

**ASA MANAGED ACCOUNT MANAGERS LLC  
(and relying adviser)  
TF MANAGERS LLC**

601 Carlson Parkway  
Suite 1125  
Minnetonka, MN 55305  
(952) 847-2450

<https://www.asallc.com>

Firm Brochure  
(Part 2A of Form ADV)

February 12, 2021

**This brochure provides information about the qualifications and business practices of ASA Managed Account Managers LLC and its relying adviser TF Managers LLC (collectively “ASA”). If you have any questions about the contents of this brochure, please contact us at (952) 847-2450. 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.**

**While ASA is a registered Investment Adviser, registration does not imply a certain level of skill or training.**

**Additional information about ASA also is available on the SEC’s website at <http://www.adviserinfo.sec.gov>.**

**Item 2            Material Changes**

There have been no material changes since May 1, 2020, the date of the Filing Adviser's previous ADV Part 2. The Material Changes section of this Firm Brochure will be updated when material changes occur. In the future, we will provide you with a new Firm Brochure as necessary and required.

If you would like to receive a complete copy of our Firm Brochure at any time, please call us at 952-847-2450 or email [tstevens@asallc.com](mailto:tstevens@asallc.com).

**Item 3            Table of Contents**

Item 1: Cover Page_____	1
Item 2: Material Changes_____	2
Item 3: Table of Contents_____	2
Item 4: Advisory Business_____	3
(Includes: Background and Ownership, Key Personnel, Investment Philosophy and Strategy, and Assets Under Management)	
Item 5: Fees and Compensation_____	7
Item 6: Performance-Based Fees and Side-by-Side Management_____	8
Item 7: Types of Clients_____	8
Item 8: Methods of Analysis, Investment Strategies and Risk Factors_____	8
Item 9: Disciplinary Information_____	12
Item 10: Other Financial Industry Activities and Affiliations_____	13
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading_____	13
Item 12: Brokerage Practices_____	14
Item 13: Review of Accounts_____	16
Item 14: Client Referrals and Other Compensation_____	16
Item 15: Custody_____	16
Item 16: Investment Discretion_____	17
Item 17: Voting Client Securities_____	17
Item 18: Financial Information_____	18
Item 19: Requirements for State-Registered Advisers LLC_____	18

#### **Item 4            Advisory Business**

##### *ASA Managed Account Managers LLC (“MAM”) Background and Ownership*

MAM, a Delaware limited liability company, was formed in 2008 to provide investment advisory services to individual and institutional clients for the investment of client funds in municipal bonds, derivatives and other fixed income strategies. Through discussions in which goals and objectives for the portfolio are established, MAM develops a client’s investment strategy and creates and manages a portfolio based on that strategy. The Managing Members of MAM are Robert D. Albright Jr., Roland A. Jacobus, Timothy W. Stevens and Susan P. Peters.

##### *TF Managers LLC (“TF”) Background and Ownership*

TF, a Delaware limited liability company, was formed in 2012 to serve as the General Partner and Investment Adviser to Transitional Funding Partners L.P., a private investment fund offered to subscribers who are “Accredited Investors” under Regulation D of the Securities Act of 1933, as amended, and “Qualified Clients” under the Investment Advisers Act of 1940, as amended. The Managing Members of TF are Robert D. Albright Jr., Roland A. Jacobus, Timothy W. Stevens and Susan P. Peters.

ASA Managed Account Managers LLC and TF Managers LLC (collectively, “ASA”) are affiliated with each other due to common control and operational integration.

##### *Affiliated Businesses*

Alternative Strategy Advisers LLC (“ALT”), a Delaware limited liability company, was formed in 2001 to sponsor and provide administrative services to various investment advisers actively participating in the fixed income markets generally, and the municipal market specifically. ALT provides such services to ASA. In addition, ALT provides administrative services to Occum Partners LLC and Occum Opportunity Partners LLC, both private investment companies. ALT may, from time to time, form additional investment advisers and partnerships to pursue investment strategies it perceives to be attractive. These strategies may be similar to strategies currently employed by ASA but are also likely to include new strategies as well. The Managing Members of ALT are Robert D. Albright Jr., Roland A. Jacobus, Timothy W. Stevens and Susan P. Peters.

A description of the education and qualifications of the managing members of the businesses outlined in this section is provided below.

##### *Key Personnel*

ASA relies on the following key personnel to advise clients and operate and manage its investment advisory businesses:

##### Robert D. Albright Jr.

Mr. Albright is a Managing Member and Portfolio Manager of ASA and has over 30 years of professional experience in equity and fixed income trading, portfolio management, and risk management. Mr. Albright was a founding Managing Member of ALT in 2001, Occum Partners

LLC in 2007, and TF Managers LLC in 2012. Prior to 2001, Mr. Albright was a Senior Trader and Desk Manager for Cargill Financial Services Corp. from 1991-1998 and then CEO of EW Blanch Asset Management in 2000. Mr. Albright received his B.A. in Engineering Sciences from Dartmouth College in 1989, an M.S. in Computer Science from the University of Minnesota in 2001, and an M.S. in Mathematics from the University of Minnesota in 2020. Mr. Albright also received the Chartered Financial Analyst designation in 2001. Mr. Albright was born in 1967.

Roland A. Jacobus

Mr. Jacobus is a Managing Member and Portfolio Manager of ASA and has over 30 years of professional experience in equity and fixed income trading, portfolio management, and risk management. Mr. Jacobus was a founding Managing Member of ALT in 2001, Occum Partners LLC in 2007, and TF Managers LLC in 2012. Prior to 2001, Mr. Jacobus was a Senior Trader for Cargill Financial Services Corp. from 1987-1991 and a founder/partner of Eagle Capital Management Inc. from 1991-1998. Mr. Jacobus received a B.A. in Economics and Mathematics from Dartmouth College in 1987. Mr. Jacobus received the Chartered Financial Analyst designation in 1998. Mr. Jacobus received an M.S. in Mathematics from the University of Minnesota in 2017. Mr. Jacobus was born in 1965.

Timothy W. Stevens

Mr. Stevens is a Managing Member and Chief Financial Officer/Compliance Officer of ALT and is a Managing Member of ASA. Stevens has over 20 years of experience including auditing, accounting, finance, human resources, consulting, compliance and private fund operations. From 1989–1993, Mr. Stevens was an auditor in the financial services practice group of the New York office of Price Waterhouse. From 1993 to 1997, Mr. Stevens worked for Lehman Brothers in both the New York and London offices where his experiences included performing various middle office financial control and risk management functions with the proprietary trading, international equity desks, and international fixed income desk. In 1997, Mr. Stevens joined Jeffery Slocum & Associates, Inc. in Minneapolis as an Institutional Investment Consultant and Director of Finance and Operations. From 2003–2004, Mr. Stevens was the Chief Financial Officer of Highbar Capital Management LLC, an equity statistical arbitrage private investment fund. Mr. Stevens joined ALT in 2005 and became a Managing Member in 2013. Mr. Stevens received his B.A. in Economics from Princeton University in 1989 and an M.B.A. in Finance from New York University in 1993. Mr. Stevens was born in 1966.

Susan P. Peters

Ms. Peters is a Managing Member and Chief Technology Officer of ALT and Managing Member of ASA. Ms. Peters is also involved in the financing of ASA's positions. Ms. Peters joined ALT in 2004 and became a Managing Member in 2015. Ms. Peters received her B.S. in Computer Science from the University of Minnesota in 2004 and her M.S. in Financial Mathematics at the University of Minnesota in 2014. Ms. Peters was born in 1983.

### *Investment Philosophy and Strategy*

#### ASA Managed Account Managers LLC ("MAM")

MAM specializes in customizing fixed income portfolios for high net worth individuals and institutional clients with the broad objective of maximizing total return while maintaining the client's desired risk profile. The manager's specific area of expertise is the municipal bond market and related derivatives, as well as US Government or Agency-backed securities and all related futures and OTC derivative rate markets.

MAM employs a variety of investment strategies each tailored to meet its client's investment objectives. Clients provide MAM with investment constraints/criteria for their accounts including, but not limited to, duration, credit quality, diversification, income and taxability. For clients who wish to be 'opportunistic', MAM has broad discretion to determine the investment strategy for the account. Conversely, clients may customize their portfolios to very distinct sectors and risks within the municipal market.

MAM may also implement "relative value" strategies in the municipal bond markets as well as the US Treasury, Agency, Agency mortgage and related derivatives markets. Relative value discipline entails scanning the markets in which MAM participate to identify cash flows that are cheap relative to other similarly risky cash flows. For market neutral strategies, MAM identifies securities that have been correlated and should remain correlated either on a very short or very long-term time horizon. MAM monitors the relationships between these securities and seeks to understand and exploit mispricing which occurs in the short term as a 'market maker' and in the longer term when structural dislocations occur in the marketplace. By purchasing securities that are relatively cheap and selling securities that are relatively rich, positive returns are generated as the securities converge to fair value. Similar discipline is employed in "long-only" or "directional strategies" without implementing an offsetting market or interest rate hedge.

Specific Investment strategies MAM employs may include, but are not limited to, the following:

#### ***Municipal Bonds***

- Tax exempt money market securities and strategies designed to outperform traditional tax-exempt money market alternatives
- Tax Exempt and Taxable Municipal Bond "long only" strategies
- Tax Exempt and Taxable Municipal Bonds vs. an Index Benchmark strategies
- Tax Exempt and Taxable Municipal Bonds vs. various interest rate hedges strategies
- Niche municipal markets: Housing, non-vanilla structures (zeros, convertible coupons, floaters), 'orphaned' securities (fallen insurance, auction rate securities)
- Municipal Credit/High Yield
- Distressed property tax-backed bonds
- Municipal derivative basis, ratio trading, and correlation strategies
- Municipal CDS, Municipal Index (MCDX), and Corporate (IG) Index directional and relative value trading

- Municipal closed-end fund trading

#### ***Taxable Bonds***

- US Government or Agency money market securities and strategies designed to outperform traditional money market fund alternatives
- Treasury/Agency Bonds
- Corporate Bonds
- Asset Backed Bonds
- Treasury/Agency/Corporate/Asset Backed Bonds vs. various interest rate hedges
- Relative value across US interest rate derivatives
- Option-related volatility strategies and hedging
- Mortgage TBAs vs. Agencies and Specified Pools
- Hi-quality CMBS, ABS, and related derivatives (CMBX)

#### ***Other***

- Short-term, hi-frequency strategies
- Expertise in secured financing techniques and ISDA negotiations
- Expertise in transitional financing and distressed loan purchases

Full back and middle office capability to supplement the needs of clients including an outsourced solution if required.

#### **TF Managers LLC (“TF”)**

TF is the General Partner and Investment Adviser of Transitional Funding Partners L.P. (the Partnership), a private investment fund operating under a Limited Partnership Agreement governed by the laws of the State of Delaware. The objective of the Partnership is to earn high levels of current income for its investors by investing in collateralized, short-duration debt or debt-like instruments (such as bank loans, hard money loans, preferred stock, municipal bonds, U.S. government receivables factoring, inventory or equipment lending and leases, tax liens, etc.; collectively, “Loans”). The Partnership will lend only to U.S.-headquartered businesses. TF intends to build a Loan portfolio for the Partnership that is diversified geographically (within the United States), by borrower and by collateral type. Generally, all Loans will be secured by mortgages, deeds of trust and/or tax liens. The Partnership will seek to make Loans to “non-conventional” borrowers — i.e., smaller private companies or individuals without access to the capital markets — secured by first lien mortgages on real property or other tangible assets. While ordinary interest will be the primary source of income to the Partnership, there may be certain capital gains options associated with the Partnership’s Loans — for example, “equity kickers,” including stock warrants and options. The Partnership will not employ leverage in pursuing its investment objective.

#### ***Assets Under Management***

As of February 8, 2021, ASA had approximately \$477,192,000 in client assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

### **ASA Managed Account Manager LLC ("MAM")**

MAM normally charges a management fee ("fee") for its investment advisory services based on a percentage of net assets, contributed capital, invested capital and/or notional value under management, or, in some cases, a set dollar monthly or quarterly fee that could be construed as either a management or consulting/idea generation fee. MAM's fee schedule is negotiable in its sole discretion and varies by type of strategy implemented and size of investment. The range of management fees is from 2-50 basis points annually.

Management fees are normally calculated daily based on the net assets, contributed capital or invested capital in the account and is charged quarterly in arrears. MAM will bill clients who choose not to provide written authorization for MAM to deduct the fees directly. The fee is pro-rated for periods less than one month.

All expenses incurred directly in connection with transactions effected or positions held in the account on behalf of the client (including without limitation, trading losses, brokerage commissions, custodian fees, accounting and auditing services – if any, withholding or transfer taxes – if any) shall be paid directly from the account or billed to the client by MAM. In general, as the accounts are actually held and maintained by the client, MAM is not involved in the settlement of these expenses. Please see Item 12 for further discussion of brokerage services utilized by MAM.

All fees paid to MAM for investment advisory services are separate and distinct from the fees and expenses charged by open or closed-end mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus.

### **TF Managers LLC ("TF")**

TF charges a management fee ("fee") to Transitional Funding Partners L.P. (the Partnership). The fee is charged monthly to each investor in the Partnership, equal to one-twelfth of 1.0%, based on each investor's capital balance as of the beginning of each calendar month. TF may waive or reduce the management fee for certain investors at its discretion.

The Partnership is responsible for operating expenses it incurs in connection with its third-party service providers. These expenses include professional fees (e.g., legal, audit, and tax) and corporate or registration fees under applicable federal or state laws. The Partnership is also responsible for expenses incurred related to its loan portfolio which may include upfront due diligence costs, transaction processing fees, loan close-out costs or expenses related to working out non-performing loans. TF nor any of its related parties are not paid a fee to administer the Partnership.

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

### **ASA Managed Account Manager LLC (“MAM”)**

MAM may charge a performance-based fee which is a set percentage of profits after all expenses and management fees. The range of performance-based fees for existing accounts is 10-20% of net profits achieved. This fee is either paid on a periodic basis with a high-water mark taken into consideration, in arrears once the investment goals of the account have been achieved as defined and agreed to in writing by the client and MAM, or upon termination of the investment advisory agreement.

### **TF Managers LLC (“TF”)**

TF charges an annual fee based on performance. The performance-based fee is equal to 12.5% of the difference between an investor’s capital account balance at the end of the year (or capital withdrawal date) and the investor’s “high water mark” provided that the performance-based fee will only be made to the extent that, after doing so, the increase in the investor’s capital account during the fiscal year then ended equals 10% of the capital account as of the beginning of such fiscal year. An investor’s “high water mark” is generally the highest balance of an investor’s capital account on any prior December 31 (after reduction for any performance-based fee then made) or the amount of such investor’s net capital contributions, if higher. TF has the ability to waive or reduce the performance-based fee for certain investors at its discretion.

## **Item 7 Types of Clients**

ASA clients include high net worth individuals, trusts, charitable organizations, private investment partnerships, individual retirement plans, corporations, endowments, insurance companies and fund-of-funds. The minimum balance to open an account ranges from \$100,000 to \$25,000,000 depending on the investment vehicle, type of account, and investment strategy employed. ASA may allow a lower account minimum at its discretion.

## **Item 8 Methods of Analysis, Investment Strategies and Risk Factors**

### ***Methods of Analysis and Investment Strategies***

ASA does fundamental research on the individual credits purchased for its accounts. This analysis includes assessing quality of the revenue stream used for repayment, any assets securing the loan, debt service coverage ratio, and strength of the obligation of the issuer, among other factors. Additionally, diversification criteria, specified by each client, for issuer concentration and state-specific geographic exposure serve to mitigate risk. Finally, ASA seeks to manage duration risk exposure with guidance from each client. ASA’s fundamental discipline and expertise in identifying portfolio holdings is relative value analysis. Specifically, ASA seeks to hold and actively trade securities that it perceives as ‘cheapest’ after all credit, issuer, structure, optionality, tax characteristics, etc. are analyzed and priced. Extensive historical series and statistical analytics are also used in selecting assets and hedges/liabilities.

### **TF Managers LLC (“TF”)**

TF’s primary focus in evaluating a loan for its portfolio is performing due diligence/analysis on the value of the underlying collateral for each loan based upon comparable sales, replacement value, and cash flow. Considerable time is spent ascertaining how liquid the collateral is and what would it cost to carry



it for a reasonable holding period should the loan default. These factors determine loan to value and any required escrows. TF also performs detailed title work on the collateral to ascertain what, if any, liens may be on the collateral, whether there are any outstanding taxes owed on the collateral, and that the property is adequately insured. TF will contract for appraisals or structural, engineering and environmental inspections of the underlying collateral as needed. TF normally performs site visits to meet the borrower and evaluate the underlying collateral when it originates loans.

TF also performs due diligence on the borrower to confirm they are in good standing with the applicable state and have no felony history. TF reviews the borrower's financial statements and tax returns. TF may perform reference, credit and background checks as it deems necessary. TF's typical list of legal documents a borrower must provide or sign is as follows:

- Corporate Formation Documents
- Authorized Signatory Documents
- Unanimous Written Consent
- Borrower's Affidavit
- Promissory Note
- Trust Deed (s) with Assignment of Leases and Rents
- Security Agreement (Plans)
- Security Agreement (Collateral)
- Personal Guaranty
- Compliance Agreement and Limited Power of Attorney
- Closing Instructions

### *Risk Factors*

ASA will attempt to attain the investment objectives set by the client through its research and portfolio management skills, but there is no guarantee of successful performance, that the investment objectives can be reached or that a positive return will be achieved. As a general rule, clients should expect that investments with higher return potential will also have higher potential of risk of loss to capital and/or income. The client's investments may fluctuate in market value from day to day and as such the value of a client's account may decrease as well as increase. ASA'S investment program does not constitute a balanced investment program for purposes of a client's portfolio diversification needs and, therefore, clients should consult with their own financial advisers for the appropriateness of an investment with ASA for their overall investment program. A prospective client should consider the following factors and other considerations. The following risk factors do not purport to be a complete examination of all of the risks involved in investments typically considered by ASA.

#### General Risks:

- Risk of Loss. Securities and other investments may fluctuate in value and involve a risk of loss that each client should understand and be willing to bear. Clients are reminded to discuss these risks with ASA. Past performance is not a guarantee of future returns.
- Government Intervention. The global financial markets have at times in the past undergone pervasive and fundamental disruptions that led to extensive and unprecedented governmental intervention and/or new regulation. Such intervention and regulation has in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability, at least on a temporary basis, to continue to implement certain strategies or manage the risk of their outstanding positions. In addition — as one would expect given the complexities of the financial markets and the limited time frame within which governments have taken such actions — these interventions typically have been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as certain previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on the ASA’s strategies
- Pandemic Risks. Disease outbreaks that affect local economies or the global economy may materially and adversely impact our investment funds and portfolios and/or our business. For example, uncertainties regarding the Coronavirus (COVID-19) outbreak have resulted in serious economic disruptions across the globe. These types of outbreaks can be expected to cause severe decreases in core business activities across all aspects of the economy. These disruptions lead to instability in the marketplace and overall volatility, as has occurred in connection with COVID-19. In the face of such instability, governments may take extreme and unpredictable measures to combat the spread of disease and mitigate the resulting market disruptions and losses. We have in place and are implementing business continuity plans reasonably designed to ensure that we maintain normal business operations, and that our investment portfolios and client assets are protected, and we periodically test those plans. However, in the event of a pandemic or an outbreak, there can be no assurance that we or our and our investment fund and portfolios’ service providers will be able to maintain normal business operations for an extended period of time or will not lose the services of key personnel on a temporary or long-term basis due to illness or other reasons. The full impacts of a pandemic or disease outbreaks are unknown, resulting in a high degree of uncertainty for potentially extended periods of time.
- Market Disruptions. The client may incur major losses in the event of disrupted markets and other extraordinary events. In disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving.
- Tax Shortfalls. A dramatic drop in state and local tax revenues could lead to a material increase in defaults on Municipal Securities. A rise in Municipal Securities default rates (in excess of the limited capacity of bond issuers to cover such defaults) may be directly adverse to the long-only investment objectives of a client’s account.

- The Client's Reliance on ASA. The client's investments will be managed by ASA. Clients will not make decisions with respect to the selection, management, disposition or other realization of any investment, or any other decisions regarding the account. Consequently, the success of the account will depend, in large part, upon the skill and expertise of ASA's investment professionals. There is no assurance that such investment professionals will continue to be involved in the management of the account. Were the services of ASA or of certain of such the ASA investment professionals to become unavailable, the effect on the account could be material and adverse.
- Competition. ASA will be competing against entities with financial and personnel resources many times those available to ASA. The limited resources of ASA may be a particularly important competitive disadvantage given the research-intensive nature of certain of its strategies and the limited availability of attractive fixed income securities.
- Market Risks In General. Certain general market conditions could materially affect the client's profit potential. The particular or general types of market conditions in which the client may incur losses or experience unexpected performance volatility cannot be predicted, and ASA may materially underperform other investment funds with substantially similar investment objectives and approaches.
- Importance of Market Judgment. While ASA does make use of quantitative analysis and computer models to assist its trading, the Portfolio Manager(s) will rely heavily on their market judgment and experience in investing the client's portfolio. Their discretionary trading decisions may be less disciplined than, and may materially underperform, a more systematic approach.

#### Strategy Risks:

- Municipal Market Risk. Various factors may adversely affect the value and yield of Municipal Securities. These factors include imbalances in demand, potential legislative changes as well as uncertainties related to the tax status of Municipal Securities or the rights of investors holding these securities. Any of these factors could cause losses for the client.
- Trade Execution Risk. The ability of ASA to exit a position successfully often depends on efficient and timely trade execution.
- Liquidity Risk. Illiquid markets create the risk of ASA being unable to close out positions so as to recognize profits or limit losses. The client's portfolio is subject to liquidity risk because of the fragmentation of the municipal and related securities markets. However, even exchange-traded securities may be subject to trading suspensions and low transaction volume.
- Uncertain Valuation. ASA investments may have a material degree of uncertainty in their valuation which could cause material economic dilution to investors based on the timing of their contributions and withdrawals from ASA.
- Issuer and Counterparty Credit Risk. The issuer or the guarantor of a debt security may, in certain circumstances, be unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations.
- Financial Intermediary Credit Risk. The institutions, including brokerage firms, banks and futures commission merchants, with which ASA does business, or to which client securities have been

entrusted for custodial purposes, may encounter financial difficulties that impair their operational capabilities or result in losses to the client.

- Foreclosure and Bankruptcy Risk. If it becomes necessary to foreclose on or make a claim in bankruptcy court against the assets underlying a loan or debt obligation, significant uncertainty may arise as to the outcome of the proceeding due to the time and costs involved in reaching a resolution.

#### Structural Risks:

- Limited Regulatory Oversight. ASA is not registered as an investment company under the Investment Company Act of 1940, as amended ("Company Act"). Accordingly, the provisions of the Company Act, which among other things require investment companies to have a majority of disinterested directors, require securities held in custody at all times to be maintained in segregated accounts and regulate the relationship between the investment company and its asset managers, are not applicable to an investment with ASA. Neither ASA nor the Managing Members are subject to comparable regulation in any non-U.S. jurisdiction. Therefore, clients of ASA do not have the benefits of the protections afforded by, nor is ASA subject to the restrictions contained in, such registration and regulation.
- Dependence on the Portfolio Managers. ASA has the sole authority to invest and trade the assets of the account and is dependent on the services of a limited number of Portfolio Managers. Furthermore, ASA's strategies are primarily discretionary, based on the market experience of the Portfolio Managers. If for any reason ASA were to lose the services of one or more of the Portfolio Managers, the client could be adversely affected.
- Risk of Litigation. In the ordinary course of its business, ASA may be subject to litigation from time to time. Any litigation may consume substantial amounts of ASA's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.
- Changes in Tax Law. The tax law could at any time be changed in a manner materially adverse to a client's account.
- Conflicts of Interest. ASA and its Managing Members will be subject to certain actual and potential conflicts of interest in managing client accounts and affiliated entities as discussed in Item 4 above.
- Other Risks. Adverse changes in market and economic conditions, securities or other laws or regulations or accounting standards may have an adverse effect on the value of the client's investments. However, it cannot be predicted whether such changes will occur and to what extent these changes may adversely affect the business of ASA.

#### **Item 9                      Disciplinary Information**

There are no legal or disciplinary events involving ASA, its affiliates or the employees of its affiliates.

**Item 10 Other Financial Industry Activities and Affiliations**

As described in Item 4 above, ASA Managed Account Managers LLC and TF Managers LLC are affiliated investment advisers each registered with the SEC. ASA Managed Account Managers LLC serves as an adviser to individual and institutional clients. TF Managers LLC is the general partner and adviser to Transitional Funding Partners L.P. All supervised persons of each of the affiliated advisers are subject to a single compliance manual and code of ethics.

The Managing Members of ASA are also principals and officers of Alternative Strategy Advisers LLC ("ALT"), a sponsor and provider of administrative services to various investment advisers actively participating in the loan market, fixed income markets generally, and the municipal market specifically. Some Managing Members of ASA and ALT are also Managing Members of Occum Partners LLC, a business involved in real estate acquisition and financing, and Occom Opportunity Partners LLC, a business involved in factoring State of Illinois vendor receivables.

The amount of time any particular Managing Member or key personnel will spend with a particular entity will vary based on the needs of the clients of the various entities. One Managing Member serves on the board of a company not involved in the financial services business. This activity is not the principal business activity of this Managing Member.

ASA's related persons may offer qualified ASA clients the opportunity to invest in any of ASA or its affiliates' investment vehicles. All compensation to ASA's related persons as a result of client investment in more than one of ASA's or its affiliates' investment vehicles is entirely separate and distinct from ASA's advisory fees. No client of ASA is obligated to invest in any of ASA or its affiliates' investment vehicles.

Neither ASA nor any of its affiliates is registered under any financial regulatory authority outside the United States.

**Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

ASA has adopted a Code of Ethics pursuant to SEC Rule 402A-1. This Code of Ethics expresses ASA's commitment to ethical conduct. ASA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth ASA's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with ASA may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of ASA that no person employed by ASA shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, ASA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. ASA requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

ASA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. ASA's Code of Ethics further includes the firm's

policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

ASA will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at ASA's principal address.

#### **Item 12            Brokerage Practices**

ASA maintains relationships with a large number of executing brokers or dealers. ASA will endeavor to select those executing brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help ASA in providing investment management services to clients. ASA does not receive so-called "soft dollar" benefits from any broker other than research. ASA may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all ASA clients, and not all of such research may be useful for the account for which the particular transaction was effected. Brokers or dealers that ASA selects to execute transactions may from time to time refer clients to ASA. ASA 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 ASA's interest in receiving future referrals.

When undertaking an advisory relationship, a client may already have a pre-established relationship with a broker and they will instruct ASA to execute all transactions through that broker. In the event that a client directs ASA to use a particular broker or dealer, it should be understood that under those circumstances ASA will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

ASA will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows ASA to execute trades in a timely, equitable manner and to reduce overall commission charges to clients. In certain circumstances, ASA may include trades for accounts managed by ASA's related persons in blocks with client accounts. In this situation, trades will be allocated first by determining the entity or entities for which a particular security is appropriate. If the security is appropriate for more than one entity, generally, an allocation between or among such entities will be made pro rata based on the net asset value of such entity, giving appropriate consideration to the current capital exposure (as well as leverage) to the applicable strategy utilized by the entities. Under certain circumstances, other criteria will be used in the allocation process. These criteria include but are not limited to those set forth below:

1. An entity or account already having sufficient exposure to the securities, issuer or market in question;
2. The different liquidity positions and requirements of the participating entities;
3. Tax considerations;
4. Regulatory considerations;
5. The relative capitalization and cash availability of the participating Entities or accounts;

6. The relative risk and value-at-risk profiles of the participating entities or accounts;
7. Different strategies;
8. Portfolio concentration considerations;
9. Informal diversification requirements;
10. Borrowing base considerations;
11. Different historical and anticipated subscription and redemption patterns;
12. Minimum investment criteria; and/or
13. Investment time horizon.

It is anticipated that by aggregating these trades, ASA's investors will have access to investment opportunities that might not otherwise be available. However, because the investment opportunities selected for block trading may be limited in size, it is possible that ASA's client may receive a smaller share of the opportunity that they would if ASA were to exclude the accounts managed by ASA's related persons from the blocked trade.

#### ASA Managed Account Managers LLC ("MAM")

MAM clients are responsible for opening and maintaining their own custodial and brokerage accounts. However, for some clients, MAM participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Co., Inc. ("Charles Schwab"), a FINRA registered broker-dealer. Clients in need of custodial services may have Charles Schwab recommended to them. As part of the SI program, MAM receives benefits that it would not receive if it did not offer investment advice. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if MAM did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program may or may not depend upon the amount of transactions directed to, or amount of MAM client assets held in custodial accounts at Charles Schwab. Charles Schwab also makes available to MAM other products and services that benefit MAM but may not benefit its clients' accounts.

Some of these other products and services assist MAM in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of MAM's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of MAM's accounts, including accounts not maintained at Schwab Institutional (if any). Charles Schwab also makes available to MAM other services intended to help MAM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Charles Schwab may make available, arrange and/or pay for these types of services rendered to MAM by independent third parties. Charles Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third

party providing these services to MAM. While as a fiduciary, MAM endeavors to act in its clients' best interests. MAM's recommendation that clients maintain their assets in accounts at Charles Schwab 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 Charles Schwab, which may create a potential conflict of interest.

#### **Item 13            Review of Accounts**

Securities held in client accounts of ASA are reviewed continuously. Client accounts are reviewed at least quarterly and as frequently as monthly if a client so requests. More frequent reviews may be triggered by material market, economic or political events, or by changes in the client's situation. All accounts are reviewed by Robert D. Albright, Jr., Managing Member/Portfolio Manager, or Randy A. Jacobus, Managing Member/Portfolio Manager. Clients will receive, at a minimum, quarterly written account reports showing the net asset value of the account and total return of the account.

Clients of ASA Managed Account Managers LLC ("MAM") will receive monthly or quarterly account statements from the custodian. Clients should compare the account statements they receive from MAM to the account statements they receive from the custodian.

#### **Item 14            Client Referrals and Other Compensation**

ASA does not pay a third party for client referrals. However, ASA may do so in the future, and it is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by ASA and all applicable Federal and/or State laws will be observed.

#### **Item 15            Custody**

All assets of ASA Managed Account Managers LLC ("MAM") clients are held at a qualified custodian. MAM is considered to have constructive custody solely because some of its advisory fees are directly deducted from the client's account by the custodian at the request of and on behalf of MAM.

Clients of MAM receive monthly or quarterly statements from the qualified custodian. MAM provides, daily, weekly, monthly or quarterly reports as specified by the client. Cash balances held by a custodian are monitored and reconciled on a periodic basis as determined between MAM and the Client. Clients should compare the account statements they receive from MAM to the account report they receive from the custodian.

TF Managers LLC has custody of the assets of the investment vehicles for which it serves as General Partner. Investors in this entity do not receive account statements from the custodian; rather, such entities are subject to an annual audit by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board and the audited financial statements are distributed to each investor within 120 days of the end of each entity's fiscal year.



**Item 16 Investment Discretion**

The investment management or subscription agreement (the “Agreements”), as applicable, between ASA and the client outlines the discretionary authority given to ASA. Any limitations on this discretionary authority shall be included in the Agreements. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

**Item 17 Voting Client Securities**

ASA policy is not to vote proxies on behalf of clients. However, ASA, at its discretion, may agree to vote proxies on behalf of a Client. In such cases, ASA, as a matter of policy and as a fiduciary to its clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of its clients. ASA maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm’s proxy policies and practices. ASA’s policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. A copy of ASA’s proxy voting policy is available upon request.

ASA has adopted procedures to implement the firm’s policy and conducts reviews to monitor and ensure the firm’s policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

**Voting Procedures**

All employees of ASA or its affiliates will forward any proxy materials received on behalf of clients to ASA management;

- ASA management will determine which client accounts hold the security to which the proxy relates;
- Absent material conflicts, ASA management will determine how ASA should vote the proxy in accordance with applicable voting guidelines, complete the proxy and vote the proxy in a timely and appropriate manner.

**Voting Guidelines**

- In the absence of specific voting guidelines from the client, ASA will vote proxies in the best interests of each particular client. ASA’s policy is to vote all proxies from a specific issuer the same way for each client absent qualifying restrictions from a client. Clients are permitted to place reasonable restrictions on ASA’s voting authority in the same manner that they may place such restrictions on the actual selection of account securities.
- ASA will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of an auditor absent conflicts of interest raised by an auditor’s non-audit services.
- ASA will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.

- In reviewing proposals, ASA will further consider the opinion of management and the effect on management, and the effect on shareholder value and the issuer's business practices.

#### Conflicts of Interest

- ASA will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationship of ASA with the issuer of each security to determine if ASA or any of its employees has any financial, business or personal relationship with the issuer.
- If a material conflict of interest exists, ASA management will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.
- ASA will maintain a record of the voting resolution of any conflict of interest.

#### Recordkeeping

ASA shall retain the following proxy records in accordance with the SEC's five-year retention requirement.

- The policies and procedures and any amendments;
- Each proxy statement that ASA receives;
- A record of each vote that ASA casts;
- Any document ASA created that was material to making a decision how to vote proxies, or that memorializes that decision including periodic reports to or proxy committee, if applicable.
- A copy of each written request from a client for information on how ASA voted such client's proxies, and a copy of any written response.

Clients may make a request in writing to ASA to review copies of the documentation on how ASA voted proxies on portfolio securities in their account.

#### **Item 18 Financial Information**

ASA does not solicit the prepayment of fees from clients six months or more in advance. There is no financial condition that is reasonably likely to impair ASA's ability to meet its contractual commitments to its clients.

ASA has never been the subject of a bankruptcy petition.

#### **Item 19 Requirements for State-Registered Advisers**

ASA is not registered with any state securities authority.