

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of ELCO Management Company, LLC (hereinafter “EMC” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at 212-603-7582 or msantos@elcomanagement.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about EMC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for EMC is (137036). EMC receives the management fees from both Funds discussed herein (see item 4) as well as fees from separately managed accounts. ELCO Partners, LLC (“EP”) serves as the general partner of both Funds.

Item 2. Summary of Material Changes

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

This filing is being made in accordance with the required annual filing for Registered Investment Advisors. Since the last material change in April 2017, no additional material changes have occurred.

Item 3. Table of Contents

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Item 4. Advisory Business

EMC is a fee-based SEC-registered investment adviser with its principal place of business located in New York, NY. We have been in business since 1995, with Paul Elliot, Lauren Elliot and James H. Elliot as the principal owners. Paul Elliot is the Managing Member of EMC, Lauren Elliot is a Member and James H. Elliot is a Member and Chief Compliance Officer. ELCO Partners, LLC (“EP”) a “relying adviser” under the ABA no-action letter dated January 18, 2012, and general partner of the ELCO Fund, L.P. and ELCO Select Fund, LP is also principally owned by Paul E. Elliot and James H. Elliot.

FUNDS

EMC provides continuous advice to a client and makes investments for a client based on the individual needs of the client. EMC provides this service to two investment limited partnerships (hereinafter referred to as the “Funds”). EP acts as a General Partner to the two onshore Funds.

EMC provides investment supervisory services to the following Funds, which are invested similarly:

1. ELCO Fund, L.P. (Long Only)
2. ELCO Select Fund, L.P. (Long/Short)

The Funds are not required to register as investment companies under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. We manage the Funds on a discretionary basis only in accordance with the terms and conditions of each Fund’s offering and organizational documents.

The Funds are organized to invest and actively trade in equities and fixed income securities, principally of companies, both in the United States or overseas that are likely to become significant beneficiaries from the growth of energy consumption and production. The Funds' investments generally center in on the following energy sub-sectors: oil services and drillers, exploration and production, alternatives and unconventional energy plays such as LNG (liquefied natural gas) and coal-bed methane, electrical equipment, natural gas and oil infrastructure and technology, energy merchants, MLPs (master limited partnerships in the ELCO Select Fund only), oil and gas royalty trusts, and electric and gas utilities. The Funds will also seek out beneficiaries of the anticipated consolidation and restructuring currently taking place in the energy space. The Funds' primary investment objective is capital appreciation. In addition to producing high capital appreciation, the Funds have a secondary goal of preservation of capital and will do so by raising cash when appropriate, and in the case of the ELCO Select Fund, LP, utilizing options, leverage and short selling, unless otherwise restricted.

Additional information about the fees related to such investments is included in the offering documents provided to prospective investors. Because these types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

SEPARATELY MANAGED ACCOUNT PROGRAMS (“SMAs”)

Financial Services Separately Managed Account Program

EMC has contracted with Mendon Capital Advisors, Corp.,(Mendon) a registered investment advisor, to provide day-to-day portfolio management services for our financial SMAs (SMAs), subject to EMC's oversight. Mendon will serve as sub-advisor on SMAs with a "financial services" focus. In that capacity, Mendon will select investment broker-dealers to execute transactions for the SMAs.

EMC has authority to grant the sub-advisor Mendon Capital (“Mendon”) complete and sole investment discretion and authority to manage these accounts and will share all fees with respect to the Accounts equally with the Sub-Advisor.

Water Opportunities Separately Managed Account Program

EMC has contracted with Water Asset Management, LLC, (WAM) a registered investment advisor, to provide day-to-day portfolio management services for our SMAs (SMAs) invested in the water industry, subject to EMC's oversight. WAM will serve as sub-advisor on SMAs with a "water and water related" focus. In that capacity, WAM will select investment broker-dealers to execute transactions for the SMAs.

EMC has authority to grant the sub-advisor Water Asset Management, LLC (“WAM”) complete and sole investment discretion and authority to manage these accounts and will share all fees with respect to the Accounts equally with the Sub-Advisor.

Infrastructure Income Separately Managed Account Program

EMC has contracted with Siegel Asset Management, LLC, (SAM) a registered investment advisor, to provide day-to-day portfolio management services for our SMAs (SMAs) invested in the energy infrastructure sector, subject to EMC's oversight. SAM will serve as sub-advisor on SMAs with an infrastructure and income" focus (II SMAP).

EMC has authority to grant the sub-advisor Siegel Asset Management, LLC (“SAM”) complete and sole investment discretion and authority to manage these accounts and will share all fees with respect to the Accounts with the Sub-Advisor.

From time to time the Adviser or Sub-Adviser for the ELCO Select Fund, FS SMAP and WO SMAP may participate in Initial Public Offerings (“IPO”) deemed appropriate by accounts/strategies in which internal procedures are in place to determine client eligibility. Accounts advised within these strategies are eligible to participate in IPOs as they are setup as prime brokerage accounts (for the ability to trade away) and directly pay brokerage commissions. EMC pre-determines clients within these programs that qualify to participate in IPOs and allocation of shares are based on an account’s overall participation in the Fund or SMAPs listed above. Please see Item 12 (Brokerage Practices) for more information on allocation practices.

EMCs other programs do not include prime brokerage arrangements, pay no separate commissions, do not have the ability to “trade away”, and do not have procedures in place to determine client eligibility, and are therefore not eligible to participate in IPOs.

Non-Sub-advisory Programs:

In addition, EMC has established SMAs that do not concentrate in the Financial Industry, Water Industry, Energy Infrastructure (NFSMAs) and these will not be managed by Mendon, WAM or SAM, respectively. These accounts will be invested in securities deemed appropriate by EMC.

EMC offers a separately managed account program, or wrap fee program, which includes the costs of brokerage commissions and certain other fees, including the account advisory fee, all of which is paid to EMC. This program is described in EMC's Form ADV Part2A Appendix 1 disclosure brochure.

ASSETS UNDER MANAGEMENT

As of February 29th, 2020 discretionary assets under our firm's management were \$192,503,170 and \$0 on a non-discretionary basis.

Item 5. Fees and Compensation

Our fees for portfolio management of the Funds and SMAs (the "Management Fees"), are based upon a percentage of the net asset value of the investors' interest in the Funds or SMAs. The Management Fees are calculated and based on the terms of each client's advisory contract. Management Fees for the Funds and SMAs are charged quarterly in arrears.

1.00% ELCO Fund, L.P.

1.50% ELCO Select Fund, L.P. and SMAs

0.20% - 1.60% NFSMAs

Fixed Fee Arrangements: EMC charges a fixed fee for accounts under \$100,000. Prior to the execution of an agreement, the Client will be provided an estimated fee. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to EMC.

Fees are negotiable and generally range between \$50 and \$500 on an annual basis. The fee will never exceed 3.00% of the account value. These fees are charged month/quarterly in advance/arrears. EMC shall sent Client an invoice or Client may agree to have the fee deducted directly from the account.

Performance-Based Fees: In addition, the Funds, Financial Services Separately Managed Account Program ("FS SMAP"), Water Opportunities Separately Managed Account Program ("WO SMAP") and Infrastructure Income Separately Managed Account Program (II SMAP) pay or will pay EMC performance-based compensation ("Performance Fees"). For the Funds, FS SMAP, WO SMAP or II SMAP, the Performance Fees are calculated based on a percentage of the net profits of the Funds/accounts at the end of each fiscal year, and are typically 20% of the allocable share of net profits above the previous "high water mark".

NFSMAs will not pay EMC performance-based compensation.

EMC has contracted Mendon Capital Advisors, Corp., as sub-advisor of our Financial Services focused SMAs and Water Asset Management, LLC as sub-advisor of our water industry focused SMAs and Siegel Asset Management Partners as sub-advisor of our energy infrastructure focused SMAs and granted them complete and sole investment discretion and authority to manage the respective SMAs. EMC will share all fees with respect to the SMAs with the sub-advisor.

EMC will receive a performance-based fee only to the extent that, net profits exceed its high watermark. In measuring an investor's/account's net profits for the calculation of Performance Fees, EMC will typically include both realized and unrealized gains and losses and net investment income during the relevant period. The calculation and payment of the Performance Fees applicable is described in detail in the respective offering documents for each Fund or in the Investment Advisory Agreement for FS SMAP, WO SMAP or II SMAP. Fund, FS SMAP, WO SMAP and II SMAP investors are requested to refer to the applicable documents for exact information on the management and performance fees. The client accounts/strategies that participate in IPOs generally are subject to performance fees. Such performance fees may create an incentive for EMC to cause such clients (including the Fund FS SMAP, WO SMAP or II SMAP, among others) to make investments which may be riskier or more speculative than those which would be made under a different fee arrangement. The Advisors Act and certain state laws restrict the payment of performance-based fees, to investment advisors registered under such act. However, SEC Rule 205-3 permits the payment of performance-based compensation to registered investment advisers provided that the clients (including investors in investment vehicles such as the Funds) meet certain financial qualifications. Please refer to Item 6 for more information on management of accounts with performance-based fees.

The offerings of interests in the Funds, FS SMAP, WO SMAP or II SMAP are structured to comply with this rule and accordingly EMC will only accept investors who meet the qualifications set forth in Rule 205-3. Investors are requested to refer to the applicable Fund Private Placement Memorandum or the Investment Advisory Agreement for complete information on the services offered, and corresponding fees charged, by EMC.

Depending on the particular arrangement with each client, we will either invoice clients or directly debit their custodial accounts.

Fees are billed in arrears at the end of each quarter, based upon the billable balance on the last day of the calendar quarter, pro-rated for additions and withdrawals.

GENERAL INFORMATION ON FEES

Negotiability of Fees: In certain circumstances, EMC's fees may be negotiable.

Fee Arrangement on SMAs: EMC splits fees with respect to SMAs with Mendon Capital Advisors, Corp., Water Asset Management LLC and Siegel Asset Management Partners, LLC

Termination of Advisory Relationship: An advisory agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Investors in each Fund and SMA are requested to refer to the applicable Private Placement Memorandum and Limited Partnership Agreement of the Fund or Investment Advisory Agreement for complete information on withdrawals and in the case of the Funds, applicable investment "lock-up" periods.

The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Under no circumstances will we charge SMAs or NFSMA's fees in advance of services rendered.

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

Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Brokerage and Custodian Fees: In addition to EMC's advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges, fees for duplicate statements and transaction confirmations, and fees for electronic data feeds and reports. Please refer to the Brokerage Practices section of this Form ADV.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

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

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee ("Performance Fees") from the Funds and SMAs that qualify for and want this fee structure. Because EMC endeavors at all times to put the interest of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. EMC discloses to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn more compensation from advisory clients who pay performance-based fees;

2. EMC collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
3. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
4. EMC has implemented policies and procedures for fair and consistent allocation of investment opportunities among all client account;
5. EMC periodically compares holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment;
6. EMC periodically reviews trading frequency and portfolio turnover rates to identify possible patterns of "window dressing," "portfolio churning," or any intent to manipulate trading to boost performance near the reporting period.
7. EMC educates our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients and equitable treatment of all clients, regardless of the fee arrangement.

Item 7. Types of Clients

As indicated under Item 4, EMC provides investment advice predominately to the Funds and to individuals, high net worth individuals, charitable organizations and pension and profit sharing plans who engage us to provide SMAs or NFSMA's.

Prospective investors in the Funds should refer to the offering documents of the respective Fund for information on minimum investment requirements. Typically EMC requires a minimum investment of \$500,000 for the Funds, SMAs and NFSMAs, although this is negotiable at EMC's discretion.

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

Our firm employs fundamental, technical, charting and cyclical analysis to formulate client recommendations.

Fundamental Analysis: EMC attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

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

Technical Analysis: EMC analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Charting: In this type of technical analysis, EMC reviews charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Cyclical analysis: In this type of technical analysis, EMC measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Because technical analysis predictions are only extrapolations from historical price patterns, investors bear the risk that these patterns will not reoccur as expected. Moreover, technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Risks for all forms of analysis: EMC's securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While EMC will modify to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We use the following investment strategies in managing client accounts:

Long-term purchases: EMC purchases securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

Short-term purchases: EMC purchases securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading: EMC purchases securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

A risk in a short-term purchase is the potential for sudden losses if the anticipated price swing does not materialize. Moreover, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales: EMC will borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. We then sell the shares we have borrowed. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If the stock has gone down since we purchased the shares from the original owner, we keep the difference.

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place. Short selling may not be appropriate in times of inflation, as prices may adjust upwards regardless of the value of the stock.

Margin transactions: EMC will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows the client to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing: EMC may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we believe that the stock price will increase substantially before the option expires.

A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

EMC will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for a client portfolio.

EMC uses “covered calls”, in which we sell an option on a security you own. In this strategy, the investor receives a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

EMC may use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts the investor on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

For all strategies:

Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

EMC acts as General Partner to the Funds and adviser to the SMAs and NFSMAs. EMC maintains its own server and EMC’s client information not accessible.

EMC endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser and takes the following steps to address these conflicts:

- We disclose to clients the existence of all material conflicts of interest.
- We collect, maintain and document accurate, complete and relevant client background information, including the client’s financial goals, objectives and risk tolerance;

- Our management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We require that our employees seek prior approval of any outside employment activity so that EMC may ensure that any conflicts of interests in such activities are properly addressed;
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by EMC; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Code of Ethics Disclosure

Consistent with industry best practices and SEC requirements, EMC has adopted a written Code of Ethics which sets forth high ethical standards of business conduct, requires supervised persons to comply with applicable federal securities laws and instructs such persons as to their fiduciary obligations.

EMC and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and an obligation to adhere not only to the specific provisions but also to the general principles that guide the Code of Ethics. Our Code of Ethics provides regulations and restrictions for personal securities transactions by EMC and its personnel. Additionally, our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that are submitted by the firm's access persons. Our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code of Ethics provides for oversight, enforcement and recordkeeping provisions.

EMC or related persons may buy or sell securities identical or similar to those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a particular security which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying

the average price. Our employee accounts will be included in the pro-rata allocation.

Our Code of Ethics also includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by EMC's covered persons. Among other things, EMC's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

All of these situations represent actual or potential conflicts of interest. We have established the following policies and procedures to implement our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides full and fair disclosure of its conflicts of interest:

1. EMC sets a high ethical standard of business conduct reflecting our fiduciary obligations.
2. EMC requires that all employees and principals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
3. An officer, director, or employee of EMC shall not buy or sell securities for their personal portfolio(s) where their decision to purchase is substantially derived, in whole or in part, by reason of employment with our firm, unless the information is publicly available.
4. No principal, employee or related person of EMC shall prefer his or her own interest to that of any client.
5. EMC requires prior approval for any IPO or private placement investments by access persons. All access persons are required to periodically report personal securities transactions and holdings.
6. EMC maintains records of all securities bought or sold by the firm, related persons of the firm, and associated entities. A qualified representative James Elliot of our firm reviews these records on a regular basis.
7. EMC has established procedures for the maintenance of all required books and records.
8. EMC maintains that clients have the unrestricted right to decline to employ any service or advice rendered, except in situations where our firm is granted discretionary authority.
9. EMC requires delivery and acknowledgement of the Code of Ethics by each supervised person. Any individual not in observance of the Code of Ethics may be subject to termination.
10. EMC has established policies requiring the reporting of Code of Ethics violations to senior management.

The firm will provide a copy of EMC's Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at EMC's principal office address.

Item 12. Brokerage Practices

As investment adviser to the Funds, SMAs and NFSMAs, EMC is granted the discretionary authority in the relevant organizational documents and/or investment

management agreements to determine the broker dealer to be used and commission rates to be paid for the Funds. In the case of SMAs, Mendon Capital Corp., Water Asset Management, LLC and Siegel Asset Management Partners (SAM) are granted the discretionary authority in the relevant organizational documents and/or investment management agreements to determine the broker dealer to be used and commission rates to be paid. EMC will endeavor to select those brokers or dealers which will provide the best services at competitive commission rates. We will allocate transactions for the Funds and NFMSAs to brokers on the basis of the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, investment research and analysis, trading platform, administrative and operational services and support, bookkeeping and recordkeeping services, trading terminals or other office equipment and other trading services and products (sometimes referred to as "soft dollar" services and products) that are of benefit to the Funds, NFMSAs and EMC and which will help EMC in providing investment management services to clients.

Consistent with obtaining best execution for clients, EMC may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to EMC and, indirectly, to EMC's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment EMC's own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at EMC's discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. EMC does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research EMC receives will help EMC to fulfill its overall duty to its clients. EMC may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker dealers selected by EMC may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if we determine in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or EMC's overall duty to its ('brokerage') discretionary client accounts.

If EMC uses client brokerage commissions to obtain research or brokerage services, it would receive a benefit to the extent that EMC does not have to produce such products internally or compensate third-parties with its own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, whereby EMC has an incentive to direct client brokerage to those brokers who provide research and services utilized by EMC, even if these brokers do not offer the best price or commission rates for EMC clients.

While EMC is provided with the ability to place trades with broker dealers in return for soft dollar products and services, EMC does not currently utilize such arrangements.

EMC will block trades where possible and when advantageous to the Funds and separate client accounts. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. In this case, transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may permit equity trades to be executed in a timelier and more equitable manner while allowing EMC to obtain an average share price for clients participating in the block and to reduce overall commission charges to clients.

EMC's policy prohibits any allocation of trades in a manner that EMC's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts.

EMC has adopted a clear written policy for the fair and equitable allocation of transactions (e.g., pro-rata allocation, rotational allocation, or other means).

Generally, each allocation will be made pro rata among accounts based upon the relative size of accounts of a similar type for which the security has been deemed an appropriate investment. Before placing an aggregated order with a broker-dealer, EMC will produce a written aggregated statement (pre-trade allocation) that specifies the participating accounts and the amount allocable to each. If the order is completely filled, the purchases or sales will be allocated pro-rata among the participating accounts based on the amounts reflected in the written aggregated statement (pre-trade allocation). However, if EMC must depart from the written allocation statement, EMC will allocate the order in a fair and equitable manner. In this situation, EMC's Chief Compliance Officer will be consulted and the allocation will be documented. Each participating account will receive the securities purchased or sold in an aggregated order at the average share price for the entire aggregated order.

Brokers or dealers that EMC selects to execute transactions may from time to time refer clients to EMC. EMC will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and EMC's interest in receiving future referrals.

EMC may from time to time engage placement agents, solicitation agents or finders for the interests of the funds ("Solicitation Agents"). EMC may pay Solicitation Agents a portion of the fees paid to EMC or other compensation. Such compensation is paid in a manner intended to comply with SEC Rule 206(4)-3, which regulates the payment of solicitation fees by registered investment advisers, as well as applicable regulations under the Securities Act of 1934.

As sub-advisor to SMAs, Mendon, WAM and SAM are granted the discretionary authority in the investment management agreements to determine which securities to buy or sell (including the amount thereof) and to direct execution of portfolio transactions consistent with the client's specified investment objective without consultation with the client on a transaction-by-transaction basis. If applicable, please refer to Mendon's, WAM's or SAM's Form ADV Part II for their investment/brokerage discretion disclosure.

Item 13**Review of Accounts**

The Portfolio Managers of EMC will continuously monitor the underlying securities in Funds, SMAs and NFSMAs. Accounts are reviewed for consistency with the client's investment strategy, asset allocation, risk tolerance and performance.

More frequent reviews may be triggered by changes in a Fund's, SMA and NFSMA client's personal, tax or financial status. Economic and industry events may also trigger reviews.

The Chief Compliance Officer also reviews accounts for compliance purposes.

The Funds provide investors with **monthly unaudited statements of the value of such investors' interest in the Fund prepared by the applicable Fund Administrator. Such investors are also provided with audited financial statements and any other information necessary to enable each Limited Partner to prepare its income tax returns. EMC may also prepare and deliver to such investors additional information EMC deems pertinent. EMC may provide additional information by special agreement with investors.**

SMA clients are furnished with monthly scheduled reports of investment portfolios at least quarterly from its custodian bank. Clients are informed of investment changes when they are initiated.

Item 14. Client referrals and Other Compensation*Client referrals*

Our firm may pay referral fees to independent persons or firms ("Solicitation Agents") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitation Agent to provide the prospective client with this ADV Part 2A and a separate disclosure statement that includes the following information:

- The Solicitation Agent's name and relationship with our firm;
- The fact that the Solicitation Agent is being paid a referral fee;
- The amount of the fee; and
- Whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitation Agent.

Other Benefits

EMC may receive without cost from Charles Schwab & Co., Inc. Advisor Services computer software and related systems support, which allow EMC to better monitor client accounts maintained at Schwab. EMC may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The software and support is not provided in connection with securities transactions of clients (*i.e.*, not "soft dollars"). The software and related systems support may benefit EMC, but not its clients directly. In fulfilling its duties to its clients, EMC endeavors at all times to put the interest of its clients first. Clients should be aware, however, that EMC's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's

choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, EMC may receive the following benefits from Schwab: (1) up to \$60,000 in credits to be used toward third party providers and offset onboarding of client accounts; (2) receipt of duplicate client confirmations and bundled duplicate statements; (3) access to a trading desk that exclusively services its institutional traders; (4) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, and/or (5) access to an electronic communication network for client order entry and account information.

Item 15. Custody

High net worth individuals who are SMA and NFSMA clients will receive monthly/quarterly statements from their account custodian(s) and are urged to carefully review each statement.

EMC will send audited financial statements to Fund investors within 120 days of the Funds' fiscal year end (180 days if the Fund itself holds investments in private securities).

Item 16. Investment Discretion

As investment adviser to the Funds and NFSMA, the relevant organizational documents and/or investment management agreements grant EMC the discretionary authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this authority must be made by the client in writing. In the case of SMAs, EMC has granted Mendon Capital Corp., Water Asset Management, LLC and Siegel Asset Management Partners (SAM) the authority to determine which securities and the amounts of securities that are bought or sold. For more information please see Item 4 under Separately Managed Accounts.

Item 17. Voting Client Securities

Advisory clients (other than NFSMA clients) may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. To direct us to vote a proxy in a particular manner, clients should contact James H. Elliot by telephone, electronic mail, or in writing.

EMC does not vote proxies on behalf of NFSMA clients, and does not have the discretionary authority to do so. Therefore, EMC and/or the client shall as required in each case instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

When EMC has discretion to vote proxies for our clients, we will vote those proxies in the best interests of our clients and in accordance with our established policies and procedures. EMC will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser

voted proxies. If EMC has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting James H. Elliot directly. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of EMC's complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

EMC will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner. Mendon Capital Advisors Corp. and Water Asset Management, LLC will vote proxies for SMA clients. Please refer to Mendon's or WAM's Form ADV Part II for their Proxy Voting Policy.

Item 18. Financial Information

As we do not charge fees in advance, we are not required to provide financial information in this brochure.