

# **Greer Anderson Capital, LLC**

## **Brochure**

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This brochure provides information about the qualifications and business practices of Greer Anderson Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 622-1308. 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 Greer Anderson Capital, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

This Item summarizes material changes to Greer Anderson Capital, LLC's ("Greer Anderson") Form ADV, Part 2A Brochure since its initial filing on March 30, 2012. Please see the specific sections referenced herein for additional information regarding these revisions.

### Item 4: Advisory Business

Pursuant to the terms of an Investment Management Agreement, Greer Anderson serves as the investment manager to two private funds where certain of Greer Anderson's control persons act as the managing member of the General Partner. These affiliated private funds are commingled, pooled investment vehicles only available to investors meeting certain eligibility requirements.

### Item 5: Fees and Compensation

The standard investment management fee for services to Separate Account clients has increased from 0.40% to 0.50% of assets under management.

Greer Anderson has added a standard fee of 1.00% for investment management services to the private investment funds. The fee is calculated on unaffiliated assets under management.

### Item 7: Types of Clients

Greer Anderson has added affiliated private investment funds to its eligible client list.

### Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Greer Anderson has added disclosure that interests in its affiliated private funds have not been registered under the Securities Act of 1933 and therefore lack certain of the protections of the federal securities laws.

### Item 10: Other Industry Activities and Affiliations

Greer Anderson serves as investment manager to two private funds where certain of the Firm's control persons act as the managing member of the General Partner. A potential or actual conflict of interest could exist if Greer Anderson recommends to certain clients investments in the private funds, from which Greer Anderson or its affiliate receive a management fees. These potential conflicts include, by way of example: the receipt by Greer Anderson of fee that is higher than or in addition to the fee currently paid by a client account; and, an incentive to resolve matters in favor of the private funds over clients that are not affiliates. Greer Anderson has added disclosure describing its efforts to mitigate these conflicts through a variety of means.

Item 15: Custody

Greer Anderson serves as the investment manager to two private funds where an advisory affiliate acts as the General Partner . As Greer Anderson may be deemed to have custody in this circumstance, it will comply with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940 by having an independent public accountant annually audit the pooled investment vehicles and distribute the audited financial statements to the investors in the pools.

The Firm eliminated disclosure that control individuals of Greer Anderson also serve as trustee over certain client accounts. Due to the personal or familial nature of these trustee relationships, the Firm may not be deemed to have custody.

Item 16: Investment Discretion

Greer Anderson has added disclosure referencing that it exercises discretionary investment authority over the affiliated private funds.

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## Item 4: Advisory Business

Greer Anderson Capital, LLC (“Greer Anderson”) was founded in 2008. Greer Anderson advises, constructs and manages multi-asset portfolios for individuals, families, trusts, partnerships, foundations and private investment funds. The principal owner of Greer Anderson is Gary N. Anderson.

Greer Anderson’s primary services are the management of investment portfolios for its clients, which include individuals, families, trusts, partnerships, foundations (collectively, “Separate Account Clients”) and private investment funds where certain of its control persons act as the managing member of the general partner (“GAC Funds”). GAC Funds are commingled, pooled investment vehicles only available to investors meeting certain eligibility requirements. Detailed information regarding each GAC Fund is provided in their respective offering and other disclosure documents. There is no separate management company for the following GAC Funds to which it provides investment advisory services:

- GAC Global Partners, L.P.
- GAC Global Long, L.P.

Greer Anderson’s provision of investment advisory and management services to the GAC Funds is pursuant to the terms of each fund’s operating agreement or through a separate management agreement.

The firm’s research driven investment process applies to the advisory services it provides to all of its clients. The firm endeavors to select investments in unaffiliated external managers through limited partnerships, separate accounts, equities and mutual funds on behalf of its clients in an effort to realize long-term capital appreciation and capital preservation objectives, as described more fully below. Greer Anderson provides these services to its clients on both a discretionary and non-discretionary basis.

Greer Anderson manages globally diversified, multi-asset class portfolios structured according to client specific requirements. Greer Anderson’s advisory and management services include sourcing and recommending potential new investments, performing due diligence on investment opportunities, negotiating the terms of each investment, if applicable, and advising on potential dispositions of investments. Each Greer Anderson client portfolio is managed by the firm’s investment professionals who endeavor to structure each portfolio within certain asset allocation and geographical diversification criteria.

Greer Anderson selects or assists clients in the selection and performance monitoring of certain investments in non-publicly traded partnerships and companies generally referred to as hedge, venture capital or private equity funds and mutual funds. It may also recommend to Separate Account Clients an investment in the GAC Funds. Greer Anderson may recommend to a client such investments and investment managers as the firm determines will best meet the investment objectives of the client. In connection with its advisory services, the firm adheres to a research driven investment process that seeks to provide client portfolios with long-term

capital appreciation and capital preservation. No single individual determines whether an investment will be recommended to any client.

Greer Anderson's investment professionals review, recommend and monitor prospective and existing client portfolio investments. As noted above, the firm seeks to identify managers offering investment strategies providing demonstrated portfolio characteristics. Depending on client specific investment criteria, strategies may include investments in, but are not limited to, hedge funds (long/short equity, distressed, credit, arbitrage, event driven and multi-strategy), long-only (equities and fixed income, including exchange traded securities, mutual funds and exchange traded funds ("ETFs")), private equity (venture capital and buy out), and physical or real assets (real estate, energy and other hard assets). Greer Anderson seeks client investment opportunities globally, including in North America, developed countries in Europe and Asia, and emerging markets. See Item 8 Methods of Analysis, Investment Strategies and Risk of Loss for more information.

Greer Anderson will endeavor to allocate a client's portfolio assets among these various asset types taking into consideration the client's overall investment objective and the corresponding reasonableness of such investment. Non-publicly traded partnerships, private funds, mutual funds and ETFs are selected on the basis of a number of factors including, among other things, investment objective, performance history, management style and philosophy and fee structure. Client portfolio weighting between equities, fixed-income, non-publicly traded partnerships, private funds, physical or real assets, ETFs, mutual funds and the GAC Funds are determined by each client's individual needs and circumstances. Clients have the opportunity to place reasonable restrictions on the types of investments which are made on their behalf.

Greer Anderson endeavors to engage clients as participants in the investment relationship to foster communication of a clear and agreeable strategy. As of December 31, 2011, the firm managed client portfolios of approximately \$200 million in assets on a discretionary basis and \$25 million in assets on a non-discretionary basis. Greer Anderson does not participate in wrap fee programs by providing portfolio management services.

In addition to the advisory services described above, Greer Anderson may, from time to time, agree to manage accounts according to different investment guidelines specifically negotiated with a client.

## **Item 5: Fees and Compensation**

Greer Anderson's investment management agreement's with clients describe, among other matters, the nature of the advisory relationship; whether discretionary investment authority, if any, has been granted; and fees (including whether fees are to be deducted directly from a client's account or separately billed). Greer Anderson's fees do not include, if any, transaction charges (more information on Greer Anderson's transaction practices can be found under the Section entitled "Brokerage Practices"), custodial fees, transfer taxes, exchange fees, interest charges, electronic fund and wire transfer fees, or any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with the client. In addition, if Greer Anderson recommends or beneficially acquires other pooled investment vehicles (both affiliated (i.e., the GAC Funds) and unaffiliated), non-publicly traded partnerships, separately

managed accounts, mutual funds or ETFs for client accounts, clients will be responsible for the fees and expenses charged by the underlying investment vehicle. These fees and expenses may include, among other things, management fees, performance-based fees, or both.

#### Separate Account Clients

Separate Account client fees are generally a fixed fee and based on a percentage of assets under management. Although client fees are negotiated annually, they generally conform to the following schedule:

- 0.50% on all Separate Account assets under management.

Additional fees may be paid by clients at their discretion as agreed to from time to time. Fees are typically billed quarterly to clients in arrears based on the agreed rate. Greer Anderson's fee generally covers the services provided to clients for structuring and monitoring their portfolios. Greer Anderson may in its sole discretion agree to accept an alternative fee arrangement to the amounts set forth in the schedule above with respect to any client.

#### GAC Funds

The GAC Funds are unregistered pooled investment vehicles that invest primarily in private funds, separately managed accounts or mutual funds managed by external managers. The GAC Funds pay a management fee based on a percentage of assets under management. The fee is calculated on unaffiliated assets under management according to the following schedule:

- 1.00% on all non-affiliated assets under management.

Specific information relating to the fees charged by the GAC Funds can be found in each fund's private offering documents.

#### Additional Information on Fees

Greer Anderson does not require clients to pay fees in advance. If a client chooses to pay fees in advance and the account terminates, Greer Anderson will refund a proportionate part of any prepaid fee.

Greer Anderson may, in the future, serve as the general partner or otherwise sponsor, manage, or provide advisory services (directly or through affiliates) to other private investment funds or people or entities with fee schedules similar or dissimilar to those set forth above.

#### Alternative Fee Arrangements

Greer Anderson may, at its discretion, be willing to consider and negotiate fee arrangements that are not based on a percentage of assets under management. Greer Anderson may also waive fees for certain client accounts.

### No Compensation from the Sale of Securities

Neither Greer Anderson nor any of its supervised persons accepts compensation for the sale of securities or other investment products.

## **Item 6: Performance-Based Fees and Side-By-Side Management**

Greer Anderson does not manage accounts that pay it a performance-based fee.

## **Item 7: Types of Clients**

Greer Anderson's primary service is the management of investment portfolios for individuals, families, trusts, partnerships, foundations, private investment funds, and other clients. In general, Greer Anderson's clients are "qualified purchasers" as defined in Section 2(a)(51)(A) of the Investment Company Act of 1940. Notwithstanding, Greer Anderson does not have a specific minimum account size.

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

Greer Anderson adheres to a research driven investment process that seeks to provide client portfolios with long-term capital appreciation and capital preservation. Greer Anderson seeks to achieve long-term capital appreciation and capital preservation by constructing diversified portfolios across multiple asset classes such as fixed income, equities, hedge funds, private equity and real assets (also known as physical assets). Client portfolios are further diversified by investing on a global basis. The research strategy focuses on bottom-up, fundamental research driven analysis and will typically avoid meaningful exposures to strategies such as quantitative, "black box", macro, momentum, high-velocity trading or high levels of leverage.

### **Investment Strategies:**

Greer Anderson seeks to identify investment opportunities with high quality external managers on a global basis across all asset classes. Greer Anderson's objective is to build portfolios of complimentary managers and investment strategies. The investment strategies employed by external managers selected by the firm may include, but are not limited to:

### **Fixed Income and Cash**

Investment in fixed income securities may offer opportunities for income and capital appreciation, and may be used for, among other purposes, temporary defensive purposes and to maintain liquidity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes, and debentures issued by U.S. or foreign corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities or by a foreign government; municipal securities; and mortgage backed securities ("MBS") and asset-backed securities



("ABS"). These securities may pay fixed, variable, or floating rates of interest, and may include zero-coupon obligations.

#### Equities: U.S., Developed International, and Emerging Markets

U.S. equity strategies might include investments in common stocks, preferred stocks and other equities. International equities include investments in global equity markets in both developed and emerging countries. Securities may be purchased and sold on U.S. or international stock markets and may be transacted in dollars or local currencies. Dedicated emerging market strategies invest in equity of companies in underdeveloped or developing economies, such as, without limitation, in the People's Republic of China, India, other Southeast Asian countries, Africa, and South America.

#### Hedge Funds

Hedge funds seek to generate positive returns in most market environments. Hedge Funds can invest in a wide variety of securities including, but not limited to, equity, debt, derivatives and futures. Hedge fund strategies include long/short equity, distressed, credit, arbitrage, event driven and multi-strategy. Managers typically buy and sell short securities. Generally, funds have greater exposure to long investments than short securities and are therefore more correlated to market movements.

#### Private Equity

Private equity is generally a strategy that involves the purchase of illiquid equity interests (or in some cases, debt with equity components) in private companies. Categories of private equity strategies include buyout (generally acquisition-driven growth opportunities), growth (generally high growth opportunities) and venture capital (generally immature companies), as well as credit/distressed (generally opportunities created by a company's financial or operational distress), and hybrid opportunities.

#### Real (Physical) Assets

Real assets involve physical assets such as real estate and energy. Real assets can be owned either in a liquid or illiquid investment form.

#### Methods of Analysis:

The professionals at Greer Anderson actively source, research and monitor existing and prospective external investment managers. The process of ongoing due diligence of managers may include, but is not limited to:

- reviewing the founders and senior professionals relevant background experiences, including reference checks.
- the structure, ownership and incentives driving investment and operational decisions.
- investment and operational authorities and process.
- investment and risk management policies and procedures.

- business and team continuity, stability and planning.
- past investment performance and attribution.
- investment terms and fees.

Greer Anderson may, among other things, conduct onsite visits with external investment managers, collect and review offering and other investment related materials and will at times confer with third-party investment consultants to support its due diligence efforts. Upon completion of this analysis, Greer Anderson will then make an investment decision or recommendation based on eligibility, liquidity and strategy for clients of the firm.

### **Material Risks of Investment Strategies**

Greer Anderson has identified the following risks that clients may incur as a consequence of the investment strategies utilized by the firm and its external managers. A client should carefully consider these risks when establishing an account with the firm.

#### **General**

Although Greer Anderson strives to preserve client capital, all manner of investing involves risk, there is no assurance that a client will meet their investment objective or avoid loss of a significant part or all of their investment.

There is no assurance that a portfolio will achieve capital appreciation or protections. Past performance is not indicative of future results. Similarly, the historical performance of any external manager or the GAC Funds is not a guarantee or prediction of the future performance of its portfolio funds.

The loss of its experienced investment professionals, Gary Anderson and Philip Greer, or operational professional, John Nicolai, could adversely affect the firm and its ability to implement its investment strategies.

Client portfolios rely on the success of Greer Anderson to identify, conduct due diligence, monitor and gain adequate access to top performing external investment managers. Returns could be adversely affected by poor performance by any external investment manager.

Investors risk failure by Greer Anderson to adequately identify appropriate strategies or external investment managers. The success of a Client portfolio depends on the ability of the firm to identify and invest in external managers that meet desired investment criteria. Identification of an attractive investment does not ensure a client will be able to gain access to a particular fund that could be capacity constrained.

It is possible that the firm could miss or misinterpret information during the due diligence process. An external manager could be involved in wrongdoing that is not uncovered as a result of due diligence.

In connection with investments in portfolio funds, clients will be dependent upon external managers, which will have custody and control of client assets invested in such external

managers' portfolio funds. The failure of an external manager or financial intermediary to fulfill its obligations may have a material adverse effect on the related investment and overall performance. If any external manager, any other financial intermediary, or any of such external manager's or financial intermediary's counterparties becomes insolvent or files for bankruptcy, a client could suffer losses and its financial performance could be materially and adversely affected. In addition, such insolvency or bankruptcy could undermine access to assets on a temporary or permanent basis and result in a partial or complete loss of the related investments.

### Non-U.S. Investments

Greer Anderson will make investments, where appropriate, for client portfolios in investments located outside the United States. Any investment made outside of the U.S. involves additional risks not found in the domestic securities markets, including, but not limited to; the risk of economic and financial instability in the foreign country, which could include a collapse in credit markets, stock prices, currencies and/or consumer spending; the risk of adverse social and political developments, including expropriation, nationalization, confiscation without fair compensation, political and social instability, and war; the risk that the foreign country may impose restrictions on the repatriation of investment income or capital or on the ability of foreign persons to invest in certain types of companies, assets, or securities; risks related to the possible lack of availability of sufficient financial information as a result of corporate governance, accounting, auditing and financial disclosure standards that differ, in some cases significantly, from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those in the United States; risks related to foreign laws and legal systems, which are likely to differ from those in the United States, including in particular the laws with respect to the rights of investors, which may not be as comprehensive or well developed as those in the United States and the procedures for the judicial or other enforcement of such rights which may not be as effective as in the United States; risks related to the fact that some investments may be denominated in foreign currencies and therefore will be subject to fluctuations in exchange rates; and risks related to applicable tax laws and regulations and tax treaties, which are likely to vary from country to country and may be less well developed than those in the United States, possibly resulting in retroactive taxation and anticipated local tax liability.

### Emerging and Frontier Markets

It is anticipated that where appropriate, client portfolios will invest directly or indirectly in one or more emerging markets (including, but not limited to, China, India, Brazil and Russia) and to a lesser extent, Frontier Markets (including, but are not limited to, Argentina, Kenya, and Vietnam). Investing in companies based in emerging and frontier markets, which are underdeveloped or developing economies, involves certain considerations not usually associated with investing in companies located in more developed countries. These considerations may include political and economic factors, such as greater risks of expropriation, nationalization, and general social, political and economic instability; the small size of the securities markets in emerging and frontier markets and the low volume of trading, resulting in potential lack of liquidity in price volatility; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; inconsistencies among local, regional, and national laws; and certain government policies that may restrict investment

opportunities. A portfolio fund or external manager may face difficult approval and registration procedures when making or disposing of investments, and, as a foreigner, may be subject to legal or regulatory constraints or prejudices that do not affect local investors. In addition, the reporting standards, practices and disclosure requirements in emerging and frontier markets are not equivalent to those in the United States and Western European countries and may differ in fundamental ways. Accordingly, less information may be available to investors. Investments in emerging and frontier markets could be affected by other factors not present in more developed countries, including lack of uniform accounting, auditing and financial reporting standards, inadequate settlement procedures and potential difficulties in enforcing contractual obligations.

### Foreign Exchange

In the case of investments in securities that are not denominated in U.S. dollars, any fluctuation in currency exchange rates will affect the value of such investments and the returns ultimately achieved. In addition, costs may be incurred in connection with conversions between various currencies.

### Status of Markets

In recent times, economic markets have experienced a period of unprecedented stress. The availability, unavailability, or hindered operation of external credit markets, equity markets and other economic systems that the firm and investments may depend upon to achieve objectives may have a significant negative impact on private fund operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for investments or for private funds to operate successfully. Unprecedented turbulence in financial markets and reduced liquidity in credit and fixed income markets may negatively affect many issuers worldwide, which may have an adverse effect on client portfolios.

### Economic Conditions

Any investment activity may be adversely affected by general international or domestic economic or market conditions. A downturn or contraction in the economy or capital markets, or in certain industry or geographical regions thereof, may prevent investors from meeting investment objectives by restricting the availability of suitable investment opportunities. In addition, such a downturn could result in the diminution or loss in value of a client's portfolio investments. Unexpected volatility or illiquidity in the markets in which clients or portfolio funds hold positions, or in which direct investments are held, could impair their ability to carry out their business or cause them to incur losses.

### Suspensions of Trading

Securities, futures and commodities exchanges typically can suspend or limit trading in any instrument traded on the exchange. A suspension could render it impossible for an external manager to liquidate positions and expose clients to additional risk of loss.

### Lack of Liquidity

Despite the heavy volume of trading in securities and other financial instruments, the markets for some instruments have limited liquidity and depth, or may in the future experience periods of limited liquidity and depth. This lack of liquidity could be a disadvantage to portfolio funds, both in the realization of the prices that are quoted and in the execution of orders at desired prices. Accordingly, portfolio funds may be required to hold investments for a longer period of time than desired or may be required to mark down the value of investments that are subject to such limited liquidity. In addition, it is likely that a portion of a client's portfolio will be illiquid.

### Inadvertent Concentration

A number of portfolio funds may have overlapping strategies and could accumulate large positions in the same or related securities. The firm's ability to avoid such concentration would depend on its ability to reallocate capital among existing or new portfolio funds, which might not be feasible for several months until withdrawals and contributions are permitted by the portfolio funds.

### Leverage (Borrowed Money)

It is anticipated that certain portfolio funds will use leverage in their investing, which would increase the potential for loss as well as transaction expenses.

### Short Selling

Some portfolio funds may sell securities short, which exposes the seller to theoretically unlimited risk due to the lack of an upper limit on the price to which the security may rise. Short selling also involves the sale of borrowed stock, so that if the stock loan is called, the short seller may be forced to repurchase the stock at a loss. In addition, short selling carries the risk of failure to perform by the counterparty to the transaction or the risk that the counterparty will default on its obligations.

### Non-Marketable Securities

Some portfolio funds may invest in non-marketable securities, which are generally difficult to liquidate and price.

### Derivatives

Various portfolio funds may use derivatives, such as options, futures and swaps. The derivatives market is subject to general uncertainty as to how it will perform during periods of unusual price volatility or instability, market illiquidity, or credit distress. Substantial risks are also involved in borrowing and lending against derivatives. Derivatives prices can be volatile, market movements are difficult to predict, and financing sources and related interest rates are subject to rapid change. Certain derivatives also involve embedded leverage, and a relatively small price movement may result in substantial losses to the portfolio fund. One or more markets may move against the derivatives positions held by a portfolio fund, thereby causing

substantial losses. To date, most of these instruments have not been traded on exchanges but rather through an informal network of banks and dealers that have no obligation to make markets in them and can apply essentially discretionary margin and credit requirements (and thus in effect force an external manager to close out positions). In addition, some derivatives carry the risk of failure to perform by the counterparty to the transaction or the risk that the counterparty will default on its obligation to return collateral or other assets of the portfolio fund. Many unforeseeable events, such as government policies, can have significant effects on interest and exchange rates, which in turn can have large and sudden effects on prices of derivative instruments.

### Futures

Some portfolio funds may take positions in commodity futures contracts. Commodity futures prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the trader. Like other leveraged investments, futures transactions may result in losses in excess of the amounts invested.

### Hedging and Other Trading Strategies

The decision as to when and to what extent to hedge or follow other trading strategies depends on many factors. There can be no assurance that hedging or other trading strategies will be available or effective or that the performance of the hedge will correspond appropriately to that of the assets hedged.

### Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, the rate of inflation, and general market liquidity (*i.e.*, market risk). In addition, mortgage-backed securities and asset-backed securities may also be subject to call risk and extension risk. For example, homeowners have the option to prepay their mortgages. Therefore, the duration of a security backed by home mortgages can either shorten (*i.e.*, call risk) or lengthen (*i.e.*, extension risk).

### High-Yield Debt (Junk Bonds); Distressed Debt

High-yield bonds (commonly known as "junk bonds"), distressed debt instruments, and other debt securities in which portfolio funds may invest will typically be junior to the obligations of companies to senior creditors, trade creditors, and employees. The lower rating of high-yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory, or other conditions may impair the ability of the issuer to make payments of principal and interest. High-yield debt securities have historically experienced greater default rates than investment grade securities. The ability of

holders of high-yield debt to influence a company's affairs, especially during periods of financial distress or following insolvency, will be substantially less than that of senior creditors.

Adverse changes in economic conditions or developments regarding an individual issuer are more likely to cause price volatility and weaken the capacity of the issuers of high-yield debt securities to make principal and interest payments than issuers of higher grade debt securities. In addition, the market for lower grade debt securities may be thinner and less active than for higher grade debt securities, and thus less liquid because, among other reasons, certain investors, due to their investment mandates, are precluded from owning such securities. This could result in a portfolio fund being unable to sell such securities for an extended period of time, if at all.

### Public Equity Securities

Portfolio funds and external managers may invest long and short in publicly traded equity securities. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments may decline over short or extended periods. The stock markets tend to be cyclical, with periods when stock prices generally rise and periods when stock prices generally decline. The volatility of equity securities means that the value of an investment may increase or decrease.

### Small Capitalization Companies

Portfolio funds and external managers may invest in securities of small capitalization companies and recently organized companies and, conversely, the portfolio funds may establish significant short positions in such securities. Historically, such securities have been more volatile in price than those of larger, more highly capitalized, established companies and therefore may pose greater investment risks. Small capitalization companies may require substantial additional capital or borrowings. There is often less publicly available information concerning such companies, and their equity securities are often traded over-the-counter or on regional exchanges and may be less liquid than companies traded on a national exchange. Investments in small capitalization companies may also be more difficult to value than other types of securities. Investments in companies with limited or no operating histories are more speculative and entail greater risk than do investments in companies with an established operating record.

### Growth Stock Risk

Certain portfolio funds or external managers invest in "growth" stocks. Securities of growth companies may be more volatile since such companies usually reinvest a high portion of earnings in their businesses, and they may lack the dividends of value stocks that can cushion stock prices in a falling market. In addition, earnings disappointments often lead to sharply falling prices because investors buy growth stocks in anticipation of superior earnings growth.

### Value Stock Risk

Certain portfolio funds or external managers invest in “value” stocks. A particular risk of a value approach is that some holdings may not recover and provide the capital growth anticipated or that a stock judged to be undervalued may actually be appropriately priced. Further, because the prices of value-oriented securities tend to correlate more closely with economic cycles than growth-oriented securities, they generally are more sensitive to changing economic conditions, such as changes in interest rates, corporate earnings, and industrial production. The market may not favor value-oriented stocks and may not favor equities at all. During those periods, relative performance may suffer.

### Global Equity/ Hedge

The Global Equity/ Hedge strategy primarily involves investments in publicly traded equity instruments generally in developed countries. This strategy involves identifying securities that are mispriced relative to related securities, groups of securities, or the overall market. The strategy may rely on the use of derivatives, leverage and a number of assumptions about the intrinsic value of publicly traded equity instruments. There can be no assurance that such assumptions will prove to be correct or that the strategy will be implemented correctly.

### Real Estate Investing

A portion of capital may be allocated to portfolio funds concentrating in real estate investments. While real estate investing presents the potential for significant capital appreciation, such investments also involve a high degree of risk, including a significant degree of financial, operating, illiquidity, and competitive risk. Frequently, such funds structure their investments with the use of leverage. While the use of leverage will enhance the returns on a successful investment, a leveraged capital structure will be subject to increased exposure to extreme economic conditions, such as a significant rise in interest rates, or a severe downturn in the economy, increasing the risk of loss associated with the investment.

### Energy Investments

A portion of capital may be allocated to portfolio funds concentrating in energy or other real asset opportunities. Such investments are likely to be subject to the same or similar risks described in the preceding paragraph.

### Buyouts/Growth Capital

Buyout and growth capital funds frequently structure their investments with the use of leverage. While the use of leverage may enhance the returns on a successful investment, a company with a leveraged capital structure will be subject to increased exposure to changing economic conditions, such as a significant rise in interest rates, or a downturn in the economy or the company’s industry, enhancing the risk of loss associated with the investment.



### Venture Capital

While venture capital investing presents the potential for significant capital appreciation, such investments also involve a high degree of risk. It is anticipated that the portfolio companies of these funds will confront a significant degree of financial, operating, illiquidity, and competitive risk. In addition, many of these companies, due to their limited revenues and history of operating losses, may need to rely on their ability to fund continuing operations via the private and public capital markets. Such continued funding may be curtailed as a result of a variety of factors which may include, but would not be limited to, rising interest rates, downturns in the economy or deterioration in the condition of the company or its industry.

### Distressed and Special Situations

While an investment in a distressed company (in distressed financial condition, including reorganized companies emerging from bankruptcy) can produce above average returns if the company is successful in its “turn around,” significant risk exists that a turnaround effort will not be successful and that all or a significant portion of the capital invested in such situations may be lost. “Special situation” investments are opportunistic in nature. It is difficult to project the nature of the special situations and how many commitments will be made to them. Such investments are likely to involve significant risks and illiquidity, and any returns from these investments will be subject to substantial uncertainty.

### Limited Liquidity

There is no public market for interests in private funds, and it is not expected that a public market will develop. There will also be substantial restrictions upon the transferability of interests, including the requirement in a partnership agreement that most transfers be approved by the General Partner. There are also other contractual restrictions and restrictions imposed by applicable federal securities laws and the laws and the regulations of other jurisdictions, which may require an indefinite holding period with respect to private fund interests. A purchase of an interest in a private fund should be considered only by persons financially able to maintain their investment and also able to afford a loss of all or a substantial part of such investment. In addition, investors who invest through an offshore fund should be aware that an interest in the offshore fund may be less attractive to other investors that are not foreign or tax-exempt entities in the United States, and therefore an interest in an offshore fund may be even less liquid than a direct investment interest in an onshore fund. There is no assurance that any distribution will be made or that fund investments will be successful.

Many recommended private funds have lock-up provisions that prohibit an investor from withdrawing money for a certain period of time, for example 12 to 24 months or significantly longer. Some of these investments require advance notice should an investor seek a full or partial redemption, while other investments last until the fund ends. In addition, payment of a full cash redemption sometimes takes time.

### Illiquid Investments

Investments in certain portfolio funds, including private equity and real assets, will be illiquid, entailing a high degree of risk. An investor in an illiquid portfolio fund may be expected to hold its investment in the portfolio fund for the entire life of the portfolio fund, which is typically seven to ten years or more.

The external investments of a portfolio fund, at any given time, may consist of significant amounts of securities and other financial instruments that are very thinly traded, or for which no market exists, or which are restricted as to their transferability under U.S. or state or non-U.S. securities laws. In some cases, portfolio funds may also be prohibited by contract from selling such securities for a period of time. In other cases, the types of investments made by portfolio funds may require a substantial length of time to liquidate. Consequently, there is a significant risk that the portfolio funds will be unable to realize their investment objectives by sale or other disposition of portfolio company securities at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their portfolio companies. These risks can be further increased by changes in the financial condition or business prospects of the portfolio companies, changes in economic conditions and changes in law.

A portfolio fund may distribute its investments “in-kind”, which may be composed of illiquid securities. There can be no assurance that client portfolios would be able to dispose of these investments or that the value of these investments, as determined generally by an external portfolio fund, will ultimately be realized.

### Interest Rate Risk

Changes in interest rates can affect the value of fixed-income debt securities such as bonds and notes. Increases in interest rates may cause the value of such investments to decline. Accounts with external managers or certain portfolio funds may experience increased interest rate risk to the extent they invest in lower rate securities, debt securities with longer maturities, debt securities paying no interest (such as zero-coupon securities), or debt securities paying non-cash interest in the form of other debt securities (pay-in-kind securities).

### Valuation of Investments

Greer Anderson exclusively relies on valuations provided by external managers and other asset custodians. Certain securities may not have a readily ascertainable market price. In this regard, an external manager may face a conflict of interest in valuing the securities, as their value will affect the external manager’s compensation with respect to asset based fees as well as performance-based fees and allocations. Such compensation may be based on an external manager’s calculations, without independent oversight, of realized and unrealized gains.

To the extent the values of the assets are determined inaccurately, clients and investors may be adversely affected in connection with the contribution of additional capital to, or the withdrawal or distribution of capital from a portfolio fund. If an investor contributes additional capital, such investor may be adversely affected if the value of the portfolio assets is overstated and the other pre-existing investors would be adversely affected if the value of the portfolio

assets is understated. Similarly, an investor that is withdrawing capital is adversely affected if the value of the portfolio assets is understated, and the other non-withdrawing investors would be adversely affected if the value of the portfolio assets is overstated.

### Unregistered Funds

Many funds recommended by Greer Anderson, including the GAC Funds, are private limited partnerships or similar structures sold in private placements, and are not registered investment companies under the Investment Company Act of 1940. Some of the external managers may not be registered as investment advisers under federal or state law. Interests in the GAC Funds have not been registered under the Securities Act of 1933. Consequently, clients will not be entitled to certain of the protections of the federal securities laws.

### Possible Misconduct by External Managers

Because clients invest through external managers or private funds that are separate from Greer Anderson and over which Greer Anderson does not have physical custody or control, an external manager could divert or abscond with a client's assets, fail to follow its stated investment strategies, issue false reports, or engage in other misconduct.

### Effect of Carried Interest

The existence of a carried interest payable to the external managers may create an incentive for such external managers to make riskier or more speculative investments on behalf of their portfolio funds than would be the case in the absence of this arrangement. In addition, external managers of certain portfolio funds may be permitted to take carried interest distributions prior to the time that such portfolio funds have returned capital to their investors, and this may result in lower returns and/or higher losses for the investors in such portfolio funds.

### Key Principals of the External Managers

External managers are likely to be dependent on the services of one or a few key individuals. The loss for any reason of the services of a key individual could impair a portfolio fund's ability to achieve its investment objective.

### Significant Increase or Decrease in Managed Assets

Client portfolios may invest assets with external managers who are experiencing a significant increase or decrease in the assets they manage, which may impair their ability to generate returns on a par with their historical results. In addition, an external manager faced with a significant increase or decrease in assets to invest may divert from stated strategies into strategies or markets with which it may have little or no experience. This could result in losses to the portfolio fund, and thus the client.

### New Strategies

Strategies used by portfolio funds may not have been in use during periods of major market stress, disruption, or decline. As a result, it is not known how these strategies will perform in these periods.

### Access to Information

Greer Anderson generally requests information from each external manager regarding the portfolio fund manager's historical performance and investment strategy, as well as portfolio information on the externally managed pooled fund on a continuing basis. However, Greer Anderson may not always be provided with such information because certain of this information may be considered proprietary information or a confidential trade secret by the particular external manager. This lack of access to information may make it more difficult to select, allocate among, and evaluate external managers.

Furthermore, Greer Anderson may be restricted from providing clients with information in its possession regarding an externally managed pooled fund. This may make it more difficult for clients to evaluate the performance of their investments in such externally managed funds.

### Direct Investments

Direct investments may involve taking positions in the equity or debt securities of private companies. Often, little or no secondary market exists for such securities of private companies, and many of the direct investments could involve placing investor capital at risk for longer periods than for investments in portfolio funds. Direct investments in private and public companies may entail a higher than normal level of volatility. There can be no assurance that the future performance of direct investments will be positive or result in rates of return that are consistent with historical performance. The markets for securities of private companies have limited liquidity and depth. Direct investments seek to take advantage of common characteristics of, and observed relationships between, the market behavior of private and public companies as a proxy for exposure to such companies obtained through portfolio fund investments. There can be no assurance that the relationships between the behavior of private and public markets for such companies observed in the past will continue in future periods.

### Tax Considerations

Greer Anderson endeavors to furnish tax information as soon as practicable following the end of each year. However, in order to furnish such tax information, the firm must first receive corresponding tax information from all portfolio funds and other investments. Clients may be required to file extensions for any given year, particularly as a result of illiquid investments. The tax liability with respect to income and gains of a portfolio fund for a year may exceed the cash withdrawn by or distributed to the investor in respect of such year.

Investing in private funds may involve complex tax issues for particular clients. Greer Anderson is not a tax advisory firm, and clients are urged to consult their own tax advisors with

respect to their own tax situations and the effect of certain investments and strategies described herein.

## **Item 9: Disciplinary Information**

Neither Greer Anderson, nor any supervised person, has legal or disciplinary events (i.e., criminal or civil action in domestic, foreign or military court, administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or self-regulatory organization) that are material to evaluating Greer Anderson's advisory business or its integrity.

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

Greer Anderson provides investment management services to a diverse number of clients. As a consequence, although Greer Anderson is committed to acting in the best interests of its clients, in some situations there may be conflict of interest between Greer Anderson's interests and a client's interests or there may be conflicts in the interests of multiple clients. Many of these conflicts of interest are inherent in operating an investment advisory business.

As noted in Item 4, "Advisory Business," Greer Anderson or an affiliate serves as a General Partner or Managing Member of the GAC Funds. A potential or actual conflict of interest could occur if Greer Anderson recommends to certain clients investments in the GAC Funds, from which Greer Anderson or its affiliate receive a management fee. These potential conflicts include, by way of example: the receipt by Greer Anderson of fee that is higher than or in addition to the fee currently paid by a client account; and, an incentive to resolve matters in favor of the GAC Funds over clients that are not affiliates.

Greer Anderson seeks to mitigate these conflicts through a variety of means:

First, Greer Anderson discloses that potential conflicts exist to ensure that clients and potential clients are aware of the risks posed by different fee schedules and Greer Anderson's management of affiliated accounts. Once clients are aware of these potential conflicts, they can evaluate the implications of these conflicts and Greer Anderson's approach to mitigate these conflicts.

Second, Greer Anderson maintains a variety of policies and practices that are designed to reduce the potential for favoritism. Greer Anderson maintains compliance policies and procedures that it believes are reasonably designed to result in fair allocations of investment opportunities to clients over time, even though a specific investment or investment allocation may have the effect of benefiting one or more accounts over other accounts when viewed in isolation. Investments are made and investment allocations are effectuated in a manner that Greer Anderson believes is fair and equitable, with the presumption that similarly situated clients should generally participate in similar investment opportunities. The most common means of allocating investment opportunities is to allocate based on the proportionate size of each client's account, making adjustments to accommodate individual client factors such as: unique investment goals and guidelines, available cash, liquidity requirements, minimum

allocations, existing portfolio holdings compared to the target weightings and other restrictions. Greer Anderson client portfolios are managed based on client specific requirements and objectives rather than on the particular fee schedules for particular clients.

Third, Greer Anderson maintains a Code of Ethics that emphasizes its fiduciary obligation to put client interests first. Please see Item 11, “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading” for additional information regarding conflicts of interest that arise as a result of Greer Anderson’s investment advisory activities.

A related person of Greer Anderson is a General Partner or Managing Member of other investment related limited partnerships and limited liability companies that are closed to new investors (“venture capital funds”). As part of its advisory activities, Greer Anderson is not compensated for nor does it recommend, select or manage on behalf of its clients investments in such venture capital funds.

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

Greer Anderson has adopted a Code of Ethics that sets forth standards of ethical conduct and requires compliance with federal securities laws. The Code of Ethics requires that designated personnel report personal securities holdings and transactions and obtain preapproval of certain investments. The firm has also adopted an Insider Trading Policy that restricts the use and communication of material non-public information. The firm will provide a copy of the Code of Ethics and the Insider Trading Policy to clients and prospective clients upon request. Requests should be directed to: Chief Compliance Officer, Greer Anderson Capital, LLC, 601 California Street, Suite 810, San Francisco, California 94108, Telephone: 415-773-1428.

Officers, Directors, and Employees of the firm may periodically buy or sell securities for their own accounts that are also purchased and/or sold for client portfolios. This has the potential to create a conflict of interest between employees of Greer Anderson and clients. In order to address this potential conflict of interest, the firm’s Code of Ethics establishes policies and procedures relating to trading by Greer Anderson and its employees. The Code of Ethics is based on the principle that the firm’s employees owe a fiduciary duty to clients and must avoid activities, interests and relationships that might interfere with making decisions in the best interests of any client. Among other things, the firm’s Code of Ethics generally requires that Officers (and employees, if any):

- are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others.
- are required to place the interests of clients above the interests of the firm or other employees whenever a conflict may be present.
- are required to certify annually that they have complied with the firm’s Code of Ethics.
- may not give or accept gifts or entertainment that are inappropriate or could be seen as overly generous or which could influence Employee decision-making.

- are required to pre-clear any transactions in privately offered securities and initial public offerings. Officers may also be required to submit annual and quarterly reports of security transactions for their own accounts or any account in which they have a direct or indirect beneficial interest.
- that become aware of any violation of the Code of Ethics are required to report such violation to the Chief Compliance Officer.

Greer Anderson also provides investment management services to trusts and other client accounts that are owned primarily by officers (or their families) of the Firm (the “family accounts”). The firm’s management of these family accounts may create potential conflicts of interest with regard to the allocation of investment opportunities between the family accounts and other Greer Anderson clients. The firm monitors the allocation of investment opportunities to such family accounts in relation to other client accounts to verify that such allocations are consistent with, among other things, the Firm’s allocation procedures, and client investment objectives, guidelines and restrictions. Consistent with the firm’s policies and procedures, transactions for the family accounts may, but need not, be conducted simultaneously with investment transactions for other client accounts.

## **Item 12: Brokerage Practices**

Greer Anderson provides investment advice and portfolio management services to clients which almost exclusively invest in externally managed registered and unregistered pooled funds. Greer Anderson is generally not involved in the execution of securities transactions for client accounts through brokers.

On occasion, the firm may assist in the effecting of securities transactions on behalf of its client accounts. In such circumstances, it will seek to obtain best qualitative execution in connection with these transactions. In evaluating best qualitative execution, the firm will take into consideration such factors as price, size of the order, difficulty of execution and operational facilities of a brokerage firm. In selecting a broker, the firm may take into account, among other things, the broker’s commission rate, execution capabilities, actual experience, efficiency, promptness, financial stability, reputation, confidentiality, and research services provided by the broker. Because of the limited nature of the firm’s securities transactions through brokers, and its use of online or discount brokers, it does not negotiate commission rates.

If the firm assists in the execution of securities transactions through brokers, it may receive access to research made generally available on the broker’s website to all its clients. The research that Greer Anderson obtains may be used to service, support, and advise all of its client accounts. At any point in time, the firm may receive research that is used for some but not all clients. However, due to the fact that Greer Anderson’s investment professionals support all of the firm’s clients, it is not possible to establish or monitor research received to make sure that each client benefits equally or in the same proportion as its transactions constitute to the total transactions effected for all clients.

Greer Anderson does not obtain research through third party soft dollar arrangements. Notwithstanding, research (such as market data, technical analysis, economic commentary, and

regulatory and policy analysis) may be made available to Greer Anderson by online or discount brokers that it uses for limited client securities transactions. The firm may receive a benefit under these circumstances because it does not have to produce or pay for this research that is made available by such brokers to all of their clients. A potential conflict may therefore arise if the firm has an incentive to select or recommend a broker based on the firm's receipt of such research, rather than on a client's interest in receiving most favorable execution. An account may, therefore, pay higher brokerage commissions than are otherwise available.

If a client directs the firm to execute securities transactions through a particular brokerage firm, Greer Anderson does not negotiate commission rates with the brokerage firm designated by the client. Clients may, however, negotiate commission rates with the brokerage firm they designate. Unless a lower rate has been negotiated by the client on the client's behalf, the client should expect that the designated brokerage firm will charge commissions based upon the firm's established non-discounted commission schedule. When Greer Anderson's services do not include selection of brokerage firms, clients will not necessarily obtain commission rates as favorable as those which might be obtained through an investment adviser that does undertake to select brokerage firms.

As noted above, because Greer Anderson's securities transaction activity through brokers is limited, it does not engage in trade aggregation for client accounts. Greer Anderson does not consider client referrals from a broker-dealer or third parties when selecting broker-dealers.

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

Greer Anderson generally reviews all client accounts monthly and distributes client investment reports quarterly. In addition, the firm endeavors to communicate with clients on a periodic basis to provide a detailed review of their accounts.

### Account Reviews

The firm generally reviews all client accounts monthly, or more frequently as deemed appropriate. This review includes, among other things, analyzing current balances with the balances from prior periods, analyzing performance and assessing the appropriateness of each portfolio or investment account in light of the client's investment objectives, and recommending changes to each portfolio as deemed appropriate.

Greer Anderson's investment professionals are responsible for the review of client accounts.

### Client Reports

At least quarterly, but more frequently as requested, Greer Anderson provides clients with written investment reports. Firm investment professionals endeavor to conduct formal meetings with clients periodically to review investment performance and strategy. Additional meetings, telephone calls, and correspondence occur as necessary to address other questions or issues as they develop.



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

Greer Anderson does not compensate third parties for client referrals. Neither Greer Anderson nor any related person has any arrangement where it receives a payment or other economic benefit from a non-client in connection with giving advice to clients.

## **Item 15: Custody**

Greer Anderson is not a custodian and its practice is not to have physical custody of client assets. Notwithstanding the foregoing, Greer Anderson recognizes that it may be deemed to have custody under certain circumstances. In circumstances where Greer Anderson may be deemed to have custody, the firm will comply with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940, which requires, among other things, that a qualified custodian (for example, a bank or broker-dealer) maintain all client funds and securities. For example, advisory affiliates of Greer Anderson may serve as General Partner for client accounts that are private funds. In these circumstances, Greer Anderson will have an independent public accountant audit annually the pooled investment vehicle(s) and distribute, at least annually, audited financial statements prepared in accordance with generally accepted accounting principles to all limited partners (or members or other beneficial owners) within 120 days of the end of the private fund(s) fiscal year. Clients should carefully review all financial statements received from qualified custodians. To the extent clients, limited partners, members or other beneficial owners also receive account statements from Greer Anderson; such persons should carefully compare the statements received from Greer Anderson with those received from the qualified custodian and bring any discrepancies promptly to Greer Anderson's attention.

## **Item 16: Investment Discretion**

The firm works on either a non-discretionary or a discretionary basis. In a non-discretionary relationship, the firm leads the investment decision-making process with the client as the final decision-maker; whereas in a discretionary relationship, the firm makes the investment decisions.

Discretionary relationships may have the following attributes or limits. In some instances, a control person of Greer Anderson may hold a full power of attorney with respect to a client account, while in other instances a control person may hold a limited power of attorney, primarily enabling the firm to meet capital calls, transfer funds to a client's bank account, or otherwise facilitate logistics involved with a client's investments. A control person also may serve as trustee for a client account or sub-account. Generally, these types of authority are documented in writing by a client before they are initially exercised. A client may impose limits different from, or in addition to, those mentioned here.

The firm or its affiliates are general partners or managers of the GAC Funds, and in those roles, exercise discretionary investment authority over the GAC Funds.

## Item 17: Voting Client Securities

Generally, the types of investments recommended by Greer Anderson do not solicit proxies from shareholders, and Greer Anderson generally does not vote proxies on behalf of its clients. However, if and when the firm has the responsibility to vote proxies, it will do so in accordance with the following policies and procedures.

### Client's Best Interest

Proxies are voted with the paramount aim of furthering the best economic interest of clients over the long-term ("best interest of clients"), which often includes promoting good corporate governance and promoting adequate disclosure of company policies, activities and returns, including the fair and equal treatment of shareholders.

### Case-by-Case Basis

The firm's proxy voting policies and procedures are guidelines. Each vote is ultimately cast on a case-by-case basis, taking into consideration the best interest of clients and all other relevant facts and circumstances at the time of the vote. Such action may be based on fundamental, social, environmental or human rights grounds if they are in accordance with the best interest of clients. Greer Anderson's general philosophy is to support existing management on votes on routine issues such as the financial statements of a company or the appointment of independent auditors.

### Individualized

To the extent that clients have adopted their own procedures, and Greer Anderson is asked to vote proxies in accordance with those procedures, the firm may vote the same securities differently depending upon those clients' directions.

### Sources of Information

Greer Anderson may conduct research internally or use the services of an independent research consultant or independent service provider. Greer Anderson may consider any information it deems relevant, including, without limitation, legislative materials, studies of corporate governance and other proxy voting issues, or analyses of shareholder and management proposals by a certain sector of companies, *e.g.*, Fortune 500 companies.

### Limitations

Under certain circumstances, Greer Anderson may take a limited role in voting proxies, or not vote proxies, including: if Greer Anderson does not learn about or receive materials about a proxy vote in a timely manner, if the effect on shareholders' economic interests or the value of the portfolio holding is indeterminable or insignificant, or if costs are unjustifiably high (*e.g.*, non-U.S. securities). If a client requests in writing that Greer Anderson vote its proxy in a manner inconsistent with the firm's obligations under its advisory contract or similar document, Greer Anderson will decide on a course of action at that time.

A copy of Greer Anderson's proxy voting policies and procedures, as well as information with respect to how the firm voted specific proxies, is available upon request. Requests should be directed to: Chief Compliance Officer, Greer Anderson Capital, LLC, 601 California Street, Suite 810, San Francisco, California 94108, Telephone: 415-773-1428.

## **Item 18: Financial Information**

Greer Anderson does not require or solicit prepayment of more than \$1,200 in fees from any client, six months or more in advance. Greer Anderson is not a custodian but recognizes that it may be deemed to have custody under Investment Advisors Act of 1940 under certain circumstances. The firm is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients.