EMPIRICAL ASSET MANAGEMENT, LLC

“Quantitative Investing That Makes a Qualitative Difference”

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Empirical Asset Management, LLC. If you have questions about the contents of this brochure, please contact us at 781-431-2220 or by email at mfiskio@empiricalam.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Empirical Asset Management, LLC is a Registered Investment Advisory firm. Registration does not, however, imply a certain level of skill or training.

Material Changes

This Item is not applicable, as Empirical Asset Management, LLC (EAM) is a newly registered investment adviser and this brochure is being filed with EAM’s first annual update.

TABLE OF CONTENTS

ADVISORY BUSINESS

<u>Firm Description</u>

Empirical Asset Management, LLC (EAM) is a newly formed investment advisory firm registered with the Securities and Exchange Commission.

<u>Principal Owners</u>

Mark H. Fiskio is the founder, Managing Partner and a principal owner of EAM.

<u>Types of Advisory Services</u>

Our primary focus is the management of assets for high net worth and institutional clients utilizing our established *Rules Based Investing®* (*RBI*) methodology. *RBI* is a quantitatively driven investment platform created by Mark Fiskio and other portfolio managers in 1994 with its first *Rules Based* strategy, The Insider Portfolio® (TIP). By the end of the decade TIP had evolved into *Rules Based Core Equity (RBCE)*, which today is the active component of *Rules Based Portfolios* (*RBP)*. The *Rules Based Investing®* suite of products includes five risk adjusted asset allocation portfolios (*RBP*) and a more aggressive all equity model (*Rules Based Individual Equity or RBIE*). We expect to also launch a *Rules Based Hedge Fund* (RBHF) in 2011.

All of EAM's investment models are proprietary. The core tenet of the *RBI* portfolios is the elimination of emotion from the decision making process. EAM's central thesis is that fear and greed are significant obstacles to long-term investment performance so we attempt to mitigate their effect on the investment process and outcome. This has resulted in a menu of products that we believe are consistent, disciplined and reliable.

<u>Tailored Relationships</u>

We determine the risk tolerance for each client at EAM utilizing a process that includes thorough profiling and an investor assessment questionnaire. Once we establish a client's risk tolerance, time horizon and return expectations we build for each client a precisely allocated *Rules Based* portfolio, utilizing stock, bond and alternative investment allocations. We encourage clients to inform us in the event of any significant life changes, such as being promoted, setting a retirement date, having a child, etc., so that we can perform a risk assessment to determine the proper investment strategy from that point forward. Typically we provide clients with annual reviews, which should be sufficient given our long-term strategic approach to money management. Upon request EAM will provide the flexibility to exclude sectors or individual securities. This may require us to deviate from our proprietary quantitative investment modeling.

Assets Under Discretionary and Non-Discretionary Management

As of March 18, 2011 Empirical Asset Management had $23,779,836 of discretionary assets under management and $1,491,580 of non-discretionary assets under management. Our total assets under management as of March 18, 2011 was $25,271,416.

FEES AND COMPENSATION

Generally

At Empirical Asset Management we will be compensated on a fee basis only. Separate accounts will be charged a management fee based on the market value of the account. Below is our standard fee schedule for separate accounts:

$0 to	$999,999	2.00%
$1,000,000 to	$1,999,999	1.75%
$2,000,000 to	$4,999,999	1.50%
$5,000,000 +		1.25 %

We expect to launch a *Rules Based Hedge Fund* in 2011 which will charge a management fee of 1.0% of the net asset value of the fund. We expect that the RBHF will also charge a performance fee in the form of an incentive allocation to the general partner (who will be a related party of EAM) of 20% of the net realized and unrealized appreciation of the fund's assets subject to a high water mark.

In EAM's discretion, fee structures for certain clients may vary from those stated above.

Fee Billing

EAM clients must pay management fees in advance. Prior to each quarter a fee will be deducted from each client account in advance, to cover our management fee for the entire quarter. If for any reason during the quarter a client's investment management agreement is terminated, Empirical Asset Management will automatically refund the fee covering the period from the date of termination of the client's investment management agreement to the end of the quarter. Management fees will only be charged for the period of time that Empirical Asset Management is actively managing a client's account.

It is anticipated that any incentive allocation by the RBHF will be made as of the end of each fiscal year based on the performance of the fund during such year.

Other Fees or Expenses

Clients will also incur custodial, brokerage and other transaction costs. Commissions will be charged to investment management clients of Empirical Asset Management, although they will not be received by us as compensation, instead they will be paid to the broker-dealer we transact with. In some cases this will also be the account's custodian. For more information regarding EAM's brokerage arrangements see "Brokerage Practices" below.

EAM client accounts may incur other charges in the form of fees charged by unit investment trusts, exchange traded funds (ETFs) or mutual funds in which client accounts may be invested. These expenses are not collected by or credited to Empirical Asset Management but rather are charged by such unit investment trust sponsors and such ETFs or mutual funds.

In addition to the costs and expenses described above, it is anticipated that the RBHF will also incur the costs of organizing the fund and all costs associated with the ongoing operations of the fund including, but not limited to, legal, accounting and auditing expenses.

Other Commissions and Sales Charges

Neither EAM nor any of its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

As described above under "Fees and Compensation," Empirical Asset Management will charge asset-based management fees to all of its clients, including separate accounts and pooled investment vehicles (hedge funds).

EAM anticipates launching a *Rules Based Hedge Fund* in 2011 and it is anticipated that EAM will receive performance-based compensation in the form of an incentive allocation from the RBHF and thus, EAM will participate in the capital appreciation of the assets of the RBHF.

Once the RBHF is launched, EAM will be managing an account that is charged a performance-based fee (and an asset-based management fee) while also managing separate client accounts that will only be charged an asset-based management fee. Because the RBHF will have a performance-based fee and the separate client accounts will not, EAM will face a conflict of interest by managing these accounts at the same time and may have an incentive to favor the RBHF over the separate client accounts in order to earn the performance-based fees.

EAM will address this conflict by applying investment models to all of its client accounts (which will include the RBHF once it is launched) that are 100% quantitative, which means that EAM will not make subjective decisions as to whether or not to add a position to one of its client accounts over another. EAM also has policies in place to address potential trading conflicts as well. A description of our policy on addressing potential portfolio trading conflicts can be found below under the heading "Other Financial Industry Activities and Affiliations" and "Aggregation of Orders."

TYPES OF CLIENTS

Empirical Asset Management will manage assets for a variety of client types, including, but not limited to, individuals, institutions, trusts, endowments and foundations, corporate accounts and retirement plans, including 401(k) profit sharing plans and IRAs. EAM may also manage pooled investment vehicles and we anticipate launching a *Rules Based Hedge Fund* in 2011. The minimum to open and maintain an account with EAM is $25,000. It is anticipated that the minimum investment in the RBHF will be $500,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

Products and Services

The *Rules Based Investing®* models employ multiple, automated risk-controlling features which manage portfolios through the application of a disciplined set of rules that govern the investment management of the portfolio rather than through the application of investment decisions made by individual people.

Over the years several strategies and portfolios have been added to the RBI product offering. The *Rules Based Investing®* suite of products includes *Rules Based Portfolios*, *Rules Based Individual Equity* and a *Rules Based Hedge Fund*. All of EAM's investment models will be based on the concept of "Using Disciplined Sets of Rules to Build and Preserve Our Client's Wealth." In our experience the application of such rules to the management of a portfolio allows for "active" management of a portfolio while also attempting to control risk because the management process is not affected by subjective and emotional human decision-making that is most often involved in the investment process and often leads to risky investment decisions.

Rules Based Portfolios

Rules Based Portfolios (RBP) consists 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. RBP 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 to accomplish this goal:

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

Each of the five asset allocation models that constitute RBP utilizes *Rules Based Core Equity* as its active management component. *Rules Based Core Equity* relies on six independent strategies in the form of defined asset portfolios to select approximately 140 underlying stocks that comprise the active portion of each of the portfolios. Exchange Traded Funds (ETFs) are then utilized to round out the asset classes 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. Both purposes also attempt to control risk.

The RBP models are all tax conscious in the following ways:

- Gains are normally long-term.
- A tax event occurs only three out of every four years due to the fifteen-month rebalance.
- There are no embedded gains in unit investment trusts.
- The passive portion of the models, consisting of ETFs, which are typically more than 50% of each portfolio, postpone a majority of tax liability because these 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 RBP models incorporate the following independent partners into the RBP investment process:

- First Trust Portfolios
- Van Kampen Investments/Invesco
- Blackrock/iShares
- State Street Global Advisors
- Vanguard
- Revenue Shares
- Index IQ

Rules Based Individual Equity

Rules Based Individual Equity (*RBIE*) is comprised of three independent sets of rules that select fifteen securities each (45 total) for a portfolio. There is no subjective, emotional decision making allowed in the buy or sell decision for each security. With 45 positions, not only is there diversification by security, sector, industries, etc., but the RBIE model also seeks to provide diversification through the selection process as well. The three sets of RBIE rules seek to identify flaws in a security's valuation in the following three ways:

- The first set of RBIE rules is based on the trading patterns of corporate officers and directors (*The Insider Portfolio®*);
- The second set of RBIE rules centers on the Value Line Survey of stocks rated #1 for timeliness with additional value, momentum and market capitalization screening (*Velocity Mapper™*); and
- The third set of RBIE rules focuses on exploiting analyst earnings revisions (*Earnings Revision*).

The resulting RBIE portfolio may consist of stocks of companies of various capitalizations, but will typically lean toward large 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. We believe that stocks that are identified by more than one of these three sets of RBIE rules tend to provide above average performance. Although there can be up to 45 positions in an RBIE portfolio, it is not unusual for there to be overlap in the *Velocity Mapper*™ and occasionally a position is identified by more than one set of RBIE rules.

Rules Based Hedge Fund

EAM anticipates launching a pooled investment vehicle, a Rules Based Hedge Fund (RBHF), in 2011 which will be managed in accordance with the Rules Based

Investing® quantitative investment model which disallows subjective human emotional decision making.

The rules that will be employed under the RBHF model have been designed to seek to deliver correlation benefits and attractive risk adjusted, as well as absolute, performance. Although the RBHF model is a quantitative model, it is not a short term trading algorithm as is commonly employed in the hedge fund industry. Instead, the RBHF model is a long term quantitative investment approach which seeks to exploit fundamental flaws in valuation in order to provide investors with certain advantages that are not usually provided by most hedge funds including, but not limited to, low trading costs and favorable tax treatment.

The RBHF's portfolio will consist of both long and short investments. Both the RBHF model rules that are applied to select the RBHF's investments that are held long and the RBHF model rules that are applied to determine the ratio of long to short investments ("tilt") and leverage of the RBHF's portfolio (the RBHF Short Rules) are proprietary to EAM, which we expect will allow the RBHF to avoid "crowded trades," i.e., investments in securities that are very popular among investors and that quickly decline when the investors that got into the trade all decide that they want out at the same time.

The RBIE rules described above will be applied to select the RBHF's long investment portfolio. The short side of the RBHF's portfolio will be invested predominantly in S&P 500 index futures or funds. To determine leverage and tilt in the portfolio, EAM will apply the following rules which are comprised of four independent signals, all of which view the investment landscape, taking into account the following different factors:

- Informed Knowledge: measured by analyzing the trading of corporate officers and directors broadly in the market as a whole;
- Emotion: measured by the Chicago Board Options Exchange Volatility Index ("VIX");
- Economic: measured by the 3 month T-bill/10 Year US Treasury note yield relationship; and
- Safety Net: the performance of the RBHF model.

We believe that the investments on the long side of the RBHF's portfolio will provide ample benefit so that any short side bet that goes beyond reducing market risk (beta) will not be an appropriate investment for the RBHF.

EAM expects that the RBHF's investments held long will typically be dominated by highly liquid equities and positions will be held on average for a period of more than one year. EAM believes that most of the gains will be provided by equities held long term while the equities that create losses will be held for less than one year. EAM believes that this long approach coupled with the tax treatment of index futures (income on index futures is treated as 60% long-term capital gain (or loss) and 40% short-term capital gain (or loss) rather than ordinary income) will be beneficial for taxable investors.

It is anticipated that the RBHF will consist of three separate portfolios, each of which will employ a different level of leverage and will be subject to a different level of market exposure.

INVESTMENT IN SECURITIES INVOLVES RISK OF LOSS AND A POTENTIAL CLIENT OF EAM SHOULD BE PREPARED AND ABLE TO BEAR THE COMPLETE LOSS OF AN INVESTMENT WITH EAM. EACH POTENTIAL CLIENT SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER "INVESTMENT RISKS" BELOW BEFORE DECIDING WHETHER TO BECOME A CLIENT OF EAM.

Investment Risks

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

Limited Operating History. EAM was formed in 2010 and has limited operating history. 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.

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.

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 RBHF) 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 its 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. Since the 4th quarter of 2008 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 of certain financial institutions and the "bailout" of various financial institutions. EAM cannot predict when the markets may recover, when the extreme volatility may cease, or the nature and impact of further government intervention.

The United States and much of the rest of the world is in the midst of recovering from a recession. It is reasonable to expect that during this 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.

No Guarantee of Best Execution. There is no assurance by EAM that the purchase and sale of investments will be made on a best price and best execution basis, although EAM will seek to achieve best execution. EAM may cause Accounts to pay brokerage commissions in excess of the lowest rates available to brokers who execute transactions for the benefit of an Account or who otherwise provide brokerage and research services utilized by EAM. Brokerage and research services obtained with soft dollars will be limited to those permitted by Section 28(e) of the Exchange Act. Such services may include, but are not limited to: (i) written information and analyses concerning specific securities, companies or sectors; (ii) market, financial and economic studies and forecasts, as well as discussions with research personnel; (iii) certain financial and industry publications; and (iv) statistical and pricing services utilized in the investment management process. Under Section 28(e), research obtained with soft dollars from a particular Account may be used by EAM to service all Accounts managed by EAM.

Brokers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker may be less than the suggested allocations, but can (and often does) exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. A broker is not excluded from receiving business because it has not been fully identified as providing research services. The investment information received from a broker may be used by EAM in servicing all its Accounts, and not all such information need be used by EAM in connection with any particular Account.

Additional Risks Applicable to the Rules Based Hedge Fund

Short Sales. It is anticipated that the RBHF may engage in short sales by selling equity securities that it does not own at the time of sale. By doing so, the RBHF 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 RBHF 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 RBHF will not suffer such losses. In theory, a short sale has the potential for unlimited loss. In connection with short sales, the RBHF 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 RBHF 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.

Taxes on Dividends. The current maximum federal rate of taxation on most dividends is 15 percent. (The maximum federal rate for most other ordinary income is 35 percent.) However, payments in lieu of dividends received by a person who lends securities for a short sale transaction are not eligible for the reduced rate. It is possible that this differential tax treatment will cause securities lenders to be more reluctant to lend dividend-paying securities or that lenders will demand additional compensation for such loans. As a result, the RBHF may encounter difficulties, or incur additional expense, in order to engage in short sales.

Futures. It is anticipated that the RBHF may invest and trade in futures, although it is not expected to be a material part of the RBHF'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 RBHF 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 RBHF's position, the RBHF 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 RBHF 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 RBHF 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 RBHF wants to sell or sell the futures contract the RBHF wants to buy. The high degree of leverage that can be used in trading futures can lead to large losses.

Options. It is anticipated that the RBHF may engage in options trading. Stock or index options that may be purchased or sold by the RBHF 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 RBHF 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 RBHF 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 RBHF sells options and must deliver the underlying securities at the option price, the RBHF has a theoretically unlimited risk of loss if the price of such underlying securities increases. To the extent that the RBHF 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 RBHF 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 RBHF's return might have been better had hedging not been attempted.

DISCIPLINARY INFORMATION

This Item is not applicable.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

As described above under "Performance-Based Fees and Side-by-Side Management" EAM anticipates launching a *Rules Based Hedge Fund* in 2011 and it is anticipated that EAM will receive performance-based compensation in the form of an incentive allocation from the RBHF and thus, EAM will participate in the capital appreciation of the assets of the RBHF.

Once the RBHF is launched, EAM will be managing an account that is charged a performance-based fee (and an asset-based management fee) while also managing separate client accounts that will only be charged an asset-based management fee. Because the RBHF will have a performance-based fee and the separate client accounts will not, EAM will face a conflict of interest by managing these accounts at the same time and may have an incentive to favor the RBHF over the separate client accounts in order to earn the performance-based fees.

EAM will address this conflict by applying investment models to all of its client accounts (which will include the RBHF once it is launched) that are 100% quantitative, which means that EAM will not make subjective decisions as to whether or not to add a position to one of its client accounts over another.

EAM expects to aggregate 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, such as the RBHF, 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. Transaction costs for any transaction will be shared pro rata based on each portfolio's participation in the transaction.

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 Investment Advisers Act of 1940. 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 personnel and to specify the responsibility of all employees 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 employees 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 following is a summary of certain provisions of the Code:

Confidential Information: As an investment adviser, EAM has a fiduciary duty to its clients not to divulge or misuse information obtained in connection with its services as an adviser. Therefore, all information, whether of a personal or business nature, that an employee obtains about a client's affairs in the course of employment with EAM should be treated as confidential and used only to provide services to or otherwise to the benefit of the client. Such information may sometimes include information about non clients, and that information should likewise be held in confidence. Even the fact that EAM advises a particular client should ordinarily be treated as confidential.

The Code sets forth steps employees should take to help preserve confidential information including the following: avoiding inadvertent or accidental disclosure through careless conversation or describing details of a current or proposed trade, investment or transaction in a public place; employing physical safeguards, such as locking file cabinets and using password protected computer files or disks; and careful use of email.

Material Inside Information: All employees of EAM (in any capacity) and all persons friends, relatives, business associates and others who receive nonpublic material inside information from employees 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 person knows information about an issuer which the 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 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 person (“tipping”) who subsequently uses that information for his or her profit.

All personnel receiving material, nonpublic information have the same duty not to disclose or use information about persons or issuers who are not clients of EAM in connection with securities transactions as they have with respect to client securities. In other words, employees 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 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 employees come into possession of what they believe may be material nonpublic information about an issuer, they must immediately notify the Chief Compliance Officer. The Chief Compliance Officer shall maintain a list of all issuers about which EAM has inside information and shall circulate such list to the appropriate personnel at EAM so as to prevent any trading in securities of such issuers.

Fiduciary Duty and Conflicts of Interest: EAM and its employees 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 employee or EAM. EAM and its employees must act for the clients' benefit and treat the clients fairly. The manner in which any employee 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 employee 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 employee must always seek to assure that the action taken is fair to the client.

EAM anticipates launching a Rules Based Hedge Fund in 2011 and as described above under “Performance-Based Fees and Side-by-Side Management” and “Other Financial Industry Activities and Affiliations,” EAM has in place policies and procedures to address the potential conflicts of interest that may arise due to EAM’s management of separate client accounts and the RBHF.

The Code sets forth several common examples of other conflicts of interest including selection of broker-dealers, commissions, gifts and service as a director of a public company, and how such conflicts can be avoided.

Scalping or Front-Running: As a general rule, if any related person knows of a pending "buy" recommendation or is aware of a pending "sell" recommendation, then that related person may not engage in the practice of purchasing or selling stock before EAM takes action for its clients. Such activities put EAM and its related 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 the related person is buying or selling a non-material number of shares. Any trades undertaken for an employee's own account, for the account of the Company, for the account of any non-Company client or for another related person must be done so as not to disadvantage an EAM client in any way. This means that all related persons must generally wait to trade a security until all trading in that security for all accounts of EAM's clients is completed, although in some cases it may be appropriate to aggregate a personal trade with client trades (see "Aggregation of Orders" below).

Specifically, no employee 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 Chief Compliance Officer may grant exemptions to the foregoing rules in his discretion (for example, when an employee 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 employee 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.

In order to preclude the possibility that material nonpublic information about EAM's investment decisions and recommendations, and client securities holdings and transactions, could be misused, EAM has taken steps to restrict access to such information to employees who need such information to perform their duties, including the use of password protection on computer files and limiting physical access to paper storage records. Employees who are not authorized to access such information may be subject to termination if they attempt to do so.

Unfair Treatment of Certain Clients vis-à-vis Others: An employee who handles one or more clients may be faced with situations in which it is possible to give preference to certain clients over others. Employees must be careful not to give preference to one client over another even if the preferential treatment would benefit EAM or the employee. For example, an employee 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 employees 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 Chief Compliance Officer.

Recommending to Clients Securities in Which EAM has a Material Financial Interest: EAM anticipates launching a Rules Based Hedge Fund in 2011 and may solicit clients to invest in the RBHF. Because the RBHF will pay performance-based fees in addition to asset-based management fees (while other client accounts will pay only asset-based management fees), EAM will face a conflict of interest by managing these accounts at the same time and may have an incentive to encourage clients to invest in the RBHF rather than in separate client accounts in order to earn the performance-based fees. EAM will not have discretion to invest a client's assets in the RBHF and EAM will never invest client assets in the RBHF without the client's permission. If EAM believes that the RBHF might be an appropriate investment for a client, it may suggest that the client invest in the RBHF. Prior to accepting any investment in the RBHF from a client, EAM will deliver to the client RBHF's confidential private placement memorandum which will disclose all of the fees (including performance fees) applicable to investors in the RBHF and all risks associated with an investment in the RBHF. With respect to client assets that are invested in the RBHF, clients will only be assessed fees through the RBHF and will not be 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 Trading Policy: Employees are allowed to buy and sell securities for their own accounts. Each employee 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 employee 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 employee joining the company (for an initial report) or the date the report is submitted (for the annual report). Each employee must report to the Chief Compliance Officer within 30 days after the end of each calendar quarter all securities transactions in all of the employee's covered accounts during the preceding quarter.

BROKERAGE PRACTICES

Selection of Brokers:

When placing trades on behalf of a client, EAM has a fiduciary duty to seek to obtain the best execution possible for the client. While a primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors may be considered when arranging for the purchase and sale of clients' portfolio securities. These include restrictions imposed by the federal securities laws and the allocation of brokerage in return for certain services and materials described below. In determining the abilities of the broker-dealer to obtain best execution of a particular transaction, EAM will consider all relevant factors including the execution capabilities required by the transaction(s), the ability and willingness of the broker-dealer to facilitate the account's portfolio transactions promptly and at reasonable expense, the importance to the account of speed, efficiency or confidentiality, the broker-dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold, the broker-dealer's ability to supplement EAM's management capabilities with research, quotation and consulting services and computer hardware and software materials, as well as any other matters EAM deems relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

Research and Other Soft Dollar Benefits:

EAM may use broker-provided products and services that assist it in carrying out its investment decision-making responsibilities. Such services may include, but are not limited to: (i) written information and analyses concerning specific securities, companies or sectors; (ii) market, financial and economic studies and forecasts, as well as discussions with research personnel; (iii) certain financial and industry publications; and (iv) statistical and pricing services utilized in the investment management process. EAM intends to comply with Section 28(e) of the Securities Exchange Act of 1934 in connection with its use of soft dollars. In some cases EAM may acquire a research product or service with soft dollars that also has non-research uses. In these cases EAM will make a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research services will be paid for by EAM in hard dollars.

When EAM uses client brokerage commissions, mark-ups or markdowns to obtain research or other products or services, EAM will receive a benefit because we will not have to produce or pay for the research, products or services that are provided. EAM may have an incentive to select a broker-dealer based on its interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution.

All research services received from broker-dealers to whom commissions are paid are used collectively. There is no direct relationship between commissions received by a broker-dealer from a particular client's transactions and the use of any or all of that broker-dealer's research material in relation to that client's account. EAM may pay a broker-dealer a brokerage commission in excess of that which another broker-dealer might have charged for the same transaction in recognition of research and brokerage related services provided by the broker-dealer.

On a semi-annual basis, the Chief Compliance Officer shall review the list of brokers with whom EAM does business, the commissions paid to such brokers and the soft dollar products and services provided by such brokers to EAM and assess whether EAM is achieving best execution and is complying with its brokerage policy. The Chief Compliance Officer shall provide a written report of such assessment to EAM's Management Committee, along with any recommendations for changes.

EAM is a newly registered investment advisory firm and, as such, has not been involved in any soft dollar arrangements during our last fiscal year.

Brokerage for Client Referrals:

On occasion EAM will receive client referrals from a broker-dealer or prime broker that we transact commission business with on a regular basis. EAM may consider, in selecting broker-dealers, whether, EAM receives client referrals from a broker-dealer or third party. This may create an incentive for us to select a broker-dealer based on EAM's interest in receiving client referrals, rather than on our clients' interest in receiving most favorable execution. However, although EAM may consider whether EAM receives client referrals from a broker-dealer, such factor will not be determinative and when selecting broker-dealers EAM will act in accordance with its fiduciary duty to seek to obtain the best execution possible for its clients and, as described above, EAM will consider all relevant factors.

EAM is a newly registered investment advisory firm and as such did not direct client transactions to a particular broker-dealer in return for client referrals during our last fiscal year.

Directed Brokerage:

EAM will not recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

From time to time, if requested by a particular client, EAM may permit the client to direct securities transactions to a particular brokerage firm. Directed brokerage may result in such client paying higher commissions than would be the case if EAM were able to select brokers freely. Directed brokerage in many cases limits EAM's ability to negotiate commissions for the client and its ability to aggregate orders and may result in an inability to obtain volume discounts or best execution for the client in some transactions. The higher cost associated with a directed brokerage arrangement will be disclosed in more detail to each client that requests such an arrangement.

Aggregation of Orders:

EAM expects to aggregate 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. Transaction costs for any transaction will be shared pro rata based on each portfolio's participation in the transaction.

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 in which EAM, its officers or employees or their family members participate as 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.

REVIEW OF ACCOUNTS

At EAM we review client accounts quarterly and generally meet with clients on an annual basis. If requested, in particular cases, we will meet semi-annually. Our 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 we will update the client's investor profile and investment objectives if needed. All client reviews will be performed by one of our two Managing Directors. Because our methodology and investment philosophy is long-term and strategic, rather than tactical, at EAM we do not review accounts more frequently than quarterly unless requested to do so by a client.

Each client of EAM will receive a monthly account statement from one of our qualified custodians. In the case of our separate account advisory clients, statements will be issued by Fidelity Investments. For investors in the RBHF, statements will be issued by a yet to be determined third party administrator with JPMorgan Chase acting as custodian and prime broker. A quarterly performance report will also be issued on all discretionary accounts. In the event that there is no activity in a separate account for the entire quarter, a client will receive only a quarterly account statement from Fidelity Investments and will also receive a quarterly performance report as well. All of the reports and statements sent to our clients are computer generated by either our custodian, our third party administrator or our performance management provider.

CLIENT REFERRALS AND OTHER COMPENSATION

This Item is not applicable.

CUSTODY

EAM anticipates launching the Rules Based Hedge Fund in 2011. As the general partner of the RBHF, a related party of EAM will be deemed to have custody of the RBHF's funds and securities. RBHF's qualified custodian will send quarterly, or more frequent, account statements to investors in the RBHF. Investors in the RBHF should carefully review those statements.

With respect to EAM's separate account clients, EAM will not have custody of client funds or securities which will be held on behalf of each client by a qualified custodian.

INVESTMENT DISCRETION

Empirical Asset Management will accept discretionary authority to manage securities accounts on behalf of our clients. Each of our clients will enter into an investment management agreement with us outlining the details of EAM's trading authority and the limitations, if any, on EAM's authority.

VOTING CLIENT SECURITIES

EAM will have authority to vote client securities. EAM has adopted the proxy-voting guidelines discussed below. Clients of EAM may obtain upon request a copy of our Proxy Voting Policies and Procedures and a record of how EAM voted a client's securities by contacting EAM at 781-431-2220.

Proxy Voting Policies and Procedures

1. General Responsibilities. EAM shall have the responsibility for determining how to address proxy votes made on behalf of the clients. In so doing, EAM shall generally seek to ensure that proxy votes are made in the best economic interest of the clients, and that proxy votes are determined in a manner free from unwarranted or inappropriate influences. It is expected that EAM will generally seek to vote proxies in a uniform manner for all clients and in accordance with these Proxy Voting Policies and Procedures.

2. Review and Amend Procedures As Needed. EAM will monitor adherence to the Proxy Voting Policies and Procedures and from time to time, based on experience as well as changing environments, review and amend these policies as needed, without notice. However, EAM will make available upon request a revised copy of these policies.

3. ***Voting Guidelines.*** EAM determined that it is appropriate and in the best economic interest of clients to adopt the following guidelines, which represent EAM's voting position on certain recurring proxy issues that are not expected to involve unusual circumstances. In general, EAM will vote proxies in accordance with these Guidelines unless: (1) EAM is aware of the presence of a material conflict of interest or (2) EAM otherwise determines that due to special circumstances, these Guidelines should not apply and EAM elects to adopt a different position.

> *Boards of Directors*: These proposals concern those issues submitted to shareholders relating to the composition of the board of directors of companies other than investment companies registered under the Investment Company Act of 1940. As a general matter, EAM believes that a company's directors (rather than shareholders) are most likely to have access to important, non-public information regarding a company's business and prospects, and is therefore best positioned to set corporate policy and oversee management. EAM therefore believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders, and oversee management of the company in a manner that will generally seek to maximize shareholder value over time. In individual cases, EAM may look at a director nominee's history of representing shareholder interests as a director of other companies, or other factors to the extent EAM deems relevant.

> *Auditors*: These proposals concern those issues submitted to shareholders related to the selection of auditors other than investment companies registered under the Investment Company Act of 1940. As a general matter, EAM believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. We believe that the company remains in the best position to choose the auditors and will generally support management's recommendation. While EAM will generally defer to a company's choice of auditor, in individual cases EAM may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent that EAM deems relevant.

Compensation and Benefits: These proposals concern those issues submitted to shareholders related to management compensation and employee benefits. As a general matter, EAM favors proposals related to more detailed disclosure of a company's compensation and benefit policies (including perquisites) and opposes excessive compensation. Also, as a general matter, EAM believes that compensation matters are normally best determined by a company's board of directors, rather than by shareholders. Consequently, shareholder proposals to "micro-manage" a company's compensation practices or to set arbitrary restrictions on compensation or benefits will generally not be supported.

Capital Structure: These proposals relate to various requests, principally from management, for approval of amendments that would alter the capital structure of a company, such as an increase in authorized shares. In general, EAM will cast votes in accordance with the company's management on such proposals. However, EAM will support requests that it believes enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.

Corporate Charter and Bylaws: Changes in a company's charter, articles of incorporation or bylaws may be required by state or federal regulation. However, certain proposals relate to various requests for approval of amendments to a company's charter or bylaws, principally for the purpose of adopting or redeeming "poison pills." As a general matter, EAM will cast votes in accordance with the company's management on such proposals. However, in general EAM will oppose poison pill provisions.

Corporate Meetings: In general, these are routine proposals relating to various requests regarding the formalities of corporate meetings. EAM recognizes the importance of good corporate governance in ensuring that management and the board of directors fulfill their obligations to shareholders. In general, EAM will favor proposals promoting transparency and accountability within a company.

Investment Companies: These proposals relate to proxy issues that are associated solely with holdings of shares of investment companies. As with other types of companies, EAM believes that a fund's board of directors (rather than its shareholders) policy is best positioned to set fund policy and oversee management. However, EAM opposes granting boards of directors authority over certain matters, such as changes to a fund's investment objective, which the Investment Company Act of 1940 envisions will be approved directly by shareholders.

Political, Environmental and Social Issues: These are shareholder proposals either to limit corporate conduct or to take action in some manner that relates to the shareholder's political, environmental, or social concerns. EAM generally believes that annual shareholder meetings are inappropriate forums for the discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the company as an economic matter. While EAM is generally supportive of proposals to require corporate disclosure of matters that seem relevant and material to the economic interests of shareholders, EAM is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

Adjourn Meeting: These are proposals to provide management with the authority to adjourn a meeting in continuation of the current session at a convenient date/time before the next regular meeting if the regular meeting or a special meeting is unable to complete its work.

Special Circumstances: Although clients have delegated proxy-voting authority to EAM, voting proxies in certain limited situations involve logistical issues, which can affect EAM's ability to vote such proxies. These situations include (but are not limited to):

- circumstances where the proxy or other relevant materials are not received in sufficient time to allow an appropriate analysis by EAM;
- restrictions on a foreigner's ability to exercise votes;
- requirements to vote proxies in person;
- requirements that shareholders who exercise their voting rights surrender the right to dispose of their holdings for some specified period in proximity to the shareholder meeting (i.e., "share-blocking");
- potential difficulties in translating the proxy of a non-U.S. issuer;
- requirements to provide local agents in foreign countries with unrestricted powers of attorney to facilitate voting instructions;
- circumstances where the volume of proxy or other relevant materials provided is insufficient to allow an appropriate analysis by EAM;
- circumstances where securities are on loan (i.e., securities may not be voted by the lender unless the loan is recalled); and
- potential difficulties in recalling securities on loan for purposes of voting proxies.

Consequently, where applicable, EAM will vote proxies involving special circumstances only on a "best-efforts" basis. In addition, EAM may determine that it is generally in the best economic interests of clients not to vote proxies of companies in certain instances where EAM determines that the costs (including but not limited to opportunity costs associated with "share-blocking" constraints) associated with exercising a vote or removing the issues (where possible) generally are expected to outweigh the benefit clients will derive by voting on the issuer's proposal. If EAM so determines that the benefits of seeking to exercise a vote outweighs the costs, EAM will generally seek to vote on a "best-efforts" basis.

There are other instances where EAM will be voting proxies on issues not covered in this document. In those cases EAM shall generally seek to ensure that proxy votes are made in the best economic interest of EAM's clients, and that proxy votes are determined in a manner free from unwarranted or inappropriate influences.

FINANCIAL INFORMATION

This Item is not applicable.

EMPIRICAL ASSET MANAGEMENT, LLC

"Quantitative Investing That Makes a Qualitative Difference"

Part 2B of Form ADV: Brochure Supplement

Mark H. Fiskio

March 21, 2011

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This brochure supplement provides information about Mark H. Fiskio that supplements the Empirical Asset Management, LLC brochure. You should have received a copy of that brochure. Please contact Mark H. Fiskio if you did not receive Empirical Asset Management's brochure or if you have questions about the contents of this brochure supplement. Our contact information is listed above.

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Mark H. Fiskio is the founder and Managing Partner of Empirical Asset Management, LLC. Until the inception of EAM Mark was a Senior Portfolio Manager 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.

DISCIPLINARY INFORMATION

This Item is not applicable.

OTHER BUSINESS ACTIVITIES

This Item is not applicable.

ADDITIONAL COMPENSATION

This Item is not applicable.

SUPERVISION

As the sole founder, sole Managing Partner and Chief Compliance Officer of EAM, Mark is the most senior employee of EAM and is not subject to supervision by any other employees of EAM. Mark will be 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 employees.