

Granger Management LLC

Form ADV Part 2A – Disclosure Brochure

March 19, 2015

This Disclosure Brochure provides information about the qualifications and business practices of Granger Management LLC (“Granger”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (212) 658-0400.

Granger is a registered investment advisor with the U.S. Securities and Exchange Commission. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Granger to assist you in determining whether to retain the Advisor.

Additional information about Granger and its advisory persons are available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 2 – Material Changes

This annual updating amendment includes the following material changes since our previous ADV update in November 2014:

- Item 5.A is revised to:
 - Update the methodology used to calculate Advisory Fees; Granger will now use the average daily balance for that quarter instead of the total assets under management at the end of the quarter.
- Item 6 is revised to:
 - Detail the methodology of a new private fund, Carnegie GM Partners LLC, which will have the flexibility to charge an incentive fee up to 20% with a hurdle rate of 10%.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (212) 658-0400.

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Item 4 – Advisory Services

A. Firm Information

Granger Management LLC (“Granger” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission, which is organized as a Limited Liability Company (LLC) under the laws of the State of Delaware. Granger was founded in August 2013 and is owned and operated by Granger Management Holdings LLC, of which Andrew C. Walter and Geraldine F. McManus are Managing Members. Mr. Walter founded the firm in August 2013. Ms. McManus subsequently joined the firm on May 21, 2014. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Granger.

Granger may serve as an investment advisor to pooled investment vehicles established for the sole purpose of aggregating certain clients’ assets to allow them to invest in other private funds. With the exception of Carnegie GM Partners LLC, there will not be an additional layer of fees charged to investors in these pooled investment vehicles, other than the standard investment advisory fee detailed in the respective client’s advisory agreement. Carnegie GM Partners LLC will have the flexibility to charge an incentive fee up to 20% with a hurdle rate of 10%. However, operational expenses, including, but not necessarily limited to, legal, tax and audit expenses, of these pooled investment vehicles will be borne by the vehicle itself.

B. Advisory Services Offered

Granger is an independent advisory firm that provides investment advisory services to select high net worth individuals, family groups, trusts and foundations (each referred to as a “Client”). Clients of Granger generally have aggregate investable net worth exceeding \$100 million. Granger provides customized investment solutions to support the complex needs of its Clients.

Investment Management Services

Granger works with each Client to determine their investment goals and objectives which may be driven by a variety of different variables including risk tolerance, return objectives, liquidity and income needs. Upon determining an appropriate asset allocation mix for each client, Granger will then construct an investment program specific to each individual Client’s objectives which may include investments in individual securities, professionally managed funds (both traditional and alternative), separately managed accounts, structured products, exchange-traded funds (“ETFs”) and other opportunistic investments.

Granger’s investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate investments that have been held less than one year to meet the objectives of the Client or due to changes in market conditions. Granger will construct, implement and monitor Client investment programs to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client.

Granger evaluates and selects investments for inclusion in Client portfolios only after completing its internal due diligence process. Granger may recommend specific investments to increase sector or asset class weightings. The Advisor may recommend maintaining cash positions for a series of different reasons including as a possible hedge against market movements, which may adversely affect the portfolio. Granger may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk, exposure to a specific security or class of securities, overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

Granger Management serves as an investment advisor to several private funds (Grace GM Partners LLC, Chloe GB Partners LLC, Granger VEP Co-Investment Fund LLC and Carnegie GM Partners LLC). These private funds were created for existing clients to invest in investment opportunities which they may not otherwise be eligible to invest in due to investment minimums or other factors.

C. Client Account Management

Prior to engaging Granger to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

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- Establishing an Investment Policy– Granger, in connection with the Client, may develop a statement that summarizes the Client’s investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives.
- Asset Allocation – Granger will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and risk tolerance for each Client.
- Portfolio Construction – Granger will develop an investment program for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Granger will provide investment management and ongoing oversight of the Client’s various holdings.

D. Wrap Fee Programs

Granger does not manage or place Client assets into wrap fee programs. Investment management services are provided directly by Granger.

E. Assets Under Management

The Advisor’s regulatory assets under management were approximately \$477 million as of February 28, 2015. All managed assets are discretionary; there are no non-discretionary assets under management.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of Granger and the Client.

A. Fees for Advisory Services

Investment Advisory Fees are paid quarterly in arrears pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees range from 0.60% to 1.00% of assets depending on a series of variables including the size of the Client relationship. The Advisor will generally require a minimum annual fee of \$200,000. To the extent that the client does not meet the minimum fee level, Granger has the right to charge a flat fee to make up the difference and meet the minimum annual fee. Fees may be negotiable at the discretion of the Advisor.

With the exception of Carnegie GM Partners LLC, there will not be an additional layer of fees charged to investors in these pooled investment vehicles, other than the standard investment advisory fee detailed in the respective client’s advisory agreement. Carnegie GM Partners LLC will have the flexibility to charge an incentive fee up to 20% with a hurdle of 10%. However, operational expenses, including, but not necessarily limited to, legal, tax and audit expenses, of these pooled investment vehicles will be borne by the vehicle itself.

The Client’s fees will take into consideration the aggregate assets under management with the Advisor. Current Clients will be charged a fee for any assets withdrawn during the quarter on a pro rata basis determined by the number of days the Client has been engaged with the Advisor. All securities held in accounts managed or supervised by Granger will be independently valued by the designated Custodian or by a designated third party. Granger will not have the authority or responsibility to value portfolio securities.

B. Fee Billing

Investment Advisory Fees will be automatically deducted from the Client’s Account. The amount due is calculated by multiplying the quarterly rate (annual rate of 0.60% divided by four) to the average daily balance for that quarter. Clients will be provided with a statement, at least quarterly, from the custodian reflecting the deduction of the Investment Advisory Fee. Granger employees are exempt from paying Investment Advisory fees.

C. Other Fees and Expenses

In addition to the fees noted above, the Client will be subject to a variety of fees and expenses charged by other entities including third party asset managers recommended by the Advisor that are unaffiliated with the Advisor. These fees and expenses include, among other things, custody fees, brokerage and other trading costs. All fees paid to the Advisor for

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investment advisory services are separate and distinct from these expenses. Mutual funds, private funds and other investments disclose these fees and expenses in their separate disclosure statements.

D. Advance Payment of Fees and Termination

The Advisor is compensated for its services quarterly in arrears. Clients may request to terminate their Investment Advisory Agreement with the Advisor, in whole or in part, by providing 30 days advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. The Client's Investment Advisory Agreement with the Advisor is non-transferable without the Client's written approval.

E. Compensation for Sales of Securities

Granger does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

Item 6 – Performance-Based Fees and Side-By-Side Management

Carnegie GM Partners LLC has the flexibility to charge an incentive fee up to 20% with a hurdle rate of 10%. Investors and potential investors should refer to the subscription documents and limited partnership agreements for full details regarding the fees. Granger employees are exempt from paying Investment Advisory fees.

Performance based fees may create an incentive for Granger to make investments that are riskier or more speculative than would be the case in the absence of a performance fee/allocation. Further, advisors have an inherent conflict of interest to favor accounts that pay more in fees, such as performance-based fees. In order to address this conflict, Granger's allocation of investment opportunities to Carnegie will be limited to those investments that are appropriate for such a structure. In addition, Carnegie establishes separate membership classes for each separate investment held by the company, which are treated for accounting purposes as a distinct entity with its own separate assets, liabilities, expenses, profits and losses. Accordingly, except for pro-rata increases in current investments, new investment opportunities are not allocable to any other investment vehicle class advised by Granger. Granger clientele are made aware of the risks and fee structure of any new investment opportunity in Carnegie prior to acceptance of their subscription for such investment.

Item 7 – Types of Clients

Granger is an independent advisory firm that provides investment advisory services to select high net worth individuals, family groups, trusts and foundations. The breakdown by client type is available on Granger's Form ADV Part 1. These percentages will change over time. Granger generally works with clients who have \$100,000,000 in investable assets, but may reduce this minimum at its sole discretion.

Granger Management serves as an investment advisor to several private funds (Grace GM Partners LLC, Chloe GB Partners LLC, Granger VEP Co-Investment Fund LLC and Carnegie GM Partners LLC). These private funds were created for existing clients to invest in investment opportunities which they may not otherwise be eligible to invest in due to investment minimums or other factors.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

A. Methods of Analysis

Granger primarily employs fundamental analysis methods in conducting due diligence and developing investment strategies for its Clients. In addition to internal research and analysis conducted by Granger, the Advisor also leverages a wide range of other sources, including, but not limited to, professional investment businesses, banks, private investors and other financial institutions.

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Granger will assist Clients in determining an appropriate investment program

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based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis includes thorough review of historical investment results when available, key personnel, operational processes and a range of other economic and business indicators which may influence investment selection criteria. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Investment opportunities meeting the criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor will monitor each investment to determine if adjustments are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their risk tolerance as part of the portfolio construction process.

Alternative Investments (Limited Partnerships)

The performance of alternative investments (typically limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments may have concentrated positions and carry higher risks.

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

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Granger or any of its employees. Granger and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Item 10 – Other Financial Industry Activities and Affiliations

The sole business of Granger is to provide investment advisory services to its Clients. Neither Granger nor its advisory personnel are involved in other business endeavors. Granger does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

A. Code of Ethics

Granger has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Granger. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Granger and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Granger associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (212) 658-0400.

B. Personal Trading with Material Interest

Granger allows its employees to purchase or sell the same investments that may be recommended to and purchased on behalf of Clients. Granger does not act as principal in any transactions.

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C. Personal Trading in Same Securities as Clients

As previously stated, Granger allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. Employees of Granger may have a conflict of interest if trading in the same securities for personal accounts. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. Granger mitigates this risk by requiring its employees to report personal securities trades for review by the employee's supervisor or the CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

D. Personal Trading at Same Time as Client

While Granger allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades will generally not be executed until all Client's orders have been executed.

At no time will Granger, or any associated person of Granger, transact in any security to the detriment of any Client.

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Granger does not have the authority to select the custodian for custodial services or the administrator for defined contribution accounts. The Client will select the custodian (herein the "custodian") to safeguard Client assets and authorize Granger to settle trades to this custodian as agreed in the Investment Advisory Agreement.

Where Granger does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by Granger. Granger generally recommends the custodial and support services of Fidelity Family Office Services, a division of Fidelity Brokerage Services LLC, Member NYSE/SIPC ("Fidelity").

Granger may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client and location of the custodian's offices. Granger does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Granger, as a matter of policy and practice, seeks to obtain best execution for client transactions. Best execution will not always necessarily mean the lowest commission but the best overall qualitative execution in the particular circumstances.

Granger considers a number of variables, including the responsiveness of the broker to requests for information, the assistance in securing the best price execution, and the promptness and accuracy of the brokers' back office operations when selecting broker-dealers for client transactions.

Following are additional details regarding the brokerage practices of the Advisor:

1. Soft Dollars - Section 28(e) of the Securities Exchange Act of 1934 provides a safe harbor that allows an investment adviser to pay more than the lowest available commission in order to obtain brokerage and research services (commonly referred to as a "soft dollar" arrangement). Granger does not utilize third-party soft dollar arrangements, such as commission sharing accounts or similar brokerage commission conduits whereby Granger generates "commission credits" through trading that are used to pay for third party research or related products and services.

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However, Granger may utilize proprietary research provided by brokers or dealers, as well as access to corporate officers of public companies and other access opportunities that provide value to the Company's investment management activities. The Advisor believes it could be important to its investment decision-making processes to have access to such research and that this research ultimately benefits the client accounts. In such circumstances, Granger operates within the safe harbor provided by Section 28(e) of the Exchange Act and subject to prevailing guidance provided by the SEC regarding Section 28(e).

2. Brokerage Referrals - Granger does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. Directed Brokerage - Some Clients may designate the broker through whom some or all orders for their account(s) are to be executed. Generally, in the case of trades directed to a particular broker, commission arrangements are negotiated in advance by the Client and the broker. Clients who direct Granger to use a particular broker-dealer should be aware that, in so doing, Granger may not be in a position to freely negotiate commission rates or spreads, obtain volume discounts on aggregated orders, or to select broker-dealers on the basis of best price and execution. As a result, directed brokerage transactions may result in higher commissions, greater spreads or less favorable execution on some transactions than would be the case if Granger were free to choose the broker-dealer.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Granger will execute its transactions through an unaffiliated broker-dealer selected by the Client. Granger may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Accounts are monitored on a regular and continuous basis by Managing Members of Granger and other members of the investment and operations teams. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

B. Causes for Reviews

In addition to the monitoring noted in Item 13A., accounts may be reviewed for any number of other reasons including major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Granger if changes occur in the Client's personal financial situation that might affect the Client's investment objectives.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s] held with the Custodian. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 - Client Referrals and Other Compensation

A. Compensation Received by Granger

Granger is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. Granger does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Granger may refer

Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Granger may receive referrals of new Clients from a third-party.

Participation in Institutional Advisor Platform Fidelity

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

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

B. Client Referrals from Solicitors

Granger does not engage paid solicitors for Client referrals.

Item 15 – Custody

Granger does not hold or receive any of the Client's funds or securities, other than payment for the Advisor's services. The Client's funds and securities will be held in custody by a qualified custodian selected by the Client, and the Client will be solely responsible for paying all of the Custodian's fees. While all assets will be held by either a qualified custodian or third party manager, Granger is deemed to have custody of client assets based on its ability to transfer funds to third party managers or parties. To mitigate the risks associated with this arrangement, Granger has engaged an independent auditor to conduct a surprise asset verification on an annual basis. In addition, the qualified custodians utilized will provide account statements on at least a quarterly basis. In addition, account statements prepared by Granger will contain a legend urging Clients to compare the account statements they receive directly from the custodian or third party managers to the account statement provided by Granger.

Granger also provides investment advisory services to several private funds. As a result of Granger or an affiliated individual or entity serving as general partner to these private funds, Granger is deemed to have custody. The private funds will receive an annual audit conducted by an independent public accountant registered with the Public Company Accounting Oversight Board. The audited financial statements prepared in accordance with generally accepted accounting principles will be distributed to all underlying investors within 120 days of the respective private fund's fiscal year end.

Item 16 – Investment Discretion

Granger generally has discretionary authority to determine, without obtaining specific consent from Clients, the investments and amounts to be bought and sold. Notwithstanding the foregoing, however, some Clients have (or may in the future) placed certain limits and/or restrictions on Granger's discretionary authority to invest assets pursuant to their respective investment management agreement with Granger. As such, all discretionary transactions executed by Granger will be in accordance with each Client's respective management agreement.

Item 17 – Voting Client Securities

Granger will generally not vote proxies for securities held in the Client's Accounts. The Client will inform its custodian(s) that Granger should not be designated as the party to receive information on voting proxies. The obligation to vote the Client's proxies will rest with the Client. If Granger inadvertently receives proxy information for a security held in the Accounts, then Granger will promptly forward the information on to the Client, but will not take any further action with respect to the proxy. If the Accounts are for a plan governed by ERISA, the Client represents that the right to vote proxies for securities in the Accounts has been expressly reserved by the plan trustee or fiduciary named in the respective Client's

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management agreement. While Granger will generally not vote proxies, Granger does reserve the right to assist a Client with voting proxies upon request.

In addition, Granger will not typically take any action with respect to class action lawsuits in which the Client may be eligible to participate. However, Granger does hold the right to assist a client upon request. If Granger should inadvertently receive information related to a class action lawsuit for a security held in a Client account, then Granger will utilize its best effort to forward that information on to the respective Clients.

Item 18 – Financial Information

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