

**Green Square Capital, LLC**

**6075 Poplar Avenue, Suite 221  
Memphis, Tennessee 38119**

**(901) 259-6300**

**[www.greensquarecap.com](http://www.greensquarecap.com)**

**January 30, 2015**

This brochure ("Brochure") provides information about the qualifications and business practices of Green Square Capital, LLC (hereinafter "Green Square" or the "firm"). To request a copy of our Brochure or if you have any additional questions about the contents of this Brochure, please contact Richard Finch at (901) 259-6300. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Green Square is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment adviser representatives of Adviser.

Green Square Capital, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2.   Material Changes**

Green Square made the following material changes to this Brochure since its last update dated November 2014:

Items 4 and 10 were updated to add Worthington Capital Management as an affiliate under common control of the Firm.

Item 10 the addition of Affiliate Fidelity Wealth Advisor Solutions.

Item 4 Advisory services addition of consolidated reporting as a service.

### **Item 3. Table of Contents**

ITEM 2. MATERIAL CHANGES.....	2
ITEM 3. TABLE OF CONTENTS.....	3
ITEM 4. ADVISORY BUSINESS.....	4
ITEM 5. FEES AND COMPENSATION.....	8
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....	10
ITEM 7. TYPES OF CLIENTS .....	11
ITEM 8. METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....	12
ITEM 9. DISCIPLINARY INFORMATION .....	15
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	15
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN FUND TRANSACTIONS AND PERSONAL TRADING .....	16
ITEM 12. BROKERAGE PRACTICES.....	17
ITEM 13. REVIEW OF ACCOUNTS.....	19
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION .....	20
ITEM 15. CUSTODY .....	21
ITEM 16. INVESTMENT DISCRETION .....	21
ITEM 17. VOTING FUND SECURITIES.....	22
ITEM 18. FINANCIAL INFORMATION .....	22

## **Item 4. Advisory Business**

Green Square has been in business as an independent SEC registered investment adviser since August 24, 2001. Green Square is wholly owned by The Green Square Group, LLC, substantially all the shares of which are owned by Darrell L. Horn and Steven W. Sansom. As of December 31, 2014 Green Square had \$ \$1,559,380,056.82 in regulatory assets under management, of which \$ \$1,303,056,145.14 were managed on a discretionary basis and \$ \$256,323,911.68 were managed on a non-discretionary basis.

Green Square offers clients a variety of financial planning, consulting, and investment management services ("*Services*"). Prior to engaging Green Square to provide any of the Services, the client is required to enter into one or more written agreements with Green Square setting forth the terms and conditions under which Green Square renders its services (collectively the "*Agreement*").

This Brochure describes the business of Green Square. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Green Square's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Green Square's behalf and is subject to Green Square's supervision or control.

### **Financial Planning and Consulting Services**

Green Square provides clients with a broad range of financial planning and consulting services, addressing any or all of the following matters, without limitation:

- Financial plan maintenance;
- Estate planning;
- Retirement planning;
- Cash flow analysis;
- Needs analysis;
- Succession planning;
- Consolidated Reporting;
- Wealth transfer; and
- Charitable giving.

The above-listed Services are provided to clients as part of an investment management or wealth management engagement or coordinated with a client's other advisors.

In performing its services, Green Square is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Green Square may recommend the

services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Green Square recommends its own services. The client is under no obligation to act upon any of the recommendations made by Green Square under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Green Square itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Green Square's recommendations. Clients are advised that it remains their responsibility to promptly notify Green Square if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Green Square's previous recommendations and/or services.

### **Investment Management and Wealth Management Services**

Green Square manages clients' investment portfolios on a discretionary or non-discretionary basis. The firm provides these portfolio management services either as a standalone offering or as part of a comprehensive wealth management engagement.

Green Square primarily allocates clients' investment management assets among mutual funds, exchange-traded funds ("*ETFs*"), individual debt and equity securities, options, and/or *Independent Managers* (as defined below) in accordance with the investment objectives of the client. In addition, Green Square may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients' investment objectives. Green Square also provides advice about any type of legacy position or investment otherwise held in its clients' portfolios.

Additionally, Green Square renders non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, Green Square either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product. Green Square also provides non-discretionary advice regarding legacy single stock positions and investments in alternatives, including private equity and hedge funds.

Green Square tailors its advisory services to the individual needs of clients. Green Square consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Green Square ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Green Square if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Green Square's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be

invested in socially responsible funds) if, in Green Square's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

### **Use of Independent Managers**

As mentioned above, Green Square recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between Green Square or the client and the designated *Independent Managers*. Green Square renders services to the client relative to the discretionary selection of *Independent Managers*. Green Square also monitors and reviews the account performance and the client's investment objectives. Green Square receives an advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When selecting an *Independent Manager* for a client, Green Square reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that Green Square considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, Green Square's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by Green Square, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to Green Square's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Green Square. In such instances, Green Square may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

If Green Square refers a client to an *Independent Manager* where Green Square's compensation is included in the advisory fee charged by such *Independent Manager* and the client engages the *Independent Manager*, Green Square is compensated for its services by receipt of a fee to be paid directly by the *Independent Manager* to Green Square in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee is paid solely from the *Independent Manager's* investment management fee, and does not result in any additional charge to the client.

## **Management of Collective Investment Vehicle and Services of Affiliates**

Green Square serves as the investment manager to Green Square Private Investment Partners, LLC, a Series LLC and pooled investment vehicle ("*GSPIP*"). Currently, the Green Square Private Investment Partners, LLC has Series A, B, C, D, E, F, H, I, J, K, L, and M. Green Square, in its sole and absolute discretion, may issue new Series from time to time. Green Square's investment management services consist of selecting investments and providing portfolio management services for *GSPIP*. *GSPIP* is a Series LLC created for the purpose of pooling Client's investment capital into a pass-through entity allowing it to access managers or investments with high minimums. Green Square does not charge additional advisory fees to clients investing through *GSPIP*, but administrative fees related to administration and third party audit are passed through to the client.

The firm's parent company, The Green Square Group, LLC, is the general partner of the *Ensemble Fund*, a private investment fund. The *Ensemble Fund* seeks to achieve capital appreciation with limited variability of returns through the use of a multi-manager investment approach. The *Ensemble Fund* allocates capital among various independent portfolio managers acting through private investment partnerships, limited liability companies, separate accounts and/or other investment vehicles that transact in securities, commodities, derivatives and/or other worldwide financial instruments. The *Ensemble Fund* was created for the purpose of pooling Client's investment capital into a pass-through entity allowing it to access managers or investments with high minimums. Green Square does not charge additional advisory fees to clients investing through the *Ensemble Fund*, but administrative fees related to administration and third party audit are passed through to the client.

In addition, Green Square's affiliate, Center Coast Capital Holdings, LLC. ("*CCCH*"), serves as the portfolio manager to Center Coast Capital Partners, L.P. (the "*Center Coast Fund*"), a private investment fund. The *Center Coast Fund* invests in the marketable securities of issuers of energy related master limited partnerships ("*MLPs*"), MLP affiliates, and other midstream or infrastructure energy companies, particularly those participating in the business of operating oil and gas pipelines, terminals and storage facilities. The *Center Coast Fund* also invests in ETFs and options.

To the extent certain of Green Square's individual advisory clients qualify, they are eligible to participate as limited partners of the *Ensemble Fund* and the *Center Coast Fund* or investors in *GSPIP* (collectively, the "*Private Funds*"). Green Square clients may be charged an additional management fee for assets invested in the Private Funds (if applicable), which are disclosed in the offering documents provided to such clients prior to investing. Additionally, expenses related to ongoing operation and administration of the Private Funds are passed through to clients.

Investment in the *Private Funds* involves a significant degree of risk. All relevant information, terms and conditions relative to the *Private Funds*, including the compensation received by Green Square or any affiliate as the general partner and/or investment manager, suitability, risk factors, and potential conflicts of interest, are set forth in each of the *Private Funds'* respective Confidential Private Offering Memorandum (the "*Memorandum*"), Investor Agreement (the "*Investor Agreement*"), and Subscription

Agreement (together, the “*Offering Documents*”), which each investor is required to receive and/or execute prior to being accepted as an investor in either of the *Private Funds*.

For purposes of this Brochure, while the *Private Funds* are generally considered to be the clients of Green Square (or its affiliates), the term “clients” may sometimes also refer to the investors in the *Private Funds*.

CCCH serves as the advisor to the Center Coast Core MLP Fund I & II (the “*Core Funds*”), non-diversified closed-end investment companies that are part of the Investment Managers Series Trust sponsored by UMB Bank (“*UMB*”). In addition, CCCH is sub-advisor to the Center Coast MLP Focus Fund (“*Focus Fund*”), an open-end management investment company that is also part of the Investment Managers Trust Series. Additional information regarding the Focus Fund and Core Fund is available in the respective prospectuses. As of September 30, 2013, CCCH became the Adviser to the Center Coast MLP & Infrastructure Fund (CEN) (“*Infrastructure Fund*”), a closed-end fund with a similar strategy to the Core Funds.

In 2015, Worthington Capital Management (“Worthington”) became operational and launched an open end mutual fund (WVLEX) as an Investment Manager. Worthington is a Registered Investment Advisor with the Majority ownership held by Steve Sansom who is an owner in the Green Square Group, the Firm’s parent company. To date no client funds have been invested with Worthington.

## **Item 5. Fees and Compensation**

Green Square offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management and in certain situations performance-based compensation.

### **Financial Planning and Consulting Fees**

Green Square may charge a fixed fee to provide clients with standalone financial planning and consulting services. These fees are negotiable and are agreed upon prior to the rendering of any such services. These fees are largely determined by the level and scope of the services and the professional engaged to render them. If the client engages Green Square for additional investment advisory services, Green Square may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Green Square to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Green Square setting forth the terms and conditions of the engagement. Green Square may require all or a portion of said fee payable upon entering into the *Agreement*, in which case the balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management and Wealth Management Fees**

Green Square provides investment and wealth management services for an annual fee



based upon a percentage of assets under management. Green Square's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Green Square does not, however, receive any portion of these commissions, fees, and costs.

Green Square's annual fee is prorated and charged quarterly, either in advance or arrears. The fee valuation is based upon the average account value for the last day of the previous three months or the average daily balance for the previous three months. This average is taken from the billing quarter for accounts billed in arrears and from the previous quarter for accounts billed in advance.

The annual fee varies between 10 and 150 basis points (i.e., 0.10% and 1.50%) depending upon the market value of the assets under management and the type of investment or wealth management services to be rendered.

Additionally, Green Square or its related persons may be paid performance-based compensation, which is compensation based on a share of capital gains or capital appreciation of the assets of a client.

Green Square, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

### **Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), Green Square generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") and/or Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Green Square may only implement its investment management recommendations after the client has arranged for and furnished Green Square with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, *Fidelity*, any other broker-dealer recommended by Green Square, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Green Square's fee.

**Fee Debit**

Green Square's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Green Square or the *Independent Managers* to debit the client's account for the amount of Green Square's fee and to directly remit that management fee to Green Square or the *Independent Managers* as appropriate. Any *Financial Institutions* recommended by Green Square have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Green Square. Alternatively, clients may elect to have Green Square send an invoice for payment.

**Fees for Management During Partial Periods of Service**

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between Green Square and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Green Square's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Green Square's right to terminate an account. Additions may be in cash or securities provided that Green Square reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Green Square, subject to the usual and customary securities settlement procedures. However, Green Square designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Green Square may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

For accounts where management fees are based on average daily portfolio value, if assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets is adjusted accordingly. For accounts where management fees are based on average month-end values, if assets are deposited into or withdrawn from an account after the inception of a month, the fee payable with respect to such assets is not adjusted or prorated to account for the days remaining in the billing period.

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

Green Square may be paid performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client. The performance-based fees are subject to certain preferred return hurdles. These

performance-based fees will be negotiated on a case-by-case basis, and will be disclosed to the client in the fee schedule agreed to by the client and Green Square. The client should be aware that the existence of a performance-based fee structure may create a conflict of interest in that Green Square may have an incentive to take a greater degree of risk in order to generate a greater investment return thereby increasing any such performance based fees.

Additionally, when Green Square and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. Green Square and its investment personnel have a greater incentive to favor client accounts that pay Green Square performance-based compensation or higher fees. However, Green Square has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. Green Square reviews investment decisions periodically to assess whether accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also compared periodically to determine whether there are any unexplained significant discrepancies. In addition, Green Square's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate generally in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. These areas are monitored by the Green Square.

## **Item 7. Types of Clients**

Green Square provides its services to individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### **Minimum Account Size**

While Green Square does not impose a mandatory minimum portfolio size, the firm generally prefers portfolios equal to or in excess of \$10,000,000.

Green Square, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Green Square only accepts clients with less than the minimum portfolio size if, in the sole opinion of Green Square, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Green Square may aggregate the portfolios of family members to meet the minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Green Square. In such instances, Green Square may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

## **Item 8. Method of Analysis. Investment Strategies and Risk of Loss**

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

Green Square utilizes statistical analysis and proprietary liability planning tools in order to identify what it believes to be a client's proper position on the risk/return continuum. Discussions with the firm's clients, families, and advisors provides Green Square with information regarding the client's current assets, liabilities, income sources, expenditures, and current tax status, and allows Green Square to aid the client in defining their risk tolerance and future income needs. Once this has been determined the firm invests its clients' capital in the appropriate asset allocation model based upon their individual needs and circumstances. Capital is invested over multiple asset classes with different weightings to achieve the appropriate projected risk and return. Each client's model is reviewed for rebalancing periodically in an effort to ensure that the firm's clients are invested in accordance with their objectives.

The model allocations are determined by a multi-member Investment Committee ("*Committee*") with a breadth of experience in the capital markets. The *Committee* determines the asset classes and weightings for each model, and selects the investment vehicles utilized in the implementation based upon internal due diligence and third party research providers.

While Green Square believes that this type of portfolio diversification affords clients an added level of protection from overexposure to any one asset class, it also ensures that portfolios are subjected to a variety of asset classes that may prove volatile during a given period.

### **Risks of Loss**

#### ***Mutual Funds and Exchange Traded Funds (ETFs)***

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Market Risks*

The profitability of a significant portion of Green Square’s recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Green Square will be able to predict those price movements accurately.

### *Use of Independent Managers*

Green Square may recommend the use of *Independent Managers* for certain clients. Green Square will continue to do ongoing due diligence of such managers, but such recommendations relies, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, Green Square does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

### *Use of Private Collective Investment Vehicles*

Green Square may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called “hedge funds”). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The

client will receive a private placement memorandum and/or other documents explaining such risks.

#### *Commodity Risk*

Investing in commodity-linked derivative instruments may subject the client's portfolio to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments.

#### *Derivatives Risk*

The risk of investing in derivative instruments includes liquidity, interest rate, market, credit and management risks, mispricing or improper valuation. Changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index, and a portfolio could lose more than the principal amount invested.

#### *Concentration Risk*

Concentrating investments in a particular country, region, market, industry or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that country, region, market, industry or asset class.

#### *Management Through Similarly Managed Accounts*

Green Square may manage portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, Green Square buys, sells, exchanges and/or transfers shares of securities based upon the *investment strategy*.

Green Square's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

The *investment strategy* may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Green Square's clients may be limited. For example, various mutual funds or insurance companies may limit the ability of Green Square to buy, sell, exchange or transfer securities consistent with its *investment strategy*. As further discussed in response to Item 12 (below), Green Square allocates investment opportunities among its clients on a fair and equitable basis.

#### *Use of Margin*

To the extent that a client authorizes the use of margin, and margin is thereafter employed by Green Square in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Green Square will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to Green Square. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

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

Green Square is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Green Square does not have any required disclosures to this Item.

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

Green Square is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

#### **Affiliated Investment Advisers**

Green Square is under common control with its affiliated SEC registered investment advisers, *CCCH, Atlantis, and Worthington*. Certain of the firm's Principals and *Supervised Persons* also serve in the same or similar capacity for *CCCH, Atlantis, and/or Worthington*. Additionally, *Atlantis' and Worthington's* principal place of business is the same as that of Green Square. As of October 2014, Green Square became under common control with Green Square Capital Louisville, LLC. Certain of the firm's Principals and *Supervised Persons* also serve in the same or similar capacity for *Green Square Capital Louisville*. A conflict of interest exists to the extent that Green Square recommends the

services of one of its affiliated investment advisers and certain of the firm's Principals or *Supervised Persons* receive additional compensation by virtue of their positions therewith. Green Square addresses this conflict by disclosing it to clients and making the recommendations without a bias in regards to fees.

### **Affiliated Collective Investment Vehicle**

Green Square is under common control with the *Private Funds*. A conflict of interest exists to the extent Green Square recommends an investment in the *Private Funds* and certain of the firm's Principals and/or *Supervised Persons* receive additional compensation by virtue of their positions therewith. Green Square addresses this conflict by disclosing it to clients and making the recommendations without a bias in regards to fees. GSC does not charge fees on the Affiliated Collective Investment Vehicles, but continues to charge its advisory fee for clients invested in the private funds managed by its affiliates.

As set forth in Item 4 (above) *CCCH* serves as the advisor to the *Core Funds* the *Infrastructure Fund*. *CCCH* serves as the sub-advisor to the *Focus Funds*. A conflict of interest exists to the extent Green Square recommends an investment in these funds and certain of the firm's Principals and/or *Supervised Persons* receive additional compensation by virtue of their positions therewith. Green Square addresses this conflict by disclosing it to clients and making the recommendations without a bias in regards to fees.

### **Participation in Fidelity Wealth Advisor Solutions®**

Participation in Fidelity Wealth Advisor Solutions®. Green Square participates in the Fidelity Wealth Advisor Solutions Program (the "WAS Program"), through which Green Square receives referrals from Strategic Advisers, Inc. ("SAI"), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. Green Square is independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control Green Square, and SAI has no responsibility or oversight for [Advisor's] provision of investment management or other advisory services.

Under the WAS Program, SAI acts as a solicitor for Green Square, and Green Square pays referral fees to SAI for each referral received based on Green Square assets under management attributable to each client referred by SAI or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from SAI to Green Square does not constitute a recommendation or endorsement by SAI of Green Square's particular investment management services or strategies. More specifically, Green Square pays the following amounts to SAI for referrals: For a period of 7 years from the date that a Client funds any Client Account(s) with Advisor, Advisor shall pay SAI an amount equal to an annual percentage of 0.20% of any and all assets in such Client Accounts, with such amount to be billed and collected in arrears on a quarterly basis based on the average daily balance of assets held in such Accounts during the relevant quarter. These referral fees are paid by Green Square and not the client.

To receive referrals from the WAS Program, Green Square must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS



Program, Green Square may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain client accounts, and Adviser may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Green Square as part of the WAS Program. Under an agreement with SAI, Green Square has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, Green Square has agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when [Advisor's] fiduciary duties would so require; therefore, Green Square may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit [Advisor's] duty to select brokers on the basis of best execution.

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

Green Square has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Green Square or any of its associated persons. The Code of Ethics also requires that certain of Green Square's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Green Square and persons associated with Green Square ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Green Square's policies and procedures. Such practices present a conflict of interest where, because of the information Green Square has, Green Square or its Associated Persons are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). Green Square has adopted policies and procedures, such as pre-clearance of personal trades and disclosure of personal securities transactions and holdings for Associated Persons, in an effort to minimize such conflicts

Unless specifically permitted in Green Square's *Code of Ethics*, none of Green Square's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is on Green Square's "Restricted List".

When Green Square is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of

the purchase or until a decision has been made not to purchase such security. Similarly, when Green Square is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Green Square to request a copy of its *Code of Ethics*.

## **Item 12. Brokerage Practices**

As discussed above, in Item 5, Green Square generally recommends that clients utilize the brokerage and clearing services of *Schwab* and/or *Fidelity*.

Factors which Green Square considers in recommending *Schwab*, *Fidelity*, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* and/or *Fidelity* may enable Green Square to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* and/or *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Green Square's clients comply with Green Square's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Green Square determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including, among other things, the value of research provided, execution capability, commission rates, and responsiveness. Green Square seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. However, Green Square, as a policy, does not compensate a broker-dealer for providing certain brokerage and research services that may be more than would have been paid to another broker-dealer for execution only.

Transactions may be cleared through other *Financial Institutions* with whom Green Square and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Green Square periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Green Square in writing to use a particular *Financial Institution* to

execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Green Square will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Green Square (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Green Square may decline a client’s request to direct brokerage if, in Green Square’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Green Square decides to purchase or sell the same securities for several clients at approximately the same time. Green Square may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Green Square’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Green Square’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Green Square determines to aggregate client orders for the purchase or sale of securities, including securities in which Green Square’s *Supervised Persons* may invest, Green Square generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the SEC. Green Square does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Green Square determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Green Square may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

#### **Software and Support Provided by Financial Institutions**

Green Square may receive from *Schwab* and/or *Fidelity*, without cost to Green Square,

computer software and related systems support, which allow Green Square to better monitor client accounts maintained at *Schwab* and *Fidelity*. Green Square may receive the software and related support without cost because Green Square renders investment management services to clients that maintain assets at *Schwab* and *Fidelity*. The software and related systems support may benefit Green Square, but not its clients directly. In fulfilling its duties to its clients, Green Square endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Green Square's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Green Square's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Green Square may also receive the following benefits from *Schwab* through its Schwab Institutional division and *Fidelity* through its Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional or Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. *Schwab* may also provide other benefits to Green Square such as attendance at conferences and educational events. *Schwab* may discount or waive fees it would otherwise charge Green Square for these services.

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

### **Account Reviews**

For those clients to whom Green Square provides investment management services, Green Square monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Green Square provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of the firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Green Square and to keep Green Square informed of any changes thereto. Green Square contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and General Reports**

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Green Square provides investment advisory services will also receive a report from the firm that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance from time to time. Clients should compare the account statements they receive from their custodian with those they receive from Green Square.

## **Financial Planning and Consulting Reports**

Those clients to whom Green Square provides financial planning and/or consulting services will receive reports from Green Square summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Green Square.

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

### **Economic Benefits**

The firm is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Green Square may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

### **Client Referrals**

The firm is required to disclose any direct or indirect compensation that it provides for client referrals.

If a client is introduced to Green Square by either an unaffiliated or an affiliated solicitor, Green Square may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from Green Square's investment management fee, and does not result in any additional charge to the client. If the client is introduced to Green Square by an unaffiliated solicitor, the solicitor provides the client with a copy of Green Square's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Green Square discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Green Square's written disclosure brochure at the time of the solicitation.

## **Item 15. Custody**

Green Square's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Green Square through such *Financial Institution* to debit the client's account for the amount of Green Square's fee and to directly remit that management fee to Green Square in accordance with applicable custody rules.

The *Financial Institutions* recommended by Green Square have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Green Square. In addition, as discussed in Item 13, Green Square also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Green Square.

As a result of its status as General Partner to the Ensemble Fund and GSPIP, The Green Square Group, LLC and Green Square Capital, LLC has custody of the securities of those Private Funds. However, each fund is subject to an annual audit and audited financial statements are distributed to each client.

## **Item 16. Investment Discretion**

Green Square may be given the authority to exercise discretion on behalf of clients. Green Square is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Green Square is given this authority through a power-of-attorney included in the agreement between Green Square and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Green Square takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The *Financial Institutions* to be utilized;
- The *Independent Managers* to be hired or fired; and
- The commission rates to be paid to a broker or dealer for a client's securities transactions

## **Item 17.    Voting Fund Securities**

Green Square may vote client securities (proxies) on behalf of its clients. When Green Square accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in Green Square's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Green Square's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Green Square to request information about how Green Square voted proxies for that client's securities or to get a copy of Green Square's Proxy Voting Policies and Procedures. A brief summary of Green Square's Proxy Voting Policies and Procedures is as follows:

- Green Square has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Green Square's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Green Square devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Green Square's vote on a particular solicitation but can revoke Green Square's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Green Square maintains with persons having an interest in the outcome of certain votes, Green Square takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

## **Item 18.    Financial Information**

Green Square does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Green Square is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Green Square has no disclosures pursuant to this Item.