

## FORM ADV PART 2A: Firm Brochure

### GreyArc Global Investors LLC

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This brochure provides information about the qualifications and business practices of GreyArc Global Investors LLC (“GreyArc”, the “Firm”, “we”, “our”), an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”). GreyArc is a “Relying Adviser” and a wholly owned subsidiary of Axonic Capital LLC (“Axonic”). If you have any questions about the contents of this brochure, please contact Joseph Grogan, our Chief Compliance Officer (“CCO”), at (212) 259-0430. This information has not been approved or verified by the SEC or by any state securities authority.

Additional information about GreyArc Global Investors LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

### Item 2. Material Changes

This brochure contains certain changes from the brochure which was filed with the SEC on March 29, 2019, as amended September 4, 2019. The material changes are as follows:

Axonic moved to 520 Madison Avenue, 42<sup>nd</sup> Floor New York, New York 10022

In the future, we will use this section to report any material changes.

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**Item 4. Advisory Business**

GreyArc is an investment adviser with its principal place of business in New York City, New York. GreyArc has been registered with the SEC since March, 2018 as a relying adviser and is a wholly owned subsidiary of Axonic, a SEC registered investment adviser. Clayton DeGiacinto is the principal owner of, and controls, Axonic and accordingly also controls GreyArc.

GreyArc will provide the investment advisory services on a discretionary basis to its clients, which are expected to include institutions with separately managed accounts and pooled investment vehicles (“Funds”) intended for sophisticated investors and institutional investors. GreyArc expects to provide investment advice primarily with respect to global equity securities. GreyArc will manage GreyArc Global Select Fund, LP, GreyArc Global Select Overseas Fund, Ltd., and GreyArc Global Select Master Fund, LP.

GreyArc will tailor advisory services to the individual needs of clients. Any investment restrictions will be set forth in the offering documents for the applicable Fund or the management agreement for a client that is a managed account. GreyArc does not participate in wrap-fee programs.

As of December 31, 2018, GreyArc has \$10,891,000 in regulatory assets under management and \$10,891,000 in net assets on a discretionary basis, and \$0 assets under management on a non-discretionary basis.

**Item 5. Fees and Compensation**

GreyArc will be paid an asset-based investment management fee ranging from 0.85% to 1.5% per annum of the net assets of the respective client account. Investment management fees will be charged each quarter or month in arrears or in advance. These fees are negotiable. Until client assets in a particular Fund managed by GreyArc reach a certain size, GreyArc expects to agree to reduce its investment management fee so that overall expenses of that Fund will be limited, as more fully described in the offering documents for the relevant Fund.

GreyArc may also 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 account (such as a client account that is a hedge fund or other pooled investment vehicle). This compensation may be paid to GreyArc or to a related person of GreyArc and ranges from 10% to 20%. Under certain circumstances, receipt of performance-based compensation may be subject to a hurdle rate. This performance-based compensation is negotiable.

Fees and expenses may be deducted from client accounts or billed to the client, depending on the arrangement with the relevant client.

In addition to paying the above mentioned fees, client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the client’s account invests) associated with products or services that may be necessary or incidental to such investments or accounts. Client account assets may be invested in money market mutual funds, ETFs or other registered investment companies. In these cases, the client account will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to any fees or other compensation paid to GreyArc. Client account assets may be invested in a master-feeder structure. Feeder funds bear a pro rata share of the expenses associated with the related master fund. In addition,

client accounts will incur brokerage and other transaction costs. Please refer to Item 12 of this Firm Brochure for a discussion of GreyArc's brokerage practices.

GreyArc will seek to allocate shared expenses for products and services benefitting multiple clients in a fair and equitable manner.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

As stated in Item 5: Fees and Compensation, GreyArc or an affiliate may receive a performance-based compensation, which may create an incentive for us to make investments that are riskier or more speculative, and/or to obtain greater leverage thereon, than would be the case in the absence of such compensation. In addition, in certain cases, the performance-based compensation may be based both on realized and unrealized gains and losses and, as a result, the performance-based compensation which we earn could be based upon unrealized gains that clients may never realize. No other hourly or flat fees are charged.

In our allocation of investment opportunities to clients, the performance-based compensation could create an incentive for us to favor a higher or lower allocation of certain opportunities to certain clients over other clients. We have procedures in place aimed at preventing conflicts and intended to ensure that all clients are treated fairly and to prevent any potential conflicts from influencing our investment recommendations and the allocation of investment opportunities among clients. Please refer to Item 12 of this brochure for further information. Our procedures are intended to ensure fair and equitable allocation among clients. These areas are monitored by the CCO.

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

GreyArc will provide investment advisory services directly to its clients. Investors in the clients ("Investors") may include high net worth individuals, pension plans and retirement accounts, endowments, foundations, trusts, estates or charitable organizations, other funds (including Adviser-managed Funds), family offices, private banks, investment managers, and other individuals and corporate or business entities for which such investment is suitable.

Details concerning applicable Investor suitability criteria and minimum investment amounts are set forth in the relevant offering documents and subscription materials, as pertinent. Although we and our affiliates have the authority to accept subscriptions for lesser amounts, the minimum initial investment in a fund is generally \$1 million. Each investor is required to meet certain suitability qualifications, such as being an "accredited investor" for purposes of Regulation D under the Securities Act of 1933, as amended, and a "qualified client" for purposes of Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act").

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

Investing in global equity securities and other financial instruments involves a risk of loss that clients should be prepared to bear. Those risks will vary based on the nature and attributes of the relevant investment approach and the specific securities and other instruments held. The following summary identifies the material risks related to GreyArc's significant investment approaches and should be carefully evaluated before making an investment with GreyArc; however, the following does not intend to identify all possible risks of an investment with GreyArc or provide a full description of the identified risks.

GreyArc expects to invest in global equity securities and apply various investment approaches to its securities selection, including fundamental long/short equity focusing on global themes affecting various sectors including, but not limited to, consumer, energy, financial, industrial, real estate, health care, technology, and telecom. GreyArc may also invest in and hedge using options, commodities, currencies,

futures and derivatives. GreyArc's investments will be subject to many risk factors, including risks arising from economic conditions, government regulations, market sentiment, local and international political events, environmental and technological issues, and currency fluctuations.

*Additional Risks Relating to GreyArc*

*Cybersecurity Risk.* The information and technology systems of GreyArc and of key service providers to GreyArc and its clients may be vulnerable to potential damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although GreyArc has implemented various measures designed to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, it may be necessary for GreyArc to make a significant investment to fix or replace them and to seek to remedy the effect of these issues. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of GreyArc or its client accounts and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information.

*Risk Management Failures.* Although GreyArc attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Moreover, many risk management techniques, including those employed by GreyArc, are based on historical market behavior, but future market behavior may be entirely different and, accordingly, the risk management techniques employed on behalf of clients may be incomplete or altogether ineffective. Similarly, GreyArc may be ineffective in implementing or applying risk management techniques. Any inadequacy or failure in risk management efforts could result in material losses to clients.

*Systems and Operational Risk.* GreyArc relies on certain financial, accounting, data processing and other operational systems and services that are employed by GreyArc and/or by third party service providers, including prime brokers, the third party administrator, market counterparties and others. Many of these systems and services require manual input and are susceptible to error. These programs or systems may be subject to certain defects, failures or interruptions. For example, GreyArc and its clients could be exposed to errors made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or related to other similar disruptions in the clients' operations. In addition, despite certain measures established by GreyArc and third party service providers to safeguard information in these systems, GreyArc, clients and their third party service providers are subject to risks associated with a breach in cybersecurity which may result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. Any such errors and/or disruptions may lead to financial losses, the disruption of the client trading activities, liability under applicable law, regulatory intervention or reputational damage.

**Item 9. Disciplinary Information**

Neither GreyArc nor any of our management personnel are subject to, or have in the past been subject to, any criminal or civil action in any domestic or foreign court, and neither GreyArc nor any of our management personnel have been subject to any administrative proceedings before the SEC or any other state, federal or foreign financial regulatory authority.

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

GreyArc, a wholly owned subsidiary of Axonic, is a relying adviser registered with the SEC as an investment adviser together with Axonic, is subject to Axonic's supervision and control, code of ethics and compliance policies and procedures, and relies on Axonic for certain administrative matters, such as

office space, IT and telephone services and back-office support, pursuant to a services agreement. Clayton DeGiacinto controls Axonic and GreyArc.

A company controlled by Mr. DeGiacinto, which shares office space and certain overhead services with Axonic, manages various funds and entities that invest in real property. GreyArc and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. While unlikely, if conflicts of interest arise between GreyArc (or its clients) and this company (or the funds or entities it manages) or Axonic (or the funds or entities it manages), GreyArc and its affiliates will seek to resolve such conflicts in a fair and equitable manner.

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

*Code of Ethics.* Pursuant to Rule 204A-1 under the Advisers Act, GreyArc has adopted a written Code of Ethics predicated on the principal that we owe a fiduciary duty to our clients. The Code of Ethics is designed to address and avoid potential conflicts of interest and is applicable to our officers, directors, members, partners and employees (collectively referred to as “employees”). We require our employees to act in our clients’ best interests, abide by all applicable regulations and avoid any action that is, or could even appear to be, legally or ethically improper.

Our Code of Ethics requires, among other things, that our employees, pre-clear certain personal securities transactions; report personal securities transactions on at least a quarterly basis; provide us with a detailed summary of certain securities holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest; and certify their compliance with the Code of Ethics on an annual basis. Trading in employee accounts will be reviewed by the Chief Compliance Officer and compared with transactions for the Client accounts and reviewed against the restricted securities list. Our Code of ethics forbids employees from trading on inside information in violation of federal securities laws, and we have designed and implemented policies and controls to prevent trading on the basis of inside information in violation of federal securities laws.

A copy of our Code of Ethics will be provided to any current or prospective Investor upon request. Employees may have and make personal investments in certain Funds. Subject to compliance with the Code of Ethics, employees also may have and make personal investments in real properties, private companies, other funds and public companies, any or all of which at any time may be in competition with the clients.

*Principal and Cross Trades.* A principal transaction occurs when an investment adviser, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client’s account. We will conduct all principal transactions, if any, according to the disclosure and client consent requirements of Section 206(3) of the Advisers Act. The precise application of these disclosure and consent requirements may depend on the transaction. While unlikely, GreyArc may, to the extent permitted under applicable law, effect client cross-transactions or principal transactions where a transaction is effected between a client, on the one hand, and GreyArc (or any of its affiliates) or another account advised by GreyArc or an affiliate, on the other hand, subject to the requirements set forth in the disclosure documents or management agreement for the particular clients involved.

#### **Item 12. Brokerage Practices**

As an adviser and a fiduciary to the clients, we require that the clients’ interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the clients’ favor. We have adopted the following policies and practices to meet our fiduciary responsibilities and to ensure our trading practices are fair to all clients and that no client is advantaged or disadvantaged over any other.

In selecting brokers for execution, we assess the overall quality and cost of services, including factors other than solely the level of compensation and commissions, including execution quality and reliability, depth of coverage, block positioning capability, firm reputation, responsiveness and financial strength, trading expertise, accuracy and timeliness, commission rates, research, market intelligence, availability of other market makers, operational efficiencies, fairness in resolving disputes, financial responsibility and responsiveness.

*Soft Dollar Benefits.*

GreyArc receives research or other products or services other than execution from broker-dealers *and/or* third parties in connection with *client* securities transactions. This is known as a “soft dollar” relationship. GreyArc will limit the use of “soft dollars” to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended (“Section 28(e)”).

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants’ advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

*Best Execution.* As a matter of policy and practice, we seek to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. We assess the overall quality, along with the cost of execution, including execution quality and reliability, depth of coverage, block positioning capability, firm reputation, responsiveness and financial strength, trading expertise, accuracy and timeliness, commission rates, research, market intelligence, availability of other market makers, operational efficiencies, fairness in resolving disputes, financial responsibility and responsiveness.

*Aggregated Trades.* The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients.

Our policy is to aggregate transactions where possible and when advantageous to clients. In these instances, clients participating in any aggregated transactions will receive an average execution price and transaction costs will be shared on a pro-rata basis.

*Allocations.* Our policy prohibits any allocation of trades based solely on the fees that may be earned by GreyArc. If a determination is made that multiple clients should enter into or exit the same transaction (or

group of transactions) at or about the same time, such transaction(s) will generally be allocated among such clients based on such clients' relative target percentages (the "Target Allocation"), unless GreyArc and its affiliates determine in their discretion that the facts specific to the transaction(s) or the clients warrant an alternative methodology. Factors considered in respect of a targeted allocation include, without limitation, the relevant clients' strategy, objectives, risk profile, time horizon, tax status, imbalances or restrictions, investable cash, market liquidity, minimum transaction size, financing terms, holding period and type of asset, among other factors. Target Allocations are subject to change, with the approval of the Allocation Committee. In setting Target Allocations or determining that an alternative methodology is warranted, there is a potential conflict of interest for GreyArc and its affiliates to favor clients that pay higher fees or clients where GreyArc, its affiliates and its personnel have invested. The allocation policy is subject to change from time to time in the discretion of GreyArc.

*Trade Errors.* As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the clients. In the event that any error occurs in the handling of any client transactions, due to our actions, or inaction, or actions of others, our policy is to assess each trade error on a case-by-case basis, and to correct the error promptly and in the best interests of the clients and so as to avoid incurring a loss to the clients. We are personally responsible to reimburse the applicable client for trade errors caused by our gross negligence or willful misconduct.

In correcting trade errors, any client gains from trade errors may not offset losses from trade errors, unless the underlying transactions constitute a single transaction. Any client gains caused by trade errors will be credited to the affected client(s). In addition, soft dollars may not be used to pay for correcting our trading errors.

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

The portfolio manager(s) and investment professionals of the Firm monitor and analyze the transactions, positions, and investment levels of the clients, as pertinent, to ensure that they conform with the respective client's stated investment objectives and guidelines. In these reviews, we pay particular attention to any changes in the investment's fundamentals, overall risk management and changes in the markets that may affect price levels. We distribute to Investors annual audited financial reports, monthly or quarterly performance reports and annual tax information for the pertinent client.

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

GreyArc may enter into arrangements to compensate third parties for referring potential clients or Investors to GreyArc. GreyArc will only compensate third parties if the client or investor is aware of the fee arrangements (through disclosures or acknowledgments, which may be included in a subscription document) and the arrangement otherwise complies with applicable law, rules and regulations, including, if applicable, Rule 206(4)-3 under the Advisers Act.

#### **Item 15. Custody**

We comply with the requirements of Rule 206(4)-2 under the Advisers Act with regard to its custody of the assets of our clients ("Custody Rule"). The accounts of clients as to which we have custody are held in custody at qualified custodians including unaffiliated broker-dealers or banking institutions. Both GreyArc and certain affiliates that are the general partners of the Funds organized as limited partnerships may be deemed to have custody of client assets. In accordance with the SEC's custody rule, each such Fund is audited on an annual basis. Copies of these audited financial statements are distributed Investors in the Fund within 120 days of the fiscal year end of the Fund.



**Item 16. Investment Discretion**

GreyArc provides investment advisory services on a discretionary basis to clients enters into an investment management agreement or other agreement that sets forth the scope of our discretion. Please see Item 4 for a description of any limitations clients may place on our discretionary authority.

**Item 17. Voting Client Securities**

*Proxy Voting Policy.* GreyArc accepts authority to vote proxies for clients' securities holdings. In accordance with GreyArc's fiduciary duty to clients under Rule 206(4)-6 under the Advisers Act, we have adopted and implemented policies and procedures governing the voting of client securities. We will vote proxies and other issuer solicitations in the best interests of the clients. All proxies that we receive will be treated in accordance with these policies and procedures. Investors may not direct proxy voting for particular solicitations, unless they have expressly reserved the right to do so.

We consider the reputation, experience, and competence of a company's management and board of directors when we evaluate a prospective investment. Generally, we will vote in favor of what would be deemed as routine corporate matters, including the election of directors (where no corporate governance issues are implicated), the selection of auditors and increases in or reclassification of common stock. For other proposals, we will determine whether a proposal is in the best interests of the clients and may take into account the following factors, among others: whether the proposal was recommended by management (and, to this end, our opinion of management); whether the proposal acts to entrench existing management; and whether the proposal fairly compensates management for past and future performance.

If we identify any material conflict of interest, we will determine whether voting in accordance with our voting guidelines and factors is in the best interests of the clients. A copy of our proxy voting policies and procedures is available upon request.

**Item 18. Financial Information**

GreyArc has not ever filed for bankruptcy, and is not aware of any financial condition which would negatively affect its ability to manage client accounts