EMPIRICAL ASSET MANAGEMENT, LLC

Form ADV 2A - Disclosure Brochure

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This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Empirical Asset Management, LLC ("EAM" or the "Advisor"). If you have questions about the content of this Disclosure Brochure, please contact the Advisor at 781-431-2223 or by email at mfiskio@empiricalam.com.

EAM is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration does not, however, imply a certain level of skill or training.

Additional information about EAM and its Advisory Persons is also available on the SEC's website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 155436.

ITEM 2 - MATERIAL CHANGES

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of EAM.

EAM believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. EAM encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

Material Changes
The following material change has been made to this disclosure brochure since the last filing and distribution to clients:

- The Advisor engages with Broadridge Investor Communications Solutions, Inc. for research, analysis, and recommendations on the various proxy proposals for the client securities that EAM manages. Please see Item 17 for additional information.

Future Changes
From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of EAM.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 155436.

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ITEM 4 - ADVISORY BUSINESS

Firm Description

Empirical Asset Management, LLC ("EAM" or the "Advisor") is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC"). The Advisor is located in the Commonwealth of Massachusetts and is organized as a limited liability company ("LLC") under the laws of the State of Delaware. EAM was founded in July of 2010 and began accepting client accounts on January 1, 2011. Mark H. Fiskio is the founder, Managing Partner and Principal Owner of EAM. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by EAM.

Types of Advisory Services

EAM offers investment management services to individuals, high net worth individuals, trusts, estates, pooled investment vehicles, charitable organizations, businesses, retirement plans and other investment advisors (each referred to as a "Client").

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. EAM's fiduciary commitment is further described in the Advisor Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Investment Management Services

EAM provides investment management services to Clients, which is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. EAM works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a strategy. EAM will construct a customized investment portfolio, consisting of low-cost, diversified exchange-traded funds ("ETFs") and/or mutual funds, individual stocks, bonds or alternative investment vehicles to meet the needs of its Clients. Additionally, the Advisor may utilize Rules Based Investing® ("RBI") methodology and in such instances, will place Client assets into one of EAM's proprietary models. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

EAM's investment approach is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held for less than one year to meet the objectives of the Client, due to market conditions or to comply with the trading policies of an EAM investment strategy. EAM will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

EAM evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. EAM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. EAM may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. EAM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

Use of Independent Managers – When deemed to be in the Client's best interest, EAM will recommend that a Client utilize one or more unaffiliated investment managers or investment platforms (collectively "Independent Managers") for all or a portion of a Client's investment portfolio. In such instances, the Client may be required to authorize and enter into an advisory agreement with the Independent Manager[s] that defines the terms in which the Independent Manager[s] will provide investment management and related services. The Advisor may also assist in the development of the initial policy recommendations and managing the ongoing Client relationship. The Advisor will perform initial and ongoing oversight and due diligence over the selected Independent Manager[s] to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests. The Client, prior to entering into an agreement with unaffiliated investment manager[s] or investment platform[s], will be provided with the Independent Manager's Form ADV 2A (or a brochure that makes the appropriate disclosures).

All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the terms of the Client investment advisory agreement, please see Item 12 – Brokerage Practices.

<u>Private Fund Advisor Services</u>
EAM also serves as the investment manager to the Empirical Long Short Fund, LP (the "Fund"). The general partner to the Fund is Empirical Fiscal Partners, LLC ("EFP"), an affiliated entity under common control an ownership with the Advisor. The services to the Fund are detailed in the offering documents for the Fund, which include as applicable, operating agreements, private placement memorandum and/or term sheets, subscription agreements, separate disclosure documents, and all amendments thereto ("Offering Documents").

The Advisor manages the Fund based on the investment objectives, policies and guidelines as set forth in the respective Offering Documents and not in accordance with the individual needs or objectives of any particular investor therein. Each prospective investor interested in investing in the Fund is required to complete a subscription agreement in which the prospective investor attests as to whether or not such prospective investor meets the qualifications to invest in the Fund and further acknowledges and accepts the various risk factors associated with such an investment.

In general, investors in the Fund are not permitted to impose restrictions or limitations. However, the Advisor may enter into side letter agreements with one or more investors that may alter, modify, or change the terms of interest held by investors. Certain types of side letters create a conflict of interest between the Advisor and the investors in the Fund, and/or between investors themselves. All clients paying same fee arrangement, no side letters.

The Advisor will recommend that certain Clients invest in the Fund. The recommendation to invest in the Fund poses a conflict between the interests of the Advisor and the interests of the Client, as the Advisor is incentivized to increase the amount of assets in the Fund in order to increase the revenue generated to EAM. This conflict is mitigated as Clients will pay fees in accordance with the offering documents and will not pay any investment advisory fees to the Advisor on assets invested in the Fund. Clients of the Advisor are under no obligation to invest in the Fund.

For more detailed information on investment objectives, policies and guidelines, please refer to the Fund's Offering Documents.

<u>Retirement Plan Advisory Services</u>
EAM provides advisory services to retirement plans (each a "Plan") and the company sponsor (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services may include:

- Vendor Analysis
- Plan Participant Enrollment and Education Tracking
- Investment Risk Assessment Design and Monitoring
- Investment Due Diligence and Oversight
- Investment Management Services (ERISA 3(38))

• Performance Reporting
• Ongoing Investment Recommendations and Assistance

Certain of these services are provided by EAM serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of EAMs fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Client Account Management
Prior to engaging EAM to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – EAM, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – EAM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – EAM will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – EAM will provide investment management and ongoing oversight of the Client's investment portfolio.

Wrap Fee Programs
EAM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by EAM.

Assets Under Management
As of December 31, 2020, EAM manages $107,503,168 in Client assets, $105,401,932 of which are managed on a discretionary basis and $2,101,236 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

ITEM 5 - FEES AND COMPENSATION

A. Fees for Advisory Services
Investment Management Services
Investment management fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment management agreement. Investment management fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment management fees range from 0.20% to 2.00% annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The investment management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by EAM will be independently valued by the Custodian. EAM will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

Use of Independent Managers – As noted in Item 4, the Advisor will implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. Independent Managers typically do not offer any fee discounts but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.50% annually.

<u>Private Fund Advisor Services</u>
Fees for the Fund are paid monthly, at the end of each month, pursuant to the terms of the Offering Documents. Fees are at an annual rate of 1.00%, based on the net asset value of the Fund. ***For more detailed information on the fees and compensation received by the Advisor and its affiliates, please refer to the Fund's Offering Documents.***

<u>Retirement Plan Advisory Services</u>
Fees for retirement plan advisory services are charged an annual asset-based fee of up to 2.00%. Fees may be negotiable depending on the size and complexity of the Plan.

B. Fee Billing
<u>Investment Management Services</u>
Investment management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with EAM at the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients are urged to also review and compare the statement provided by the Advisor to the brokerage statement from the Custodian, as the Custodian does not perform a verification of fees. Clients provide written authorization permitting advisory fees to be deducted by EAM directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Use of Independent Managers – For Client accounts implemented through an Independent Manager, the Client's overall fees will include EAM's investment advisory fee (as noted above) plus investment management fees and/or platform fees charged by the Independent Manager. The Independent Manager will assume the responsibility for calculating the Client's fees and deducting all fees from the Client's account[s].

<u>Private Fund Advisor Services</u>
The amount due for management to the Fund is calculated by applying the monthly rate (annual rate divided by 12) to the net asset value of the Fund. ***For more detailed information on the billing and methodology, please refer to the Fund's Offering Documents.***

<u>Retirement Plan Advisory Services</u>
Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

C. Other Fees or Expenses
Clients may incur certain fees or charges imposed by third parties, other than EAM, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The Advisor's recommended Custodian does not charge securities

transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. The fees charged by EAM are separate and distinct from these custody and execution fees.

In addition, all fees paid to EAM for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of EAM, but would not receive the services provided by EAM which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by EAM to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

<u>Private Fund Advisor Services</u>
Investors in the Fund may incur certain fees or charges imposed by third parties, other than EAM, in connection with investment made on behalf of the Funds. The Funds [and indirectly the Investors] are responsible for all custody and securities execution fees charged by the Custodian and executing broker-dealer, if applicable. The fees charged by underlying investments are also indirectly included in the value of an Investor's account. ***Additional details regarding management fees and performance allocations are included in the Fund's Offering Documents.***

D. Advance Payment of Fees and Termination
<u>Investment Management Services</u>
EAM is compensated for its services in advance of the quarter before investment management services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Use of Independent Managers – In the event that a Client should wish to terminate their relationship with the Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and that Independent Manager. EAM will assist the Client with the termination and transition as appropriate.

<u>Private Fund Advisor Services</u>
EAM is compensated for its services to the Fund at the end of each month before management services are rendered. ***For more detailed information on advance payment of fees and termination, please refer to the Fund's Offering Documents.***

<u>Retirement Plan Advisory Services</u>
EAM is compensated for its services in advance of the quarter before retirement plan advisory services are rendered. Either party may terminate the advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the retirement plan advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid retirement plan advisory fees from the effective date of termination to the end of the quarter. The Client's retirement plan advisory agreement

with the Advisor is non-transferable without the Client's prior consent.

E. Compensation for Sales of Securities

Neither EAM nor any person associated with EAM (our "Supervised Persons") will accept compensation for the sale of securities, including asset-based sales charges or service fees from the sale of mutual funds.

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

Performance-Based Fees

EAM may receive a performance fee based upon any gains obtained in the account[s] of "Qualified Clients", as defined below, such as the Fund, pursuant to the terms Offering Documents. The performance fee will be calculated at the close of each calendar year and deducted from Client's account[s] at the Custodian. The performance fee will be equal to 20% of any gains in the Client's account[s] for the year subject to a "high water mark" to ensure the Advisor will not receive the performance fee unless, and only to the extent that there are cumulative gains in the Client's account.

Investors and Clients should understand that certain conflicts of interest exist due to performance-based fee arrangements, which include the fact that a performance-based fee arrangement creates an incentive for the Advisor to make investments that are more risky or more speculative than might otherwise be the case in the absence of such arrangement. Additionally, the Advisor has the potential for higher compensation from a Client. To mitigate the conflicts, the performance-based fees are structured so that certain performance hurdles must be met in order to receive the fee. In addition, the Offering Documents contain disclosures regarding the amount of fees and how they are calculated. Importantly, as part of the Advisor's fiduciary duty, EAM must act in the best interest of the Funds.

Who is a "Qualified Client"? – The Investment Advisers Act of 1940, as amended (the "Advisers Act"), Rule 205-3(d)(1) currently defines a "Qualified Client" who is financially sophisticated and meets one or more of the following conditions:

- Client is a natural person who, or a company that, immediately after entering into the contract has at least $1,000,000 under the management of the Advisor;
- Client is a natural person who, or a company that, immediately prior to entering into the contract has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $2,100,000 at the time the contract is entered into.

High-Water Mark Example – A high-water mark (or "loss carryforward provision") is applied to the performance fee calculation of each Qualified Client. This means that the Advisor only receives performance fees on increases in the account value of the Client's account in excess of the highest account value it has previously achieved. For example, if at the beginning of billing period 1, the account value was $1,000,000, which then rose to $1,100,000 at the end of the first billing period and rose to $1,200,000 at the end of the second billing period, a performance fee would be payable on the $200,000 in net return. If the next billing period, the account value drops back to $1,100,000, no performance fee is charged. If in the third billing period, the account value rises to $1,300,000, a performance fee will be payable only on the $100,000 return from $1,200,000 (the high-water mark) to $1,300,000 rather than on the full return during that six-month period from $1,100,000 to $1,300,000.

Side by Side Management

Regarding side-by-side management, the Advisor receives different types of fees, such as asset-based and performance-based fees. Managing Clients that are charged different types of fees creates a conflict of interest between the Advisor and its Clients. For example, charging performance-based fees incentivizes the Advisor to allocate more favorable investments to those Clients being charged a performance-based fee. The Advisor has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple types of Clients, including Clients with multiple fee arrangements, and a trade rotation approach for its investment strategies. EAM also has policies in place to address potential trading conflicts as well. A description of the Advisor's policy on addressing portfolio trading conflicts can be found below in Item

12 – Brokerage Practices.

ITEM 7- TYPES OF CLIENTS

EAM offers investment advisory services to individuals, high net worth individuals, trusts, estates, pooled investment vehicles, charitable organizations, businesses, retirement plans and other investment advisors. The amount of each type of Client is available on EAM's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. EAM generally does not impose a minimum relationship size for its investment management services, however, the Fund has a minimum investment amount of $100,000.

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

Methods of Analysis and Investment Strategies

The *Rules Based Investing®* methodology employed by EAM utilizes multiple, automated risk-controlling features. EAM manages portfolios through the application of disciplined rules sets that govern the investment management of the portfolio, rather than through the application of investment decisions made by individuals.

Over the years several strategies and portfolios have been added to the EAM product offering. Our *Rules Based Investing®* methodology is utilized in all of the EAM portfolios and each of EAM's investment models are based on the tenet of disciplined sets of rules. In our experience the application of rules to the management of portfolios allows for both "active and passive" management of a portfolio while also attempting to control risk. EAM's management process is not affected by subjective and emotional human decision-making, which can lead to costly investment mistakes. Although EAM's methodology is designed to control risk, owning securities involves risk of loss that all of EAM's Clients should be prepared to bear.

EAM Asset Allocation Portfolios

EAM's Asset Allocation Portfolios ("AAP") consist of five asset allocation models:

- Conservative
- Moderate Conservative
- Moderate
- Moderate Aggressive
- Aggressive

The offering of five models allows for the selection of the proper risk tolerance for each client or account. EAM derives its performance through the very act of attempting to control risk, unlike most managers who attempt to gain an advantage by assuming risk. Each set of rules is designed to control risk, regardless of the risk tolerance of the investor, utilizing the following metrics:

- Precision asset allocation
- Elimination of emotion
- Individual stock diversification
- Rebalancing
- Value screening
- Active/passive diversification

Each of the five asset allocation models that constitute AAP utilize active and passive ETFs designed to adhere precisely to our asset allocation models. Rebalancing occurs every fifteen months, serving the dual purpose of refreshing the active management portion of the portfolio and realigning the portfolio with our precision asset allocation strategy.

The AAP are tax conscious in the following ways:

- Transactions are designed to generate only long-term capital gains.
- A tax event occurs only three out of every four years due to the fifteen-month rebalance period.

- There are no embedded gains in ETFs.
- A majority of tax liability is postponed because ETF positions are not completely liquidated at rebalance. Precision asset allocation is maintained by slightly adjusting the ETF holdings, deferring a large portion of the capital gains.

EAM works with many investment product sponsors and the EAM portfolios incorporate the following independent partners in their investment process:

- First Trust Portfolios
- Invesco/Powershares
- Blackrock/iShares
- State Street Global Advisors
- Goldman Sachs
- Index IQ/Mainstay
- Deutsche Bank
- Hartford Funds
- PIMCO
- O'Shares
- John Hancock
- Wisdom Tree

Although EAM's AAP are designed to help mitigate risk in Client portfolios there is risk of loss in all of the models. Any individual holdings can potentially lose value as stock and bond prices fluctuate.

<u>EAM All Cap Equity</u>

EAM All Cap Equity ("ACE") is comprised of three independent rules sets that select fifteen positions each (45 total) for the portfolio. The rules do not allow subjective, emotional decisions in the selection or de-selection of securities. With 45 positions, there is diversification by security, sector and industry. The ACE model also seeks to provide diversification through the selection process as well. The three sets of ACE rules seek to identify flaws in security valuation in the following ways:

- The first set of ACE rules is based on the trading patterns of corporate officers and directors (*Insider Set)*;
- The second set of ACE rules center on the Value Line Survey of stocks rated #1 for timeliness with additional value, momentum and market capitalization screening (*Value Set)*; and
- The third set of ACE rules focus on exploiting analyst earnings revisions (*Earnings* Set).

The resulting ACE portfolio may consist of stocks of companies of various capitalizations, but will typically lean toward large and mid-capitalization companies, providing a high degree of liquidity. The portfolio will also favor growth investments over value investments and will lean heavily toward domestic issuers over international issuers. Although there can be up to 45 positions in an ACE portfolio, it is not unusual for there to be overlap in the *Value Set* and occasionally a position is identified by more than one set of rules. Owning securities involves risk of loss that all of EAM's Clients should be prepared to bear.

<u>EAM Equity Income</u>

EAM Equity Income ("EI") follows a disciplined approach to investing in firms with both high dividend yields and high quality financials. Growing dividends are an indication of an increase in a firm's cash flows. High quality firms tend to be market leaders with strong financials that generally are less affected by market fluctuations. Assessment includes credit quality, cash flow mechanics, legal, regulatory, operational and counterparty risks. The portfolio comprises 15 stocks at equal weights.

EI is analyzed monthly for positions that no longer meet the investment criteria. These securities are replaced with stocks that have been most recently identified for purchase. The resulting portfolio is generally comprised of large capitalization companies with style and sector diversification. Owning securities involves risk of loss that all of EAM's Clients should be prepared to bear.

EAM Sustainable Equity

EAM Sustainable Equity ("SE") is a rules-based approach to investing in U.S. companies in the S&P 500 Index that demonstrate management focus on Environmental, Social and Governance ("ESG") sustainability themes, while attempting to identify fundamental financial factors associated with alpha generation. EAM utilizes the research capabilities of Corporate Knights Capital ("CKC") in the management of SE. CKC is an investment research company specializing in building sustainable investment solutions. CKC is a division of Corporate Knights, Inc., a Toronto-based private company that publishes the world's largest circulated magazine focused on sustainable business, conducts the Global 100 ranking, and serves as the secretariat for the Council for Clean Capitalism, a CEO-supported group catalyzing smart and efficient public policy.

SE seeks to generate competitive, risk-adjusted returns for investors who want their investment portfolio to reflect their values and have a positive impact on society. SE is constructed using a quantitative research process applied to the S&P 500 Index that identifies sustainability factors reflecting exposure to material systemic trends. Quantitative scoring of these factors yields a subset of the S&P 500 consisting of companies that are attempting to improve environmental sustainability themes such as energy productivity, carbon intensity and water dependence. Additional factors relating to social and governance performance include capacity to innovate, unfunded pension liabilities, ratio of CEO to average worker pay, safety performance, employee turnover, and percentage of management bonus linked to sustainability performance. This subset is then further refined by fundamental factors that are tested for statistical significance as potential generators of alpha. The factors compete for inclusion on an annual basis and are adjusted based on accumulated learning. The positions are rebalanced quarterly to enhance portfolio diversification. Owning securities involves risk of loss that all of EAM's Clients should be prepared to bear.

EAM Sector Rotation

Sector Rotation invests in U.S. equity sectors with consistent positive momentum while seeking to avoid downward market trends by rotating out of stagnant sectors and holding cash. Monthly rebalancing attempts to protect against short term fluctuations in momentum and attempts to identify major turns in trending markets.

Sector Rotation applies a rules-based approach to determine the health of the overall market. A technical indicator for momentum is applied to the S&P 500 Index. If the index has positive momentum, thus a positive expected future return, the portfolio will allocate funds in equal weights to all U.S. sectors that also are identified as having positive momentum.

The Utilities sector typically performs well during bear markets when the economic cycle begins to signal a recession. If the S&P 500 Index does not have positive momentum, thus a negative expected future return, the portfolio will be placed in a defensive stance. The Utilities sector is then analyzed and if it has positive momentum, the portfolio will allocate 50% of funds to Utilities and 50% of funds will be held in cash. If neither the S&P 500 Index or the Utilities sector have positive momentum, the portfolio will hold 100% of the funds in cash.

Strategic portfolios typically control risk by minimizing tracking error to a specified benchmark. As the benchmark declines, it is likely that the portfolio will also decline. In contrast, tactical portfolios do not consider tracking error risk often reporting large deviations of returns to the benchmark. Tactical portfolios have the potential to mitigate risk by avoiding losses during declining market environments by allocating funds to cash. However, it is possible for a tactical portfolio to hold cash while the market increases significantly in value.

Investment Risks

Risks Applicable to All Client Accounts, Including the Fund clients (each an "Account")

Past Experience of the Principal of EAM. The past investment performance of portfolios managed by the principal of EAM should not be construed as an indication of the future results of an investment in an Account. EAM's investment program should be evaluated on the basis that there can be no assurance that our assessment of the short-term or long-term prospects of investments will prove accurate or that Accounts will achieve their investment objectives.

No Guarantee of Achievement of Investment Objective; Limited Information. No guarantee or representation is made that an Account's investment strategy will be successful. An Account's investment program may include such investment techniques as leverage and short sales (with respect to the Fund) which practices can, in certain circumstances, increase the risk and losses to the Account. No assurance can be given that an Account will achieve its investment objective.

EAM is not in a position to obtain all relevant information regarding a company or a security. Further, EAM may misinterpret or incorrectly analyze the information that it has about a particular company or security. These and other factors may cause EAM to (a) invest in securities at times that will lead to losses in an Account's portfolio and may cause an investor to lose a significant portion of their investment in an Account or (b) refrain from investing in a particular security at times that would have resulted in gains in the Account's portfolio if EAM would have caused the Account to invest.

Unspecified Investments. Clients must rely on the ability of EAM and its employees to identify and make investments consistent with an Account's investment strategy. Clients neither participate in the making of any investment decisions nor have the opportunity to evaluate personally the relevant economic, financial and other information used by EAM in its selection, monitoring and disposition of investments. Accordingly, Clients should not invest with EAM unless prospective Clients are willing to entrust all aspects of the management and investments of their Account to EAM.

Economic Conditions. Changes in economic conditions, including, for example, interest rates, credit availability, inflation rates, systemic financial market instability, industry conditions, government regulation, competition, technological developments, political and diplomatic events and trends, tax and other laws and innumerable other factors, can affect an Account's investments and prospects materially and adversely. None of these conditions is within EAM's control, and it may not anticipate these developments. These factors may affect the volatility of securities prices and the liquidity of investments in an Account. Unexpected volatility or illiquidity could impair an Account's profitability or result in losses.

Market Losses and Volatility; Economic Conditions. In recent history, the financial markets have experienced severe losses and extreme volatility. In addition, government intervention into the markets has been substantial and unpredictable, such as the temporary ban on shorting the securities in 2008 and 2009 of certain financial institutions and the "bailout" of various financial institutions as well as volatility associated with this year's coronavirus. In situations like these EAM cannot predict when the markets may recover, when the extreme volatility may cease, or the nature and impact of further government intervention.

It is reasonable to expect that during any recovery period a number of issuers may declare bankruptcy or experience severe financial distress. An Account may suffer losses if it has exposure to any such issuers.

Investing in Foreign Securities and Emerging Markets. EAM expects that an Account's investments may include securities of issuers in global markets, including emerging markets, some of which may be particularly sensitive to economic, market, industry and other variable conditions. In addition, there may be limited information available about investment targets and the targets may have limited internal reporting and accounting systems. Client Accounts will be subject to various risks incidental to investing in businesses abroad, including nationalization, expropriation or confiscatory taxation, political and economic instability and diplomatic developments, which could affect investments in those countries. The economies of emerging market countries may differ favorably or unfavorably from the economies of more industrialized countries, in such respects as growth of domestic product, rate of inflation, currency depreciation, capital reinvestment, resource self-sufficiency and balance of payments position. Moreover, economic factors in various global markets can affect demand for the goods and services of issuers of securities held by an Account. In addition, there is the greater difficulty in monitoring business abroad.

Use of Borrowed Funds. EAM may cause an Account to leverage its investment positions by borrowing funds from securities broker-dealers, banks, or others. Such leverage increases both the possibilities for profit and the risk of loss. In a downward trending market, the use of leverage for long positions could have a material adverse effect on an Account's profitability and operations, and the reverse could apply to a rising market and short positions. Extensions of credit and guarantees by broker-dealers of performance of an Account's obligations will typically be secured by the Account's securities and other assets. Under certain circumstances, a broker-dealer may demand an increase in the collateral that secures the Account's obligations, and if the Account were unable to provide additional collateral, the broker-dealer could liquidate assets held in the brokerage account to satisfy the Account's obligation to the broker-dealer. Liquidation in such manner could have materially adverse consequences. In addition, the amount of the Account's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the Account's profitability.

Exchange Rate Risk. Volatility in international exchange rates between the United States Dollar and other currencies may affect pricing and the profit margin on sales of non-U.S. securities held by an Account. This, in turn, could adversely affect the Account's rate of return.

EAM will require that payments be made and will make withdrawal payments in United States Dollars. Consequently, for investors whose local currency is not United States Dollars, an investment in an Account involves a significant exchange rate risk. An Account could recognize substantial profits but the real value of a client's investment could decline due to a decrease in the value of United States Dollars relative to such client's local currency.

ETF Risks. The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

Mutual Fund Risks. The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

Additional Risks Applicable to the Fund

Short Sales. the Fund may engage in short sales by selling equity securities that it does not own at the time of sale. By doing so, the Fund will become obligated to purchase and deliver equity securities against the short position. In the event that the price of an equity security increases between the short sale and the Account's subsequent purchase of shares of that security, the Fund will suffer a loss on that transaction and the value of the Client's investments will decrease accordingly. There can be no assurance that the Fund will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, the Fund will have to deliver cash or United States Treasury securities or other securities to brokers to assure delivery of equity securities against short positions. the Fund will be able to keep only a negotiated percentage of the yield of such United States Treasury or other securities.

The availability of shares to borrow to execute a short can change quite dramatically and quickly. This presents a risk not faced with long positions. Recent moves by securities regulators all over the world to ban or limit short selling creates a new dimension of the risk. Dramatic changes in the availability of borrowed securities for shorting is an event not typically addressable through fundamental security analysis. Short squeezes or short covering rallies can be quite detrimental to overall profits. Avoiding hard-to-borrow shares or illiquid names is a basic risk management discipline. Easy-to-borrow shares can become hard-to-borrow quickly. The negative “crowding out” effect is more prevalent with the rapid growth in the number of long-short funds.

Futures. the Fund may invest and trade in futures, although it is not expected to be a material part of the Fund’s strategy. A futures contract is an agreement between two parties which obligates the purchaser of a futures contract to buy and the seller of a futures contract to sell a security or basket of securities for a set price on a future date. Unlike most other futures contracts, a stock index futures contract does not require actual delivery of securities, but results in cash settlements based upon the difference in value of the index between the time the contract was entered into and the time of its settlement. The risk of loss in trading futures can be substantial. If the Fund purchases a future, it may sustain a total loss of the initial margin funds and any additional funds deposited with a broker to establish and maintain its position in the future. If the market moves against the Fund's position, the Fund may be required to deposit a substantial amount of additional margin funds in order to maintain its position. The placement of contingent or stop orders by the Fund will not necessarily limit its losses to the intended amounts, as market conditions may make it impossible for such orders to be executed. There can be no assurance that, at all times, a liquid market will exist for offsetting a futures contract that the Fund has bought or sold. This could be the case if, for example, a futures price has increased or decreased by the maximum allowable daily limit and there is no one presently willing to buy the futures contract the Fund wants to sell or sell the futures contract the Fund wants to buy. The high degree of leverage that can be used in trading futures can lead to large losses.

Options. the Fund engages in options trading. Stock or index options that may be purchased or sold by the Fund include options not traded on a securities exchange. Options not traded on an exchange are not issued by the Options Clearing Corporation; therefore, the risk of nonperformance by the obligor on such an option may be greater and the ease with which the Fund can dispose of such an option may be less than in the case of an exchange-traded option issued by the Options Clearing Corporation. The trading of options is highly speculative and may entail risks that are greater than those present when investing in other securities. Prices of options are generally more volatile than prices of other securities. To the extent that the Fund purchases options that it does not sell or exercise, it will suffer the loss of the premium paid in such purchase. To the extent that the Fund sells options and must deliver the underlying securities at the option price, the Fund has a theoretically unlimited risk of loss if the price of such underlying securities increases. To the extent that the Fund must buy the underlying securities, it risks the loss of the difference between the market price of the underlying securities and the option price. Any gain or loss derived from the sale or exercise of an option will be reduced or increased, respectively, by the amount of the premium paid. The expenses of option investing include commissions payable on the purchase and on the exercise or sale of an option. Special risks are associated with the use of options. A decision as to whether, when and how to use options involves the exercise of skill and judgment which are different from those needed to select securities, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior, currency fluctuations or interest rate trends. The potential loss incurred by the Fund in writing uncovered options is unlimited. When options are used as a hedging technique, there can be no guaranty of a correlation between price movements in the option and in the portfolio, securities being hedged. A lack of correlation could result in a loss on both the hedged securities and the hedging vehicle, so that the Fund's return might have been better had hedging not been attempted.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.

ITEM 9 - DISCIPLINARY INFORMATION

There are no legal, regulatory or disciplinary events involving EAM or any of its management persons. EAM values the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider with whom the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with the Advisor's firm name or CRD# 155436.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Empirical Fiscal Partners, LLC

Empirical Fiscal Partners, LLC ("EFP"), an affiliated entity under common control and ownership with the Advisor, serves as the General Partner of the Fund. EAM and its Advisory Persons may recommend the Fund to Clients of the Advisor. This practice presents a conflict of interest in recommending interests of the Fund as management persons will stand to benefit from the additional compensation received from the Fund. This risk is mitigated where the Advisor will only charge its investment advisory fees (which may include a performance-based fees) on the Fund managed by EAM. Clients are not obligated to implement any recommendations made by Advisory Persons or the Advisor, and any investment in the Fund will be made only via a separate subscription by each Client.

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

EAM has adopted a Code of Ethics (the "Code") in accordance with Rule 204A-1 of the Advisers Act. A copy of the Code is available to Clients upon request without charge. The purpose of the Code is to set forth certain key guidelines that have been adopted by EAM as office policy for the guidance of all Persons subject to EAM's compliance program (herein our "Supervised Persons") and to specify the responsibility of all Supervised Persons of EAM to act in accordance with their fiduciary duty to EAM's Clients and to comply with applicable federal and state laws and regulations. The Code requires that all Supervised Persons conduct themselves in accordance with high ethical standards, which should be premised on the concepts of integrity, honesty and trust, and in full compliance with all applicable federal and state laws and regulations concerning the securities industry. The Code imposes reporting requirements and restrictions on the purchase or sale of securities for Supervised Persons determined to be Access Persons with regard to their own accounts and the accounts of certain affiliated persons. The Code is a dynamic document that is subject to review by the Chief Compliance Officer ("CCO") for changes in EAM's business activities, Supervised Persons and emerging risks.
The following is a summary of certain provisions of the Code:

Recommending to Clients Securities in Which EAM has a Material Financial Interest: As noted in Item 6 and 10, EAM may solicit Clients to invest in the Fund. Because the Fund pays performance-based fees in addition to asset-based management fees (while other Client accounts will pay only asset-based management fees), EAM faces a conflict of interest by managing these accounts at the same time and may have an incentive to encourage Clients to invest in the Fund rather than in separate Client accounts in order to earn the performance-based fees. EAM does not have discretion to invest a Client's assets in the Fund and EAM will never invest Client assets in the Fund without the Client's permission. If EAM believes that the Fund might be an appropriate investment for a Client, it may recommend that the Client invest in the Fund. Prior to accepting any investment in the Fund from a Client, EAM will deliver to the Client the Fund's confidential private placement memorandum which discloses all of the fees (including performance fees) applicable to investors in the Fund and all risks associated with an investment in the Fund. With respect to Client assets that are invested in the Fund, Clients are only assessed fees through the Fund and are not assessed any fees through any management agreement governing a separate account that the Client may have with EAM (i.e., Clients will only be assessed one level of fees).

Personal Securities Transactions: EAM seeks to ensure that personal trading activities of its Supervised Persons with access to Client holdings or trading information (our "Access Persons") do not conflict with the interests of EAM Clients. Consequently, EAM has adopted policies and procedures designed to ensure that such trading complies with EAM's legal and fiduciary obligations, transactions are properly recorded in EAM's books and records and are subject to the review and oversight of the CCO. This Personal Securities Transactions Policy applies to all Access Persons and covers any personal accounts held by those individuals, their immediate family, any other adult members of their household and any trust of which they are trustee or beneficiary. Such accounts are required to be treated consistently with EAM's fiduciary duty and Personal Trading Policy.

Fiduciary Duty and Conflicts of Interest: EAM and its Supervised Persons have a fiduciary duty to EAM's Clients to act for the benefit of the Clients and to take action on the Clients' behalf before taking action in the interest of any Supervised Persons or EAM. EAM and its Supervised Persons must act for the Clients' benefit and treat the Clients fairly. The manner in which any Supervised Persons discharges its fiduciary duty and addresses a conflict of interest depends on the circumstances. Sometimes general disclosure of common conflicts of interest may suffice. In other circumstances, explicit consent of the Client to the particular transaction giving rise to a conflict of interest may be required or an Access Person may be prohibited from engaging in the transaction regardless of whether the Client consents. The duty to disclose and obtain a Client's consent to a conflict of interest must always be undertaken in a manner consistent with the employee's duty to deal fairly with the Client. Therefore, even when taking action with a Client's consent, each Supervised Persons must always seek to assure that the action taken is fair to the Client.

Material Inside Information: All Supervised Persons of EAM (in any capacity) and all persons friends, relatives, business associates and others who receive nonpublic material inside information from Supervised Persons concerning an issuer of securities (whether such issuer is a Client or not) are subject to these rules. Generally speaking, inside information is information about an issuer's business or operations (past, present or prospective) that becomes known to an employee and which is not otherwise available to the public. If a Supervised Person becomes aware of information about an issuer which the Supervised Person believes would influence an investor in any investment decision concerning that issuer's securities and which has not been disclosed to the public, the Supervised Person should not buy or sell that issuer's securities. The Code sets forth an extensive list of subjects, information about which is likely to be material inside information. The Code also explicitly forbids disclosing material inside information to another Supervised Persons ("tipping") who subsequently uses that information for his or her profit.

All Supervised Persons receiving material, nonpublic information have the same duty not to disclose or use information about persons or issuers who are not a Client of EAM in connection with securities transactions as they have with respect to Client securities. In other words, Supervised Persons may not purchase or sell any securities with respect to which they have inside information for their own, EAM's or for a Client's account[s] or cause Clients to trade on such information until after such information becomes public. The foregoing prohibition applies whether or not the material inside information is the basis for the trade. Whenever Supervised Persons come into possession of what they believe may be material nonpublic information about an issuer, they must immediately notify the CCO. The CCO shall maintain a restricted list of all issuers about which EAM has inside information and shall circulate the restricted list to Supervised Persons at EAM so as to prevent any trading in securities of such issuers.

Scalping or Front-Running: As a general rule, if any Access Person knows of a pending "buy" recommendation or is aware of a pending "sell" recommendation, then that Access Person may not engage in the practice of purchasing or selling stock before EAM takes action for its Clients, unless the trade is batched with Client trades and receiving the same price. Such activities put EAM and its Access Persons in a conflict of interest and give the related person an advantage at the Client's expense. Limited exceptions may be granted for liquid securities where an Access Person is buying or selling a non-material number of shares. Any trades undertaken for an Access Person's own account[s], for the account[s] of the Company, for the account[s] of any non-Company Client or for another Access Persons must be done so as not to disadvantage an EAM Client in any way. This means that all Access Persons must generally wait to trade a security until all trading in that security for all accounts of EAM's Clients is completed or aggregate a personal trade with Client trades (see "Aggregation of Orders" below).

Specifically, no Access Persons may (i) *buy* a security within seven calendar days *before* any Client account *buys* the same or a related security, (ii) *sell* such a security within seven days *before* any Client account *sells* the same or a related security, (iii) *sell* a security within seven days *after* any Client account has *bought* the same or a related security or (iv) *buy* a security within seven days *after* any Client account has *sold* the same or a related security. The CCO may grant exemptions to the foregoing rules in his discretion (for example, when an Access Person has sold a security and, before the expiration of seven days, external events make it important for a Client to sell the same or a related security quickly). If an Access Person completes a transaction during a “blackout” period, he or she may be required to turn over any profits realized on the transaction, in most cases for crediting to Client accounts.

Unfair Treatment of Certain Clients vis-à-vis Others: Access Persons who handle one or more Clients may be faced with situations in which it is possible to give preference to certain Clients over others. Access Persons must be careful not to give preference to one Client over another, even if the preferential treatment would benefit EAM or the Access Person. For example, an Access Person should not (i) provide better advice to a large, prestigious Client than is given to a smaller, less influential one, (ii) give sale advice to one Client ahead of another, or (iii) direct securities of a limited supply and higher potential return to particular Clients because they generate larger fees (such as performance-based fees) for EAM.

Dealing with Clients as Agent and Principal: In accordance with Section 206(3) of the Advisers Act, the Code requires that Supervised Persons involved in the situation where EAM is buying or selling securities from a Client disclose to the Client in writing the capacity in which EAM acts, its profits (if it acts as principal) and its commissions (if it acts as agent for another) and obtain the Client's consent. These types of transactions must not be entered into without prior consultation with EAM's CCO.

Personal Trading Policy: Supervised Persons are allowed to buy and sell securities for their own accounts. Each Access Person must submit an initial holdings report disclosing to the Chief Compliance Officer the identities, amounts, and locations of all securities owned in all accounts in which he or she has a "beneficial ownership interest." In addition, each Access Person must disclose similar information within thirty (30) days after the end of each calendar year while employed by EAM. Such reports must be current as of a date not more than 45 days prior to the Access Persons joining the Advisor (for an initial report) or the date the report is submitted (for the annual report). Each Access Person must report to the CCO within 30 days after the end of each calendar quarter all securities transactions in all of the Access Person’s covered account[s] during the preceding quarter. **At no time will EAM, or any Supervised Person of EAM, transact in any security to the detriment of any Client.**

ITEM 12 - BROKERAGE PRACTICES

Recommendation of Custodian[s]

EAM does not have discretionary authority to engage the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize EAM to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, EAM does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where EAM does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for execution and/or custody services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a Custodian not recommended by the Advisor. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. EAM may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices. EAM typically recommends the use of Fidelity Clearing & Custody Solutions, a division of Fidelity Investments, Inc. (“Fidelity”) and TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (“TD Ameritrade”) for custody, execution and/or related services. In return for placing trades with the Custodians on behalf of Clients, EAM received Client service and access to Client account systems through the respective Custodians' technology offerings. EAM also receives monthly statements for our Clients which were also provided by the Custodians.

Private Fund Advisor Services

Given the nature of the Fund's investment program, EAM will generally only utilize broker-dealers in conducting its portfolio transactions on a limited basis. EAM has discretionary authority to select brokers without the consent of the investors. In selecting brokers for the Fund's portfolio transactions, EAM will seek to obtain the best execution for the Fund, taking into account, without limitation, the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of spreads and commission rates in comparison with other brokers satisfying EAM's other selection criteria. EAM selects Interactive Brokers LLC ("Interactive Brokers") for Fund transactions

Brokerage for Client Referrals: EAM does not receive any compensation from any third party in connection with the recommendation for establishing an account.

Directed Brokerage: - All Clients are serviced on a "directed brokerage basis", where EAM will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian, unless otherwise authorized by the Client. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). EAM will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

Aggregation of Orders:

EAM aggregates orders for the purchase and sale of securities for Client portfolios it advises. To address potential trading conflicts, EAM has in place certain trade allocation and aggregation policies and procedures (the "Trading Procedures"). Under the Trading Procedures, orders for investment vehicles in which EAM or persons associated with EAM have an interest, may be aggregated with orders for other Client portfolios. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each Client that bought or sold such securities at the average execution price. If less than the total of the aggregated orders is executed, purchased securities or proceeds will be generally allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders.

In aggregated trades involving related party accounts owned entirely by EAM, by officers or employees of EAM or by family members of such officers and employees, in the event that an aggregated trade is partially filled such accounts will have their allocation reduced to zero before any reductions are made in the allocation to Client accounts (this sentence does not apply to pooled investment vehicles or separate accounts managed directly by EAM in which EAM, its officers or employees or their family members participate as fee paying investors along with clients of EAM). In conducting the review of trade allocations, the Chief Compliance Officer will review specifically allocations of trades to related party accounts to ascertain that such accounts have not been favored over other accounts.

ITEM 13 - REVIEW OF ACCOUNTS

The Advisor reviews Client accounts quarterly and generally meets with each Client on an annual basis. If requested, in particular cases, the Advisor will meet semi-annually. The reviews include a discussion of risk tolerance and risk management, investment performance, asset allocation, life changes and a refresher on our methodology and investment process. Additionally, the Advisor will update the Client's investor profile and investment objectives if needed. All Client reviews will be performed by the Chief Compliance Officer ("CCO") or delegate. Because the Advisor's methodology and investment philosophy is long-term and strategic, rather than tactical, the Advisor does not review accounts more frequently than quarterly unless requested to do so by a Client.

Each Client of EAM receives either a monthly or quarterly account statement depending on activity levels. In the case of separate account advisory Clients, statements are issued by Fidelity Investments or TD Ameritrade. For investors in the Fund, notifications are emailed to Clients that their statements are available by SS&C GlobeOp, the Fund's third-party administrator. All of the reports and statements sent to Clients are computer generated by the respective Custodian, third party administrator or by EAM using Advent or Black Diamond, the Advisor's performance management technologies.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Compensation Received by EAM

EAM may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, EAM may receive non-compensated referrals of new Clients from various third-parties.

Participation in Institutional Advisor Platform (Fidelity)

The Advisor has established an institutional relationship with Fidelity to assist the Advisor in managing Client account[s]. Access to the Fidelity's Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Fidelity. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Fidelity: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

Participation in Institutional Advisor Platform (TD Ameritrade)

As disclosed under Item 12, above, the Advisor participates in TD Ameritrade's institutional customer program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor’s choice of TD Ameritrade for custody and brokerage services.

Client Referrals from Solicitors

EAM does not engage paid solicitors for Client referrals.

ITEM 15 - CUSTODY

All Clients must place their assets with a “qualified custodian”. Clients are required to engage the Custodian to retain their funds and securities and direct EAM to utilize that Custodian for the Client’s security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by EAM to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements in these cases, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client’s instructions.

Related Person Custody

The Advisor is affiliated, through common ownership, with the general partner of the Fund which may be offered to Clients of EAM. As such, in connection with advisory service provided to Clients, related persons are deemed to have custody of certain Client assets. An independent public accountant conducts an annual audit of the Fund and the audited financial statements are distributed to the investors in the Fund within 120 days of fiscal year end.

ITEM 16 - INVESTMENT DISCRETION

EAM generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by EAM. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by EAM will be in accordance with each Client's investment objectives and goals.

ITEM 17 - VOTING CLIENT SECURITIES

EAM accepts proxy-voting responsibility for Clients. In such instances, the Advisor will cast proxy votes only in a matter it believes is consistent with its fiduciary duty to Clients of the Advisor.

The Advisor has engaged Broadridge Investor Communications Solutions, Inc. (“Broadridge”), a third-party, independent proxy advisory firm, to provide it with research, analysis, and recommendations on the various proxy proposals for the client securities that EAM manages with the aim of maximizing shareholder value. In engaging Broadridge for that purpose, EAM will review as necessary, Broadridge’s Proxy Paper Guidelines for the current proxy voting season and will approve the summary of Broadridge’s positions on the voting positions it recommends for the types of proposals most frequently presented, including: election and composition of directors; financial reporting; compensation of management and directors; corporate governance structure and anti-takeover measures; and environmental and social risks to operations. EAM is in agreement with the approach Broadridge has set forth in its current Proxy Paper Guidelines for voting proxies. Although EAM, based on its approval of the positions in the Proxy Paper Guidelines, expects to vote proxies according to Broadridge's recommendations, certain issues may need to be considered on a case-by-case basis due to the diverse and continually evolving nature of corporate governance issues. If such cases should arise, then EAM will devote appropriate time and resources to consider those issues.

Where EAM is responsible for voting proxies on behalf of a Client, the Client cannot direct the Advisor's vote on a particular solicitation. The Client, however, can revoke EAM's authority to vote proxies. In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that EAM maintains with persons having an interest in the outcome of certain votes, the Advisor will take appropriate steps, whether by following Broadridge's third-party recommendation or otherwise, to ensure that proxy voting decisions are made in what it believes is the best interest of its Clients and are not the product of any such conflict.

ITEM 18 - FINANCIAL INFORMATION

Neither EAM, nor its management have any adverse financial situations that would reasonably impair the ability of EAM to meet all obligations to its Clients. Neither EAM, nor any of its Advisory Persons have been subject to a bankruptcy or financial compromise. EAM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of $1,200 or more for services to be performed six months or more in advance.

Form ADV 2B - Brochure Supplement

Mark H. Fiskio

Effective date: April 29, 2021

2223 Washington Street, Suite 101
3 Newton Executive Park
Newton, MA 02462
Phone 781-431-2223 * Fax 781-431-2260
Website: www.empiricalam.com

This Form ADV 2B ("Brochure Supplement") provides information about Mark H. Fiskio (CRD# **1197038**) that supplements the Empirical Asset Management, LLC ("EAM" or the "Advisor", CRD# 155436) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the EAM Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (781) 431-2220.

Additional information about Mr. Fiskio is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# **1197038**.

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mark H. Fiskio is the founder, Managing Partner and Principal Owner of Empirical Asset Management, LLC ("EAM") and Manager of Empirical Fiscal Partners, LLC ("EFP"). Prior to founding EAM in 2010 Mark was a Senior Portfolio Manager in the PIA program at Merrill Lynch and one of the two individuals behind the *Rules Based Investing®* platform. While at Merrill Lynch, Mark's responsibilities included investment model development, portfolio management and business development. Prior to joining Merrill Lynch in 2005, Mark spent eleven years at Advest, where he held the title of First Vice President Investments. Prior to joining Advest, Mark was a Vice President at Paine Webber. Additionally, Mark held the position of Vice President for the Investment Services Group of Donaldson, Lufkin and Jenrette, an institutional research and trading house where he worked on the sell side servicing institutional clients. Mark began his career at Shearson American Express in 1983. He holds a B.A. in Economics from Connecticut College. Mark was born in 1957.

ITEM 3 - DISCIPLINARY INFORMATION

There are no legal, civil or disciplinary events to disclose regarding Mr. Fiskio.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Fiskio.

However, the Advisor does encourage you to independently view the background of Mr. Fiskio on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 1197038.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Empirical Fiscal Partners, LLC

Mr. Fiskio is also the Manager of Empirical Fiscal Partners, LLC ("EFP"). EFP is the General Partner of the Empirical Long Short Fund, LP (the "Fund"). Mr. Fiskio may recommend the Fund to Clients of the Advisor. This practice presents a conflict of interest in recommending interests of the Fund as Mr. Fiskio will stand to benefit from the additional compensation received from the Fund. This risk is mitigated where the Advisor will only charge its investment advisory fees (which may include a performance-based fees) on the Fund managed by EAM. Clients are not obligated to implement any recommendations made by Mr. Fiskio, and any investment in the Fund will be made only via a separate subscription by each Client.

ITEM 5 - ADDITIONAL COMPENSATION

Mr. Fiskio has additional business activities that is disclosed in Item 4 above.

ITEM 6 - SUPERVISION

As the founder, sole Managing Partner and Chief Compliance Officer of EAM, Mr. Fiskio is the most senior employee of EAM and is not subject to supervision by any other employees of EAM. Mark is expected to adhere to EAM's policies and procedures as well as our Code of Ethics and all applicable securities laws governing registered investment advisors and their supervised persons. Mr. Fiskio can be reached at 781-431-2223.

EAM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of EAM. Further, EAM is subject to regulatory oversight by various agencies. These agencies require registration by EAM and its Supervised Persons. As a registered entity, EAM is subject to examinations by regulators, which may be announced or unannounced. EAM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

Form ADV 2B - Brochure Supplement

John P. Shreenan

Effective date: April 29, 2021

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Newton, MA 02462
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Website: www.empiricalam.com

This Form ADV 2B ("Brochure Supplement") provides information about John P. Shreenan (CRD# 1216123) that supplements the Empirical Asset Management, LLC ("EAM" or the "Advisor", CRD# 155436) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the EAM Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (781) 431-2220.

Additional information about Mr. Shreenan is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 1216123.

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

John P. Shreenan, born in 1959, is dedicated to advising Clients of EAM as a Financial Advisor. Mr. Shreenan earned a Bachelor of Science in Marketing and Finance from Bentley University in 1981.

Additional information regarding Mr. Shreenan's employment history is included below.

Employment History:

Financial Advisor, Empirical Asset Management, LLC	01/2020 to Present
Sales Consultant, Amada Senior Care	05/2018 to 10/2018
Wealth Management Advisor, TIAA	01/2012 to 01/2018

ITEM 3 - DISCIPLINARY INFORMATION

There are no legal, civil or disciplinary events to disclose regarding Mr. Shreenan. Mr. Shreenan has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Shreenan.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Shreenan.***

However, the Advisor does encourage you to independently view the background of Mr. Shreenan on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with his full name or his Individual CRD# 1216123.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Mr. Shreenan is dedicated to the investment advisory activities of EAM's Clients. Mr. Shreenan does not have any other business activities.

ITEM 5 - ADDITIONAL COMPENSATION

Mr. Shreenan is dedicated to the investment advisory activities of EAM's Clients. Mr. Shreenan does not receive any additional forms of compensation.

ITEM 6 - SUPERVISION

Mr. Shreenan serves as a Financial Advisor of EAM and is supervised by Mark Fiskio, the Chief Compliance Officer. Mr. Fiskio can be reached at (781) 431-2223.

EAM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of EAM. Further, EAM is subject to regulatory oversight by various agencies. These agencies require registration by EAM and its Supervised Persons. As a registered entity, EAM is subject to examinations by regulators, which may be announced or unannounced. EAM is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.