., Indian gaming);
- Some investments (either directly, or due to the nature of underlying component assets or derivative structures) may involve liquidity constraints that could make them difficult to price and/or trade; and,
- The purchase and/or management of some investments may involve credit analysis based in whole or in part on information that may not be readily available to the public (e.g., material, non-public information). This may cause the client to become restricted in trading public securities of that issuer so long as such information remains material and non-public.

To minimize any potential client investment conflicts, ECM manages its advisory services, fee structure, and investment selection process in accordance with investment guidelines agreed with the client and other conditions set out in the advisory contract with the client, and all applicable policies and procedures pursuant to Rule 206(4)-7 of the Advisers Act. ECM also maintains a Code of Ethics, firewall procedures and other information barriers to ensure the confidentiality of investment activity for each of its clients in compliance with applicable law.

Additional actual or potential client investment conflicts and concerns may include:

1) *Purchase of Client Securities*

From time to time ECM may purchase publicly traded securities of issuers that are also advisory clients of ECM. All such investment decisions will be in accordance with the investment mandates agreed with clients.

2) *Trade Allocation*

ECM has adopted trade allocation policies and compliance procedures to manage the potential conflicts of interest that may arise when allocating investments across clients. ECM may buy or sell the same security for multiple clients at the same time. To satisfy regulatory requirements and its duty of best execution, ECM may aggregate trades. We have policies and procedures to ensure that aggregated trades are allocated on a fair basis, in accordance with regulatory requirements.

3) *Cross Trading*

ECM does not switch trades directly from one account to another. All switches between accounts are put through the market so that a fair market price can be ascertained.

4) *Client Account Privacy*

ECM complies with all applicable privacy laws and regulations. It has policies to preserve client confidentiality and protect non-public personal information. However, we reserve the right to disclose such information where we are required to do so by law or regulation. It may also be necessary to share this type of information with third party service providers in order for them to service client accounts. There may be also occasions where ECM needs to share information with third parties when reviewing or modeling accounts or strategies. ECM will take all reasonable steps to ensure that clients' privacy is safeguarded in such circumstances, anonymising data where possible and having confidentiality agreements in place with third parties.

Item 12 – Brokerage Practices

BROKERAGE PRACTICE

Trades are only executed through brokers that are on ECM's Approved Market Counterparties list. To get on this list, brokers must satisfy certain criteria concerning financial soundness, regulated status, quality of service and market reputation.

There are no set limits on the commission rates that may be paid to counterparties but trades are put out to competitive tender wherever possible and appropriate and performance is calculated after the deduction of any dealing fees or charges. ECM is a specialist credit asset manager and the markets in which it operates do not normally charge commission. Due to the type and nature of the instruments in which it deals, ECM normally deals OTC ("Over The Counter").

ECM has policies and procedures that are designed to obtain the best possible outcome for client orders bearing in mind any specific instructions from the client, the nature of the order, the features of the products themselves and the type of markets and venues on which they are traded.

There are many criteria to be considered when addressing best execution. The net price paid or received by the client is a major consideration, but other factors are also considered eg certainty of execution and the reliability of settlement. ECM believes its policy and procedures maximise the possibility of the firm achieving best execution on a consistent basis when assessed over a series of transactions and over time. However, it is not possible to guarantee best execution of all client orders on every occasion.

DIRECTED BROKERAGE

ECM does not participate in any directed brokerage arrangements.

SOFT DOLLAR ARRANGEMENTS

ECM does not participate in soft dollar arrangements (practices whereby a broker agrees to provide some service or benefit to the firm in return for placing orders with the broker).

TRADE AGGREGATION

Investment decisions for each client are made independently, but the same decision may be made contemporaneously for a range of clients. This means that we may be buying or selling the same security at the same time for more than one client.

In such cases, ECM may aggregate similar trades and execute the trade as a single block. When transactions are aggregated, the securities purchased or sold will be allocated among the participating accounts in a fair and equitable manner. The actual prices applicable to the aggregated transactions will be averaged, and the accounts will be deemed to have purchased or sold their proportionate share of the securities involved at the average price.

ECM will not aggregate transactions unless it believes that it is in the best interests of clients to do so. Aggregation is subject to regulatory requirements, the firm's duty to achieve best execution and the terms of its investment advisory agreement with the client. However, there is no assurance that aggregation of transactions will benefit all clients equally, and in some instances combined orders could adversely affect the price or volume of a security. Also, it is possible that ECM may not aggregate trades in circumstances where it would have been beneficial to do so.

Item 13 – Review of Accounts

ACCOUNT REVIEW

Each ECM account has a named Portfolio Manager who is responsible for keeping the account continuously under review and for making purchases and sales for the portfolio. This review process includes risk and performance analysis.

Peer reviews of portfolios are performed monthly by Investment professionals. These monitor whether portfolios reflect the firm's relevant investment strategy.

Apart from these regular portfolio reviews, a review of individual holdings may be triggered by economic or political events, or by a specific event in a company, industry or sector. We will also review an account if the client's investment objective changes or at the request of the client.

CLIENT REPORTING

The nature and frequency of client reporting depends on the requirement of a particular client and any applicable regulatory requirements. This matter is normally covered in the advisory agreement. Generally, monthly reports are provided to clients showing the value and holdings of the account and summarizing all changes made during the month.

Reports may be provided to a client in electronic format, hardcopy or a combination of these media.

Item 14 – Client Referrals and Other Compensation

REFERRALS TO ECM

ECM may pay fees in certain instances to parties who refer advisory business to the firm. Any payment for referrals shall comply with all applicable law and regulation.

Referral fees may be paid to employees of Wells Fargo & Company and its affiliates that direct investment advisory business to ECM. Under this arrangement, a percentage of the first year's fees received by ECM are paid to the referring employee or contractor.

ECM may also compensate third parties for advisory client referrals. Under this arrangement, ECM would pay a portion of the referred client's management fee earned by ECM to the referring party. The referral fee will be borne solely by ECM and not the referred client.

Item 15 – Custody

Rule 206(4)-2 of the Investment Adviser's Act of 1940 defines "custody" as *"holding directly or indirectly client funds or securities or having the authority to obtain possession of them."* This means that ECM is considered to have custody of a client's account when it has the *ability* to hold securities or cash (either directly or indirectly) on behalf of the client. Examples of this include situations where:

- ECM has physical custody of the securities or cash of a client;
- ECM receives checks made out to itself or checks and/or cash that it does not forward to the custodian within 72 hours of receipt; or
- Wells Fargo Bank, N.A. is the designated custodian

It is important to note that ECM does not act as a custodian for any of its clients, nor does it recommend any particular custodian to a client. Of course, an ECM client may select Wells Fargo Bank, N.A. as its custodian, just as it might choose other third-party financial institutions as its custodian.

For those clients who select Wells Fargo Bank as their custodian, an account statement is generated at least quarterly and sent to each client by Wells Fargo Bank. For those clients who choose a financial institution that is not a Wells Fargo affiliate to act as their custodian, ECM has no control over the frequency of reporting by the custodian but would expect this to be at least quarterly as well. ECM deals only with institutional clients that are highly sophisticated or have access to independent professional advice. Consequently, the firm frequently receives request from clients for additional information to supplement that received from their custodians.

ECM will co-operate as far as is reasonably possible with requests for information from the client or their custodian relating to reconciling their accounts.

It is in your best interests that you carefully review all statements received from the custodian and ECM and raise any queries promptly with the relevant parties. For tax and other purposes, the statement received from the custodian is the official record of the client's account(s) and assets.

Item 16 – Investment Discretion

Under its normal the investment advisory agreement, ECM has full authority to make investment decisions and, without further consent from the client, to execute transactions on behalf on the client. However, this authority is subject to any investment objectives, restrictions and limitations that are agreed with the client.

Item 17 – Voting *Client* Securities (Proxy Voting)

ECM specialises in managing portfolios of credit assets (such as bonds and loans) for institutional clients. It does not normally deal in shares or instruments that carry voting rights, hence the issue of voting client securities is not relevant in the ordinary course of ECM's business. However, addressing the issues relating to this topic which may be relevant to ECM's activities, the firm takes the following approach:

- ECM always puts its clients' interests first when undertaking investment business so this is its prime motivation when discharging its stewardship responsibilities. ECM does not normally hold assets that carry voting rights so the firm does not use proxy voting or other advisory services.
- Where it is in the interests of its clients, ECM will escalate action to ensure that the value of an investment is protected or enhanced.
- ECM will always collaborate with other investors when it is for the benefit of its clients. ECM has been active in bondholder groups and loan steering committees on various occasions.

Item 18 – Financial Information

Not Applicable - ECM does not require prepayment of more than \$1,200 in fees, per client six months or more in advance.