

Firm Brochure (Part 2A of Form ADV)  
August 21, 2015

## **CRESCENT GROVE ADVISORS, LLC**

100 Field Drive, Suite 120  
Lake Forest, IL 60045  
(847) 752-0292

**This brochure provides information about the qualifications and business practices of Crescent Grove Advisors, LLC (hereinafter “Crescent Grove Advisors” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at (847) 752-0292. 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. Registration of an adviser with the SEC does not imply a certain level of skill or training.**

**Additional information about Crescent Grove Advisors, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Material Changes**

Since our initial Brochure was completed on April 24, 2015, non-material updates have been made throughout the Brochure. Additionally, the following material updates were implemented:

The information regarding Crescent Grove Advisors' ownership structure has changed and is reflected in Item 4.

The methods of analysis and investment strategies description in Item 8 has been updated and expanded.

Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year.

## Table of Contents

	Page
Item 1 - Cover Page .....	<b>Error! Bookmark not defined.</b>
Item 2 - Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
Item 5 - Fees and Compensation.....	6
Item 6 - Performance-Based Fees and Side-By-Side Management.....	8
Item 7 - Types of Clients .....	8
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9 - Disciplinary Information .....	11
Item 10 - Other Financial Industry Activities and Affiliations.....	12
Item 11 - Code of Ethics, Participation or Interests in Client Transactions and Personal Trading .....	12
Item 12 - Brokerage Practices.....	13
Item 13 - Review of Accounts .....	16
Item 14 - Client Referrals and Other Compensation .....	16
Item 15 - Custody.....	16
Item 16 - Investment Discretion .....	17
Item 17 - Voting Client Securities .....	17
Item 18 - Financial Information.....	17

#### **Item 4 - Advisory Business**

Crescent Grove Advisors offers integrated wealth management services to high-net worth clients. Prior to Crescent Grove Advisors rendering any services, clients are required to enter into one or more written agreements with Crescent Grove Advisors setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Crescent Grove Advisors is a wholly-owned subsidiary of Crescent Grove Holdings, LLC. Crescent Grove Advisors was established on April 24, 2015 and is headquartered in Lake Forest, IL with additional offices in Milwaukee, WI and Atlanta, GA. As of the date of this filing, Crescent Grove Advisors has approximately \$1.5 billion in assets under management, of which approximately \$20 million is managed on a non-discretionary basis.

While this brochure generally describes the business of Crescent Grove Advisors, certain sections also discuss the activities of its employees, including the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or any other person who provides investment advice on Crescent Grove Advisors’ behalf and is subject to the Firm’s supervision or control.

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

---

Crescent Grove Advisors offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Benefit Plan Advice
- Insurance Consulting
- Retirement Planning
- Risk Management
- Charitable Giving
- Family Business Succession Planning
- Tax Planning and Preparation
- Manager Due Diligence

In performing these services, Crescent Grove Advisors is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Crescent Grove Advisors may recommend clients engage the Firm for additional related services, its employees in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Crescent Grove Advisors or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Crescent Grove Advisors under a financial

planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Crescent Grove Advisors' recommendations and/or services.

### **Investment Management Services**

---

Crescent Grove Advisors manages client investment portfolios on a discretionary or non-discretionary basis. Crescent Grove Advisors primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), independent investment managers ("Independent Managers"), and alternative investments (which may include public or privately traded securities) in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Crescent Grove Advisors to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Crescent Grove Advisors directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Crescent Grove Advisors tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Crescent Grove Advisors consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Crescent Grove Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Crescent Grove Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Use of Independent Managers**

---

As mentioned above, Crescent Grove Advisors may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Each Independent Manager charges a fee that is in addition to the fee charged by Crescent Grove Advisors, as described in Item 5. The Independent Managers' fees are generally charged quarterly and vary between 10 and 200 basis points (0.10% - 2.00%), depending on the value and type of the assets being managed.

Crescent Grove Advisors evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Crescent Grove Advisors also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Crescent Grove Advisors continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Crescent Grove Advisors seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests

### **Item 5 - Fees and Compensation**

Crescent Grove Advisors offers services on a fee basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Firm's employees, in their individual capacities, may offer insurance products through Crescent Grove Advisors' affiliate, Crescent Grove Insurance LLC, under a separate commission-based arrangement.

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

---

Crescent Grove Advisors generally charges a fixed fee for providing financial planning and consulting services. These fees are negotiable, but generally range from \$3,000 to \$100,000 per year, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Crescent Grove Advisors 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.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement with Crescent Grove Advisors. The annual fee is prorated and charged quarterly, in advance.

#### **Investment Management Fees**

---

Crescent Grove Advisors offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee generally varies between 10 and 100 basis points (0.10% – 1.00%), depending upon the size and composition of a client's portfolio and the type of services rendered. The annual fee is prorated and charged quarterly, in arrears, based upon the market value of the average daily account balance.

Since the asset-based fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a quarter, the base fee payable with respect to such assets is adjusted accordingly. For the initial period of an engagement, the fee is

calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

---

### **Fee Discretion**

Crescent Grove Advisors may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

---

### **Additional Fees and Expenses**

In addition to the advisory fees paid to Crescent Grove Advisors, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as 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. The Firm’s brokerage practices are described at length in Item 12, below.

---

### **Direct Fee Debit**

Clients generally provide Crescent Grove Advisors and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory, consulting and financial planning fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Crescent Grove Advisors.

---

### **Use of Margin**

Crescent Grove Advisors may be authorized to use margin in the management of the client’s investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client’s account and corresponding fee payable by the client to Crescent Grove Advisors will be increased.

---

### **Account Additions and Withdrawals**

Clients may make additions to and withdrawals from their account at any time, subject to Crescent Grove Advisors’s right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to Crescent Grove Advisors, subject to the usual and customary securities settlement procedures.

However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Crescent Grove Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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

Crescent Grove Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

#### **Item 7 - Types of Clients**

Crescent Grove Advisors offers services to individuals, trusts, estates, charitable organizations, corporations and business entities.

#### **Minimum Account Value**

---

As a condition for starting and maintaining an investment management relationship, Crescent Grove Advisors generally imposes a minimum client net worth of \$10,000,000. Crescent Grove Advisors may, in its sole discretion, accept clients with smaller net worth based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, related accounts, pre-existing client, account retention, and pro bono activities. Crescent Grove Advisors may aggregate family relationships to meet the minimum net worth.

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

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

---

Crescent Grove Advisors utilizes fundamental analysis while employing an optimal asset allocation strategy based on principles of Modern Portfolio Theory ("MPT").

Creating an optimal asset allocation is a multi-faceted process. At the outset of a relationship, the Crescent Grove Advisors Client Advisor, in collaboration with the client, will create an Investment Policy Statement ("IPS"). The development of an IPS is tailored to each individual client. The IPS sets forth the investment parameters for a client portfolio including ranges for specific asset classes, permissible investment types and liquidity requirements, as well as expectations around performance evaluation for the overall portfolio and specific strategies.

In order to determine the investment objectives contained within the IPS, the Client Advisor examines the client's investment goals, income requirements, acceptable risk tolerances, tax bracket and status, time horizon, governing documents and any other relevant factors. After the above has been determined, the Client Advisor sets the target asset allocation to match the agreed upon parameters using the principles of MPT. MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk.

After the IPS has been drafted, the portfolio construction process aims to synthesize the initial discussions, the formalized IPS and the Client Advisor's capital markets expectations into an investment framework.

Crescent Grove Advisors ascribes to an asset allocation approach to investing, stressing the importance of long-term strategic allocation combined with shorter-term tactical allocation decisions. As a part of the customized portfolio construction process, the Client Advisor will employ mean-variance optimization as a way to establish baseline return and volatility expectations using historical data. This analysis is further developed to illustrate the importance of adding low-correlating asset classes to the portfolio to lower risk and/or increase expected returns. In addition to the quantitative analysis, the Client Advisor will perform a discretionary, common sense review of "tail risk", current market conditions and tactical opportunities. The blended approach produces a more consistent risk profile than by strictly using one method on its own.

After creating the appropriate allocation framework, the final step is the recommendation of a portfolio of investments including, but not limited to: mutual funds (open and closed-end), exchanged traded funds, separately managed accounts, and private placement partnerships that operate within the constraints of the IPS. The goal is to produce a portfolio that maximizes risk-adjusted returns.

The Crescent Grove Investment Committee ("CGIC") is tasked with sourcing new investment ideas for Crescent Grove Advisors, including, but not limited to, traditional fixed income and equity separate account managers, mutual funds (open and closed-end), exchange traded funds, as well as the entire spectrum of liquid and illiquid alternative investment strategies. Crescent Grove Advisors does not follow, analyze or make buy/sell recommendations on individual equity or fixed income securities. Investment strategies are sourced through Crescent Grove Advisors' extensive web of professional contacts, client network, and resources such as Morningstar or Zephyr. Crescent Grove Advisors has never hired a placement or sourcing firm and does not, as a practice, pay for idea generation.

The initial diligence stage includes an extensive review of a firm's people, philosophy, process and performance via a meeting with members of the prospective firm. The prospective firm's strategy, policies, procedures, and trading execution are analyzed to gauge whether or not there is sufficient interest within Crescent Grove Advisors to continue the due diligence process. Next steps may include the completion of the CGIC's customized Due Diligence Questionnaire, an on-site visit to the prospective firm's headquarters by at least two CGIC members and a review of all pertinent legal documents by Crescent Grove Advisors' outside counsel. Formal write-ups are then prepared and presented to the CGIC for a voice vote as to a manager's approval for inclusion on the Crescent Grove Advisors platform.

Once a manager or strategy has gone through the initial due diligence reviews, ongoing monitoring and due diligence is performed. On a quarterly basis all strategies are compared against their appropriate benchmarks and peer groups. Traditional fixed income and equity strategies typically host quarterly teleconferences to review the previous three months of

performance and outlook. Alternative investment managers on the platform are typically contacted much more frequently due to their inability to provide daily pricing. If the CGIC identifies any material changes at a manager within the focal areas of people, process, philosophy, and performance, a more in-depth review is then triggered.

Philosophically, the CGIC's goal is to maintain a high quality, low turnover investment platform. With respect to alternative investments, the CGIC's objective is to introduce niche strategies with limited correlation to traditional equities and fixed income without sacrificing the long-term return set. Alternative investments are employed to not only enhance the returns of each client's portfolio but also to reduce the volatile nature of the publicly traded markets.

## **Risk of Loss**

---

### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Crescent Grove Advisors's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Crescent Grove Advisors will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and 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 open-end 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 actual 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 potentially 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 20,000 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.

Shares of closed-end funds have different risks than open-end funds. Like ETFs, closed-end funds trade on the market, not at NAV. Like a more typical security, the price may diverge from the NAV and sell at a discount or premium. In addition, closed-end funds are able to use more leverage than open-end funds and, therefore, may take on additional risk.

#### *Use of Independent Managers*

As stated above, Crescent Grove Advisors may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Crescent Grove Advisors continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Crescent Grove Advisors generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

#### *Use of Private Collective Investment Vehicles*

Crescent Grove Advisors recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles 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. 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. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### *Use of Margin*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

### **Item 9 - Disciplinary Information**

Crescent Grove Advisors has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

Crescent Grove Advisors is a wholly-owned subsidiary of Crescent Grove Holdings, LLC, which also wholly-owns Crescent Grove Insurance LLC, a Wisconsin insurance company.

Crescent Grove Advisors has entered into a discretionary investment management agreement with the Cedar Street Charitable Foundation, a donor-advised fund organized in Wisconsin. Gregg George, Managing Director of Crescent Grove Advisors, is President of the Cedar Street Charitable Foundation. This affiliation could create potential conflicts of interest, which Crescent Grove Advisors seeks to mitigate by maintaining policies and procedures designed to address such potential conflicts.

### **Licensed Insurance Agency**

---

A number of the Firm's employees are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Crescent Grove Advisors or its affiliate, Crescent Grove Insurance LLC, recommends the purchase of insurance products where its employees may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

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

Crescent Grove Advisors has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its employees. Crescent Grove Advisors' Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its employees and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Crescent Grove Advisors' personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's employees are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no employee with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;

- the transaction for the employee is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

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 Crescent Grove Advisors to request a copy of its Code of Ethics.

## **Item 12 - Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

---

Crescent Grove Advisors generally recommends that clients utilize the custody, brokerage and clearing services of Fidelity Institutional Wealth Services ("Fidelity") for investment management accounts.

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

The commissions paid by Crescent Grove Advisors' clients to Fidelity comply with the Firm'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 Crescent Grove Advisors 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 others, the value of research provided, execution capability, commission rates and responsiveness. Crescent Grove Advisors seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist Crescent

Grove Advisors in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Crescent Grove Advisors does not have to produce or pay for the products or services.

Crescent Grove Advisors periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

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

---

Crescent Grove Advisors may receive without cost from Fidelity computer software and related systems support, which allow Crescent Grove Advisors to better monitor client accounts maintained at Fidelity. Crescent Grove Advisors may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Fidelity. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Crescent Grove Advisors, but not its clients directly. In fulfilling its duties to its clients, Crescent Grove Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Crescent Grove Advisors' receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, Crescent Grove Advisors may receive the following benefits from Fidelity:

- Credits to be used toward qualifying third-party service providers used in connection with the Firm's research, technology and software platforms;
- Credits paid to clients for expenses charged for moving their assets from their current custodian to Fidelity.
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- 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.

### **Brokerage for Client Referrals**

---

Crescent Grove Advisors does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

## **Directed Brokerage**

---

The client may direct Crescent Grove Advisors 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 the Firm 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 Crescent Grove Advisors (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Crescent Grove Advisors may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

## **Trade Aggregation**

---

Transactions for each client generally will be effected independently, unless Crescent Grove Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Crescent Grove Advisors 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 the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Crescent Grove Advisors’ clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Crescent Grove Advisors’ employees may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Crescent Grove Advisors does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm 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, the Firm 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.

### **Item 13 - Review of Accounts**

#### **Account Reviews**

---

Crescent Grove Advisors monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by their Investment Advisor Representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Crescent Grove Advisors and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

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

---

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time to time or as otherwise requested, clients may also receive written or electronic reports from Crescent Grove Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Crescent Grove Advisors or an outside service provider.

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

The Firm does not currently provide compensation to any third-party solicitors for client referrals.

### **Item 15 - Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize Crescent Grove Advisors and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Crescent Grove Advisors.

In addition, as discussed in Item 13, Crescent Grove Advisors may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Crescent Grove Advisors.

### **Item 16 - Investment Discretion**

Crescent Grove Advisors may be given the authority to exercise discretion on behalf of clients. Crescent Grove Advisors is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Crescent Grove Advisors is given this authority through a power-of-attorney included in the agreement between Crescent Grove Advisors and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Crescent Grove Advisors may take 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; and
- The Independent Managers to be hired or fired.

### **Item 17 - Voting Client Securities**

Crescent Grove Advisors generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations

### **Item 18 - Financial Information**

Crescent Grove Advisors is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.