

FIRM BROCHURE
(Part 2A of Form ADV)

March 31, 2011

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of McComsey Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at (310) 473-7100 and/or www.mccomseygroup.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.

McComsey Asset management, LLC is registered as an investment adviser with Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about McComsey Asset Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

This Brochure dated March 31, 2011 is a new document prepared in accordance with the new requirements and rules adopted by the United States Securities and Exchange Commission (“SEC”). Previously, investment advisers provided clients and prospective clients with a copy of Form ADV Part II, which was in a “check-the-box” format with certain narrative explanations included on Schedule F. In 2010, the SEC adopted revisions to Form ADV, which require investment advisers to provide narrative, plain English disclosures regarding their advisory business in order to provide clients and prospective clients with more meaningful information about the adviser and its business practices. Accordingly, this Brochure is materially different in structure and requires certain new information that the previous brochure did not require.

Because of the amount of new details provided within the brochure, McComsey Asset Management, LLC encourages each client to read brochure carefully and to call us with any questions you may have. In particular, please note the following items contain new additions to this Part 2:

Item 4 - Advisory Business

Item 6 - Performance-Based Fees and Side-by-Side Management

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

Item 9 - Disciplinary Information

Item 10 - Other Financial Industry Activities and Affiliations

Item 15 - Custody

Pursuant to new SEC Rules, McComsey Asset Management, LLC will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of McComsey Asset Management, LLC fiscal year. Additionally, as the firm experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please visit www.mccomseygroup.com.

ITEM 3: TABLE OF CONTENTS

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

Item 4: Advisory Business

A. Description of Firm

McComsey Asset Management, LLC ("MAM" or the "Firm") is a Los Angeles, California based investment management firm, founded in 2006. MAM currently is registered with the Securities and Exchange Commission ("SEC") as an investment adviser and organized under the laws of the State of Delaware as a Limited Liability Company ("LLC"). The Firm conducts business in California, Oregon, Missouri, New York, Alaska, Texas and internationally. MAM is a quantitative growth equity manager that focuses on managing discretionary growth equity portfolios for high net worth and institutional clientele. MAM generally requires a minimum account size of \$500,000 for its Separately Managed Accounts ("SMA") investment management services, but MAM may waive account minimums at its sole discretion.

B. Principal Owners

McComsey Asset Management, LLC is owned by Mark E. McComsey, Managing Director and CIO and James T. McComsey, Member and Senior Partner.

C. Types of Advisory Services Offered

McComsey Asset Management, LLC currently provides investment management services primarily to individually managed accounts for individuals and institutional clients. MAM may also serve as a sub-advisor to other investment advisers.

D. Individually Managed Accounts

McComsey Asset Management intends to provide discretionary investment advice and management to individually managed accounts. It also intends to hold a limited power of attorney to act on a discretionary basis with client funds. MAM will not maintain possession or custody of the funds or securities of any client. Client funds will typically be deposited in either a brokerage firm or bank custodian account. With client consent via the written investment management agreement, MAM may cause fees to be paid out of individually managed accounts by the client's custodian. When it does so, MAM will take steps to comply with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), which governs the custody of funds and/or securities of clients by investment advisers.

Generally, and except to the extent that a client otherwise instructs MAM in writing, MAM will vote (by proxy or otherwise) in all matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in the client's account in such manner as MAM deems appropriate.

E. Advisory Agreements

Prior to engaging MAM to provide investment management services, each client is required to enter into a written investment management agreement with the Firm, which will describe the management fees to be charged and the terms and conditions under which MAM will render its services. MAM will provide a Brochure and one or more Brochure Supplements to each client or prospective client prior to or at the same time a client executes MAM's investment management agreement. MAM will continue to provide services until terminated by the client or MAM in accordance with the provisions outlined within the agreement.

F. Assets Under Management as of February 28, 2011

Type of Account	Assets Under Management ("AUM")
Discretionary	\$60,348,918.00
Non-Discretionary	\$6,207,922.00
Total:	\$66,556,840.00

ITEM 5: FEES AND COMPENSATION

As noted above, the client will be required to enter into a written investment management agreement with MAM setting forth the terms and conditions, including those fees under which MAM shall render its services. Such fees are subject to negotiation under certain circumstances and at the sole discretion of the Firm.

A. Separately Managed Accounts

Portfolio compensation will be determined based on each client's needs and any applicable portfolio restrictions. A client's needs will be determined through an interview which will be conducted either in person or over the telephone. MAM generally requires a minimum account size of \$500,000 for its Separately Managed Accounts (SMA) investment management services, but MAM may waive account minimums at its sole discretion.

The annual management fee for discretionary investment management services for individually managed accounts will be in accordance with the following fee schedule:

Assets Under Management Annual Fee Percentage

- First \$5 million 2.0%
- Next \$5 million 1.0%
- Next \$15 million 0.9%
- Next \$25 million and over 0.8%

The Fee is payable quarterly in advance. Each client account will pay the initial fee on the effective date of the investment management agreement between client and MAM. The initial

fee will be based on the value of the assets in the client account on the effective date, and will cover the period from the effective date through the last business day of the initial calendar quarter. The initial fee will be pro-rated accordingly. Thereafter, the quarterly fee will be based on the value of the assets in the client account on the last day of the calendar quarter and will become due the tenth business day of the following quarter. If the investment management agreement is terminated by either party after five (5) business days of its signing, client will be entitled to a pro rata refund of any prepaid fees based on the number of days remaining in the calendar quarter after the date upon which notice of termination is received by MAM or is provided by MAM to client.

B. Performance-Based Fee Accounts

MAM will also offer certain qualified clients a performance-based fee schedule. In order to be eligible for this type of fee schedule, a client must either demonstrate a net worth of \$1,500,000 or at least \$750,000 under management with MAM. The performance-based fee is generally a fixed percentage of the profits (including realized and unrealized gains and losses) but is negotiable in the sole and absolute discretion of MAM. A performance fee arrangement with a client may also take the form of a fulcrum fee whereby the asset-based fee paid to MAM may increase or decrease depending on the performance of the account in question relative to that of a benchmark.

The performance-based fee may create an incentive for MAM to recommend investments which may be riskier or more speculative than would be the case in the absence of the arrangement and, in certain circumstances, MAM may receive increased fees as a result of unrealized appreciation as well as unrealized gains in managed accounts. For those clients whose investments under management will include securities for which market quotations are not available, MAM will value those investments fairly and in good faith. Under certain circumstances, such as for ERISA clients, an independent person may be engaged to value such investments.

C. Termination

An agreement for an individually managed account may be cancelled at any time, by either party, for any reason, upon receipt of thirty (30) days' written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable.

D. Fee Comparison

Lower fees for comparable services may be available from other sources.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As mentioned in Item 5, MAM offers a fee alternative in the form of specifically negotiated performance fee arrangements (*i.e.*, fees calculated based on a share of capital gains or on capital appreciation of the funds or any portion of the funds of an advisory client). Performance-based

fees for accounts typically provide for a fixed base fee below the level of the standard fixed fee, plus a negotiated performance factor (percentage of profits) that may exceed the fixed fee rate.

Performance fees are subject to negotiation with *qualified clients* (which generally refers to a client that immediately after entering into the contract has at least \$ 750,000 under the management with MAM, or a client who has a net worth exceeding \$1,500,000 or is a qualified purchaser). All performance fee arrangements will be structured in accordance with Rule 205-3 of the Investment Adviser's Act of 1940, as amended. In measuring clients' assets for the calculation of performance-based fees, MAM shall include realized and unrealized capital gains and losses.

Importantly, performance based fee arrangements may create an incentive for MAM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Additionally, the performance-based fee structure could also cause the portfolio manager responsible for the portfolios to devote a disproportionate amount of time to their management, and compensation may be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management.

MAM has procedures designed and implemented to ensure that all clients are treated fairly and equitably, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

ITEM 7: TYPES OF CLIENTS

As stated in Item 4, MAM currently provides discretionary investment management services primarily to individually managed accounts for individuals and institutional clients. MAM may also serve as a sub-advisor to other investment advisers.

There may be times when certain restrictions are placed by a client, which prevents MAM from accepting or continuing to manage the client account. MAM reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining the account's overall investment strategy.

MAM generally requires a minimum of \$500,000 of assets under management for an individual account, but may waive this minimum in its discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Philosophy

MAM strives to outperform key indices in bull and bear markets by employing a consistently back-tested, adaptive quantitative model. Risk is mitigated through our effective sell discipline,

which attempts to recognize deterioration early and prevent selling winners too soon during volatile periods. MAM invests in liquid, growing large capitalization companies with low debt, while adhering to diversification discipline to minimize risk.

MAM's growth philosophy is founded on analysts' earning estimate revisions with an objective of high alpha and low risk. MAM believes a strong sell discipline is crucial in achieving a goal to outperform in up and down markets.

B. Method of Analysis and Investment Strategies

MAM's back-tested investment process involves both quality and growth screens. Beginning with a broad universe of successful companies, we search for essential equity metrics of large capitalization, profitability, high liquidity, and low company debt loads. On an ongoing basis, we back-test these screens and factors utilizing rank analysis and adapt our model accordingly. We systematically use these optimally weighted metrics to filter the universe down to more stable businesses which still retain a foundation for growth.

In our pursuit of superior growth companies, we further refine our investable universe by searching for stocks experiencing positive earnings estimate revisions for 12 & 24 month forward looking periods. We require multiple positive revisions be forecasted by accurately ranked analysts. To ensure breadth and depth of estimate accuracy, we systematically track and rank analyst earnings estimates on an 8 quarter rolling basis.

The highest ranked investment candidates are then further examined by our investment team to review valuation models, fundamental research reports, industry dynamics, near term catalysts and insider transactions. We also search for any unforeseen company specific risk, such as management change or major litigation. The final outcome is an integrated buy or sell decision.

1. Diversification Principles

We seek to reduce risk through strict diversification disciplines. We look for participation in at least 10 of 17 economic sectors as defined by Zacks Investment Research. Furthermore, we limit individual sector exposure to 30% on an initial and 40% on an appreciated basis. On an individual security level, we limit position sizes to 5% or less on an initial and 7% on an appreciated basis. This approach results in a portfolio of stocks that are diversified on a sector as well as company specific basis. Cash will remain between 0% and 10% in a typical portfolio, although we seek to remain fully invested. Portfolios are monitored by our firm on an ongoing basis.

2. Sell Guidelines

Our sell discipline is characterized by two parts:

First, we rebalance our portfolios in adherence to the diversification principles outlined above. Portfolio holdings are trimmed in order to introduce new purchases to the portfolio. We seek to rebalance according to our guidelines attempts to ensure that we realize profit and reduce risk by maintaining diversification.

The second element of our sell guidelines is the process of fully divesting a position. Once added to the portfolio, a stock is monitored regularly for changes in all of the key metrics used in the purchase decision. We pay special attention to any material cuts in key analyst earnings forecasts in determining whether a company is entering a negative earnings cycle. Deterioration in these key metrics often triggers a sell decision. We will also sell a position if we observe the valuation in relation to the growth rate of the company is fully valued by reviewing P/EG ratios.

MAM employs two different strategies:

Earnings Revision Growth (ERG) Strategy. This strategy seeks long-term capital growth by investing primarily in securities of large companies through a disciplined, broadly diversified portfolio of approximately 25 to 40 stocks. Although the securities are not equal weighted, diversification is enforced through participation in at least 10 of 17 major economic sectors of the economy as defined by Zacks Investment Research. Sector concentration is avoided by the 30/40 rule whereby no single economic sector can be more than 30% of the portfolio initially or 40% on an appreciated basis. This approach results in a portfolio of stocks that are diversified on a sector as well as company specific basis and the average position in the 3-5% range. On an individual security basis, positions are limited to a maximum 7% initial value of the portfolio and are rebalanced periodically. Cash will remain between 0-10% in a typical portfolio while seeking to remain fully invested. This strategy generally invests in profitable companies that have low debt (less than 50%) and are experiencing positive, timely and sustainable change by factors the Adviser can quantify. Portfolios are monitored by the Adviser on an ongoing basis.

Earnings Revision Dividend Growth (ERDG) Strategy. This strategy seeks long-term capital growth by investing primarily in securities of large companies through a disciplined, broadly diversified portfolio of approximately 25 to 40 stocks that pay a dividend. Although the securities are not equally weighted, diversification is enforced through participation in at least 10 of 17 major economic sectors of the economy as defined by Zacks Investment Research. Sector concentration is avoided by the 30/40 rule whereby no single economic sector can be more than 30% of the portfolio initially or 40% on an appreciated basis. This approach results in a portfolio of stocks that are diversified on a sector as well as company specific basis and the average position in the 3-5% range. On an individual security basis, positions are limited to a maximum 7% initial value of the portfolio and are rebalanced periodically. Cash will remain between 0-10% in a typical portfolio while seeking to remain fully invested. This strategy generally invests in profitable dividend paying companies that have low debt (less than 50%) and are experiencing positive, timely and sustainable change by factors the Adviser can quantify. Portfolios are monitored by the Adviser on an ongoing basis.

The ERDG strategy deviates from the ERG strategy by identifying companies which are in a fundamentally different level of their business cycle. As more established companies, ERDG holdings are characterized by mature growth and above average dividend yields. MAM invests in companies experiencing stable or rising dividends for the past 6 quarters.

C. Risk of Loss

MAM's investment recommendations are subject to various markets, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients

should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that a client's investment objectives will be obtained and no inference to the contrary is being made. Prior to entering into an investment management agreement with MAM, a client should carefully consider: (1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of three to seven years, (2) that volatility from investing in the stock market or other securities can occur, and (3) that over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested.

- Market Risk: The client's account is subject to market risk—the risk that the securities markets will increase or decrease in value. Market risk applies to every security. Security prices may fluctuate widely over short or extended periods in response to market or economic news and conditions. Securities markets also tend to move in cycles, with periods of rising security prices and periods of falling security prices. If there is a general decline in the securities markets, it is possible a client's investment may lose value regardless of the individual results of the companies in which MAM invests.
- Common Stock Risk: Common stocks are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. The rights of common stockholders are subordinate to all other claims on a company's assets including debt holders and preferred stockholders; therefore, the client's account could lose money if a company in which it invests becomes financially distressed.
- Growth Style Investing Risk: Growth stock prices reflect projections of future earnings or revenues, and can, therefore, fall dramatically if the company fails to meet those projections. Prices of these companies' securities may be more volatile than other securities, particularly over the short term.
- Small Cap Securities Risk: Investments in small cap companies may be riskier than investments in larger, more established companies. The securities of smaller companies may trade less frequently and in smaller volumes, and as a result, may be less liquid than securities of larger companies. In addition, smaller companies may be more vulnerable to economic, market and industry changes. As a result, share price changes may be more sudden or erratic than the prices of other equity securities, especially over the short term. Because smaller companies may have limited product lines, markets or financial resources or may depend on a few key employees, they may be more susceptible to particular economic events or competitive factors than large capitalization companies.
- Exchange Traded Funds: Investing in an Exchange Traded Funds ("ETF") [may](#) involve certain risks, including the loss of principal. Investment return, price, yield, and NAV will fluctuate with changes in market conditions. ETFs are subject to secondary market trading risks. There can be no guarantee that an active trading market for shares of ETFs will develop or continue on exchanges, or that the Fund's exchange listing or ability to trade its shares will continue. Shares of the Fund may trade on an exchange at prices at,

above or below their most recent NAV. The trading prices of the Fund's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the Fund's shares trading at a premium or discount to NAV. ETFs may provide diversification of an index fund as well as the ability to sell short and buy on margin. A leveraged ETF will follow the daily change on an index as opposed to amplifying the annual return of the index. An inverse ETF uses various derivatives for the purpose of profiting from a decline in the value of an underlying benchmark.

- Foreign Securities Risk: Investing in foreign securities typically involves more risks than investing in U.S. securities, and includes risks associated with: political and economic developments - the political, economic and social structures of some foreign countries may be less stable and more volatile than those in the U.S.; trading practices - government supervision and regulation of foreign security and currency markets, trading systems and brokers may be less than in the U.S.; availability of information - foreign issuers may not be subject to the same disclosure, accounting and financial reporting standards and practices as U.S. issuers; limited markets - the securities of certain foreign issuers may be less liquid (harder to sell) and more volatile; and currency exchange rate fluctuations and policies. The risks of foreign investments typically are greater in less developed countries or emerging market countries.

MAM does not represent, guarantee or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers such as MAM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of MAM or the integrity of its management. MAM does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither MAM, nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer. Additionally, neither the Firm nor any member of its management are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of these entities. MAM does not recommend or select other investment advisers for direct or indirect compensation.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Summary of Code of Ethics

MAM recognizes that the personal investment transactions of its members and employees demand the application of a high code of ethics, and MAM requires all transactions to be carried out in a way that does not endanger the interest of any client. At the same time, MAM believes that if investment goals are similar for clients and for MAM and its employees, it is logical and even desirable that there be a common ownership of some securities. Therefore, in order to address possible conflicts of interest, MAM has procedures with respect to transactions effected by MAM and its employees for their personal accounts. In order to monitor compliance with its personal trading policy, MAM has a quarterly securities transaction reporting system. For purposes of the policy, an employee's personal account generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the employee is a trustee or executor, or (c) which the employee controls, including MAM's client accounts which the employee controls and in which the employee or his/her household has a direct or indirect beneficial interest.

MAM's Code of Ethics sets standards of employee conduct and includes policies and procedures governing employee personal trading in securities. The Code of Ethics requires employees to obtain pre-approval of certain investments and to report their personal securities holdings and transactions. MAM has put these procedures in place with the intent of controlling any conflicts of interest that could arise with regard to employee and client trading activity. While MAM believes the policies and procedures are comprehensive, there is a possibility that the procedures may not succeed in detecting violations of the MAM's policies. Additionally, MAM obtains information from a wide variety of publicly available resources. MAM and its employees do not have, nor claim to have, insider or private knowledge. To ensure insider trading does not take place and to address the conflicts of interest regarding obtaining confidential information, MAM has adopted a firm wide policy statement outlining insider-trading compliance by MAM and its employees within the Code of Ethics. A copy of the Code of Ethics is available upon request.

ITEM 12: BROKERAGE PRACTICES

MAM will generally seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transactions, MAM may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. MAM will not obligate itself to obtain the lowest commission or best net price for an account on any particular transactions.

A. Relationship with Schwab and BofA Merrill Lynch

MAM may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab") and/or BofA Merrill Lynch & Co. ("Merrill Lynch") each a registered broker-dealer and member SIPC, to maintain custody of clients'

assets and to effect trades for their accounts. MAM is independently owned and operated and is not affiliated with either firm. Each broker-dealer may provide MAM with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least a certain amount of the advisor's clients' assets is maintained in accounts at the broker-dealer and is not otherwise contingent upon MAM committing to any specific amount of business. The services also include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

B. Prime Brokerage

MAM may have a prime brokerage arrangement, at least initially, with a broker-dealer (the "Prime Broker"). Through this arrangement, the Prime Broker will provide certain recordkeeping services and perform the following functions, among others: (1) arrange for the receipt and delivery of securities bought, sold, borrowed, and lent; (2) make and receive payments for securities; (3) maintain custody of cash and securities; (4) deliver cash to clients' bank accounts; and (5) tender securities in connection with tender offers, exchange offers, mergers, or other corporate reorganization. MAM may also cause its advisory clients to pay for custodial and related services either in cash or by allocating a portion of their securities transactions to the Prime Broker.

C. Order Aggregation

MAM will perform investment management services for various clients. There will be occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by MAM, some of which may have similar investment objectives, as well as for the accounts of one or more of MAM's employees. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when MAM believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

D. Brokerage Direction

In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct MAM to execute some or all securities transactions for its account with one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions relating to all services to be provided by such brokers and the client is satisfied with such terms and conditions. MAM will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with the broker for such client's account. The client must recognize that it may not obtain rates as low as it might otherwise obtain if MAM had discretion to select broker-dealers other than those chosen by the client. Any client providing instructions to MAM regarding direction of

brokerage transactions must notify MAM in writing if the client desires MAM to cease executing transactions with such broker-dealer.

E. Handling Trade Errors

Errors created in a client account must be corrected so as not to harm any client. The goal of error correction is to make the client "whole", regardless of the cost to MAM. The firm will correct any trade errors made in a client's account by allocating the trade to MAM's operating account. Then the corrected and intended allocation will be sent to client's account.

ITEM 13: REVIEW OF ACCOUNTS

A. Review of Accounts and Triggers

On a daily basis, each client's trade confirmations are compared with order executions to ensure there are no discrepancies. At any time, a review of a client's account can be triggered by changes in the market value of the portfolio's securities, changes in the general market itself, changes in the economy and interest rates, as well as additions of cash to or withdrawals from the account.

B. Reviewers

Reviews are conducted by members of the Firm's investment team and operations. The following is a list of MAM's investment professionals who conduct the Firm's periodic reviews:

Mark McComsey, Managing director and Chief Investment Officer
Arman Melikian, Associate Analyst
Ivan Jevremovic, Chief Compliance Officer and Operations Manager

C. Regular Reports

MAM will provide quarterly reports to clients which discuss general account performance and holdings. Clients are urged to carefully compare statements sent by the other third parties, such as those sent by the client's custodian. Clients should review the fees charged to their account(s) to fully understand the total amount of all fees charged. Clients are encouraged to review their account statements for accuracy.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. Soft Dollar

MAM's policy is to comply with the provisions of Section 28(e) of the Exchange Act ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) allows investment advisers to use client commissions to pay for brokerage and research services under certain circumstances without breaching their fiduciary duties to clients. This practice is commonly referred to as "soft dollars". Brokerage and research services may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and

custody) and providing research information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analysis; risk measurement analysis and performance analysis. Such research information can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a broker may be proprietary (*i.e.*, provided by the broker providing the execution services) and/or provided by a third party (*i.e.*, originates from a party independent from the broker providing the execution services).

Under Section 28(e), advisers may cause clients to pay brokerage commissions that are in excess of commissions that another broker might have charged for effecting the same transaction, so long as such adviser makes a good faith determination that the amount of commissions paid are reasonable in relation to the value of the brokerage and research services received. This must be viewed in terms of either the specific transactions or an adviser's overall responsibility to the accounts for which it exercises investment discretion. Section 28(e) also permits advisers to use the research services provided by brokers to service any or all of the adviser's clients, and the services also may be used in connection with clients other than those making the payment of commissions.

MAM has access to proprietary research from Schwab and BofA Merrill Lynch due to the fact that MAM clients custody and/or transact their account assets at either firm. In addition, MAM receives certain other indirect benefits from these firms due to this arrangement. To address this conflict of interest, MAM monitors and performs periodic reviews of the quality of execution and services provided by Schwab and BofA Merrill Lynch to help ensure that clients are receiving the best overall deal (also known as "best execution").

Importantly, clients should understand that the use of soft dollars by MAM may be deemed to be an indirect economic benefit to MAM, which creates a conflict of interest between MAM and its clients.

B. Compensation for Client Referrals

MAM may also employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and MAM will comply with the other applicable requirements under Rule 206(4)-3 under the Advisers Act and any corresponding state securities law requirements. Any such referral fee shall be paid solely MAM's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to MAM by an unaffiliated solicitor, the solicitor shall provide the client with a copy of MAM's Form ADV Part 2 (the "Brochure") and a copy of the solicitor's disclosure statement, which contains the terms and conditions of the solicitation arrangement, including compensation. The solicitor is required by MAM to obtain the client's signature acknowledging receipt of MAM's Brochure and the solicitor's disclosure statement. Since some states require a solicitor to be qualified and registered as an investment adviser representative, MAM has developed internal controls to address these requirements.

C. Other Compensation

For MAM client accounts maintained in its custody, the brokers-dealers generally do not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the brokers or that settle into the accounts held with the broker-dealers. Each broker also makes available to MAM other products and services that benefit MAM but may not benefit its clients' accounts. Please see Item 14 A.

While as a fiduciary, MAM endeavors to act in its clients' best interests, and MAM's recommendation that clients maintain their assets in accounts at a broker-dealer may be based in part on the benefit to MAM of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker, which may create a potential conflict of interest.

ITEM 15: CUSTODY

Pursuant to Rule 206(4)-2 of the Investment Advisers Act of 1940, MAM is deemed to have custody of client funds because the Firm has the authority and ability to debit its fees directly from clients' accounts. To mitigate any potential conflicts of interests, all MAM client account assets will be maintained with an independent qualified custodian.

Notably, in most cases a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should be aware, however, of the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

MAM may only implement its investment management recommendations after the client has arranged for and furnished MAM with all information and authorization regarding its accounts held at the designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to any performance reports that may be provided by MAM. MAM's performance reports for client separately managed accounts may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

ITEM 16: INVESTMENT DISCRETION

A. Discretionary Authority; Limitations

MAM will have discretionary authority via the investment management agreement to make the following determinations without obtaining the consent of the client before the transactions are effected:

- which securities are to be bought or sold;
- the total amount of the securities to be bought or sold;
- through which brokers securities are to be bought or sold; and
- the commission rates at which securities transactions for client accounts are effected.

MAM's authority may be subject to conditions imposed by the client, examples of which may include: 1) where the client restricts or prohibits transactions in securities of a specific industry, and/or 2) the client directs that transactions be effected through specific broker-dealers. The latter restriction may be conditioned by the client on the broker-dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker-dealer: a) whether or not competitive, and b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by the firm.

B. Limited Power of Attorney

By signing MAM's investment management agreement, clients authorize MAM to exercise full discretionary authority with respect to all transactions involving the client's account. Pursuant to such agreement, MAM is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes MAM to give instructions to third parties in furtherance of such authority.

ITEM 17: VOTING CLIENT SECURITIES

MAM votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. MAM's proxy voting policy is as follows:

MAM has retained Broadridge's ProxyEdge, an independent third-party, to provide research, recommendations and voting services on proxy voting issues. MAM has instructed ProxyEdge to make voting decisions on behalf of each of MAM's accounts based on the considerations described in the proxy voting guidelines ProxyEdge periodically provides to MAM. MAM may override ProxyEdge's voting decisions if MAM deems it in the best interests of MAM's accounts. If MAM does not affirmatively override ProxyEdge's recommended voting decision, ProxyEdge will vote in accordance with its recommendation.

Notwithstanding the possibility that a material conflict of interest over proxy voting may arise between MAM and a client, MAM believes that it places the interests of its clients ahead of MAM's own interests by following ProxyEdge's recommendations. If a material conflict of interest over proxy voting arises between MAM and a client, MAM will rely on the recommendations of ProxyEdge.

Clients may obtain a copy of MAM's Proxy Voting Policy and voting record cast on behalf of that client by contacting MAM.

ITEM 18: FINANCIAL INFORMATION

MAM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. MAM does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.