

**Green Square Asset Management, LLC**

**949 S Shady Grove Road Suite 401  
Memphis, TN 38120**

**(901) 250-6700**

**[www.greensquaream.com](http://www.greensquaream.com)**  
**[www.gsequityincome.com](http://www.gsequityincome.com)**

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This brochure ("Brochure") provides information about the qualifications and business practices of Green Square Asset Management, LLC (hereinafter "Green Square", "GSAM" or the "firm"). To request a copy of our Brochure or if you have any additional questions about the contents of this Brochure, please contact Green Square at (901) 250-6700. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about GSAM is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any of our affiliated persons who are registered, or are required to be registered, as investment adviser representatives of Adviser.

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

## **Item 2. Material Changes**

In our opinion, material changes in this version of the brochure include the following:

GSAM has added language related to participation in Fidelity's Wealth Advisor Solutions® platform.

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

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## **Item 4. Advisory Business**

Green Square Asset Management (“GSAM”) initially registered with the SEC on or about 9/30/2016. GSAM is a Delaware LLC, substantially all the shares of which are owned by Darrell L. Horn. As of 12/31/2018 GSAM has approximately \$397,401,663.80 in regulatory assets under management, all of which were managed on a discretionary basis.

GSAM offers clients investment management services (“*Services*”). Prior to engaging GSAM to provide any of the Services, the client is required to enter into one or more written agreements with GSAM setting forth the terms and conditions under which GSAM renders its services (collectively the “*Agreement*”).

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

### **Timeline:**

GSAM was previously affiliated with Green Square Capital – Memphis and is currently affiliated with Green Square Capital Advisors Both are separate LLCs and RIAs because they have different ownership and capital structures.

Green Square Capital-Memphis was co-founded in 2001 by Darrell Horn and performed wealth management services for High Net Worth Individuals, corporations, foundations, institutions, and other entities. On January 31, 2019, Darrell Horn resigned from Green Square Capital – Memphis and assigned his interests to Green Square Wealth Management thus ending the affiliation with Green Square Capital – Memphis and beginning the affiliation with Green Square Wealth Management, LLC as a result of common ownership/control..

In 2016, Green Square Capital-Memphis formed Green Square Asset Management (“GSAM”) in order to create an entity that focused on asset management through specific strategies that could be offered to a broader market. GSAM’s initial strategy was the Green Square Equity Income Portfolio, which is offered as an SMA. In October of 2016, GSAM partnered with a high yield municipal portfolio manager, Timothy Pynchon and created Green Square Boston dba Green Square Capital Advisors. GSAM owns 25% of Green Square Boston and the remaining 75% is owned by Timothy Pynchon.

In September, 2017, GSAM became the Advisor to an open end mutual fund registered under the Investment Company Act of 1940. Additional information on the Green Square Tax Exempt High-Income Fund (GSTAX) can be found in its offering documents found at [www.greensquarefunds.com](http://www.greensquarefunds.com). Timothy Pynchon and Joseph Gulli act as the Portfolio Managers on the GSTAX Fund and receive compensation. In instances where GSAM clients

invest in strategies managed by Green Square-Boston a potential conflict of interest is created in that GSAM may encourage clients to invest in strategies in which GSAM has an interest. In an effort to mitigate this conflict GSAM clients may only invest in GSTAX or other Green Square Boston strategies after providing consent and being offered alternative investment options in similar strategies. Clients will be charged additional fees and expenses by the Boston strategies, however, GSAM will not receive any fee income generated by GSAM clients investing in strategies managed or sub-advised by Green Square Boston. Green Square Boston has modified its compliance manual and compliance program to address the specific rules and regulations of the Investment Company Act of 1940.

### **Investment Management Services**

GSAM manages clients' investment portfolios on a discretionary or non- discretionary basis. The firm provides these portfolio management services primarily (but not exclusively) by allocating clients' investment assets among income producing strategies utilizing securities in the equity and fixed income markets.

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

GSAM serves as the Sub-Advisor to the Advantage Advisors Tax Exempt High Income Fund I & II, LLC ("The Advantage Funds"). GSAM utilizes members of its affiliate Green Square Boston dba Green Square Capital Advisors as the Portfolio Managers on the Advantage Funds. The Advantage Funds invest in high yield tax-exempt securities. The Advantage Funds and other Private Funds listed below are only available to accredited investors as defined by Regulation D of the Securities Act of 1933. In addition, each investor must meet the definition of "qualified purchaser" as set forth in Section 2(a)(51)(A) of the Investment Company Act.

### **Management of Investment Companies**

GSAM currently serves as the sub-advisor to the Green Square Tax Exempt High Income Fund (GSTAX), an open end management investment company, that is a separate series of the Managed Portfolio Series Trust, an open-end investment company registered under the 1940 Act.

U.S. Bancorp Fund Services ("US Bank") acts as the administrator and custodian for GSTAX and receives fees for those services. US Bank is not a related person of GSAM. GSAM also has a credit facility with US Bank. Additional information regarding this relationship can be found in the respective offering documents, including the funds' respective prospectus.

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

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

### **Consulting Fees**

GSAM may charge a fixed fee to provide clients with consulting services. These fees are negotiable and are agreed upon prior to the rendering of any such services. These fees are

largely determined by the level and scope of the services and the professional engaged to render them. If the client engages GSAM for additional investment advisory services, GSAM may offset all or a portion of its fees for those services based upon the amount paid for the consulting services.

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

### **Investment Management Fees**

GSAM provides investment management services for an annual fee based upon a percentage of assets under management. This fee also applies to sub-advisory services Green Square provides. GSAM's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. GSAM does not, however, receive any portion of these commissions, fees, and costs.

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

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

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

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

In connection with certain bond investments made by Green Square on behalf of its advisory clients, Green Square is the Bondholder Representative which includes monitoring borrowers on an ongoing basis and advising borrowers in the event that borrowers run into financial difficulties. In such cases, Green Square generally has special rights including, but not limited to, the ability to change the bond interest rate, reduce its redemption price, create an equal or priority lien or deprive any owner of a bond of the lien created by the trust indenture. Green Square does not receive any additional fees or compensation from clients for acting as a Bondholder Representative. In the event of a workout, select issue closings, or for select variable rate bonds, Green Square receives the Bondholder Representative fee

from the borrower at the closing of a realization or issue, or on the Interest Payment Date for the fees paid by borrower under the terms of select variable rate bonds.

Green Square maintains policies and procedures regarding the valuation of securities and investments held in clients' accounts. In the case of a security with no readily available market quotation, such security or investment will be valued in a manner determined in good faith by Green Square to reflect its fair market value. Green Square generally uses bid-pricing provided by Interactive Data Corporation ("IDC") and updates valuations at month-end and prior to cross-trades. Where IDC pricing is not yet available, Green Square may hold at cost while requesting IDC pricing. Due to the unique nature and infrequent trading of many of the high-yield municipal bonds, any pricing process is inherently uncertain, and values may differ from that shown on custodial statements where the custodian uses a different pricing provider.

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

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

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

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

### **Fee Debit**

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

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

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

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

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

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

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

GSAM may be paid performance-based compensation, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of a client. The performance-based fees are subject to certain preferred return hurdles. These performance-based fees will be negotiated on a case-by-case basis, and will be disclosed to the client in the fee schedule agreed to by the client and GSAM. The client should be aware that the existence of a performance-based fee structure may create a conflict of interest in that GSAM may have an incentive to take a greater degree of risk in order to generate a greater investment return thereby increasing any such performance based fees.

Additionally, when GSAM and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. GSAM and its investment personnel have a greater incentive to favor client accounts that pay GSAM performance-based compensation or higher fees. However, GSAM has adopted and implemented policies and procedures intended to address conflicts of interest relating to



the management of multiple accounts, including accounts with multiple fee arrangements, and the allocation of investment opportunities. GSAM reviews investment decisions periodically to assess whether accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also compared periodically to determine whether there are any unexplained significant discrepancies. In addition, GSAM's procedures relating to the allocation of investment opportunities require that similarly managed accounts participate generally in investment opportunities pro rata based on asset size and require that, to the extent orders are aggregated, the client orders are price-averaged. These areas are monitored by the GSAM.

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

GSAM provides its services to individuals, banks, thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, business entities, registered investment companies, mutual fund companies and pooled investment vehicles such as Private Funds and Funds registered under the Investment Company Act.

### **Minimum Account Size**

GSAM does not impose a mandatory minimum portfolio size, however depending on the strategy accounts may be required to meet a minimum size in order to properly allocate to individual underlying investments. Current SMA strategies have stated minimums of \$100,000.

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

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

GSAM utilizes a proprietary screening and factor model to identify companies with very high quality and liquid balance sheets, durable cash flows, sensible dividend policy, dividend growth potential and that are trading at attractive relative valuations. This screening process identifies companies within a universe that qualify for investment consideration. A qualitative overlay is then applied to select the final portfolio.

High Yield Municipal strategies utilize a credit underwriting policy on unrated project revenue tax exempt bonds. GSAM focuses on sectors they believe present the best relative value and greatest upside potential while considering risk management and capital preservation.

### **Risks of Loss**

#### *Stock Market Risk*

GSAM invests primarily in domestic equities. Equity prices can be influenced by many variables including individual company risk, sector risk, market risk, domestic and global economic risk. Equity values can be volatile and investors can experience partial or total loss of capital. Declines in market value can be unpredictable and persist for meaningful periods

of time. If shares are redeemed during such times, investors can experience permanent loss of capital.

#### *Municipal Securities Risk.*

The municipal market is volatile and can be significantly affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities. Changes in a municipality's financial health may make it difficult for the municipality to make interest and principal payments when due. Municipal obligations may be more susceptible to downgrades or defaults during recessions or similar periods of economic stress. Municipal securities structured as revenue bonds are generally not backed by the taxing power of the issuing municipality but rather the revenue from the particular project or entity for which the bonds were issued. If the Internal Revenue Service determines that an issuer of a municipal security has not complied with applicable tax requirements, interest from the security could be treated as taxable, which could result in a decline in the security's value. In addition, there could be changes in applicable tax laws or tax treatments that reduce or eliminate the current federal income tax exemption on municipal securities or otherwise adversely affect the current federal or state tax status of municipal securities.

A number of municipalities have had significant financial problems recently, and these and other municipalities could, potentially, continue to experience significant financial problems resulting from lower tax revenues and/or decreased aid from state and local governments in the event of an economic downturn. This could decrease the Fund's income or hurt the ability to preserve capital and liquidity.

Under some circumstances, municipal securities might not pay interest unless the state legislature or municipality authorizes money for that purpose. Some securities, including municipal lease obligations, carry additional risks. For example, they may be difficult to trade or interest payments may be tied only to a specific stream of revenue.

Since some municipal securities may be secured or guaranteed by banks and other institutions, the risk to the Fund could increase if the banking or financial sector suffers an economic downturn and/or if the credit ratings of the institutions issuing the guarantee are downgraded or at risk of being downgraded by a national rating organization. If such events were to occur, the value of the security could decrease or the value could be lost entirely, and it may be difficult or impossible for the Fund to sell the security at the time and the price that normally prevails in the market. Interest on municipal obligations, while generally exempt from federal income tax, may not be exempt from federal alternative minimum tax.

#### *Investment Process Risk*

The investment process is designed to identify companies that have high quality balance sheets, durable cash flows, attractive dividend policy and companies that are trading at attractive valuations relative to their peers. As such, the investment process is dependent on financial information released by publicly traded companies in the US. There can be no assurances that the investment process will always accurately identify the companies with the attributes listed above. Additionally, many companies revise results from time to time. The investment process uses the most recent released financial information available and if these releases are subsequently revised, the data used to select a portfolio company could be rendered meaningless.

### *Style Risk*

Over equity market cycles, certain investment styles outperform while others underperform. GSAM currently manages a value based strategy. During periods of time when value investing is out of favor, investors in the fund could experience prolonged periods of underperformance.

### *Market Cap Risk*

Over equity market cycles, certain market cap styles outperform while others underperform. GSAM's current strategy is a large to mega cap based strategy. During periods when large and mega cap companies are out of favor, the strategy could experience prolonged periods of under-performance. Additionally, larger companies are heavily dependent on well-functioning and efficient capital markets to finance current operations and expansion. In the event that the capital markets are not functioning efficiently, large companies could be more adversely impacted versus smaller companies.

### *Fundamental Global Macro Risks*

As seen during the financial crisis of 2008, fundamental market disruption can have material impact on equity valuation. Frozen credit markets, sovereign debt crisis, breakdown in trade, world currency markets, shocks to commodity valuation and other macro factors can have direct negative impact on equity market valuation and volatility.

### *Regulatory Risks*

Following the financial crisis of 2008, the US Government has introduced new regulations that directly and indirectly impact certain companies and sectors. These regulations are often introduced and have unpredictable and unintended consequences that could have material impact on certain company's and sectors.

### *Swaps and Other Derivatives*

The strategies may, but are not required to, use derivatives for a variety of purposes, including: as a hedge against adverse changes in the market price of securities, interest rates or currency exchange rates; as a substitute for purchasing or selling securities; and to increase the strategy's return as a non-hedging strategy that may be considered speculative. The strategies may choose not to make use of derivatives for a variety of reasons, and any use may be limited by applicable law and regulations.

### *Use of Private Collective Investment Vehicles*

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

such risks.

#### *Concentration Risk*

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

#### *Management Through Similarly Managed Accounts*

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

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

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

#### *Use of Margin*

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

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

significant effect on the client's profitability.

#### *Cybersecurity Risk*

Green Square, like all companies, may be susceptible to operational and information security risks. Cybersecurity failures or breaches of the Firm, the Fund, or any their service providers or the issuers of securities in which Green Square does business with have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs. The Firm as well as the Fund and/or its shareholders could be negatively impacted as a result.

#### *General Risk of Loss*

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

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

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

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

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

#### **Affiliated Investment Advisers**

Green Square Asset Management, LLC is under common control with its affiliated SEC registered investment advisers, *Green Square Wealth Management, LLC* ("Green Square Memphis") and *Green Square Boston, LLC dba Green Square Capital Advisors*. Certain of the firm's Principals and *Supervised Persons* also serve in the same or similar capacity for *Green Square Wealth* and *Green Square Boston, LLC*. A conflict of interest exists to the extent that GSAM recommends the services of one of its affiliated investment advisers and certain of the firm's Principals or *Supervised Persons* receive additional compensation by virtue of their positions therewith. GSAM addresses this conflict by disclosing it to clients and making the recommendations without a bias in regards to fees. Additionally, GSAM will not collect any of the fee income of clients of an affiliated entity.

#### **Affiliated Collective Investment Vehicle**

GSAM is under common control with the *Private Funds (including the Advantage Funds)*. A conflict of interest exists to the extent GSAM recommends an investment in the *Private Funds* and certain of the firm's Principals and/or *Supervised Persons* receive additional compensation by virtue of their positions therewith. GSAM addresses this conflict by disclosing it to clients and making the recommendations without a bias in regards to fees.

GSC does not charge its advisory fee for clients invested in the private funds managed by its affiliates.

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

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

Under the WAS Program, SAI acts as a solicitor for GSAM and GSAM pays referral fees to SAI for each referral received based on GSAM’s assets under management attributable to each client referred by SAI or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from SAI to GSAM does not constitute a recommendation or endorsement by SAI of Green Square’s particular investment management services or strategies. More specifically, GSAM pays the following amounts to SAI for referrals: for referrals made prior to April 1, 2017, an annual percentage of 0.20% of any and all assets in client accounts; for referrals made after April 1, 2017, the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by SAI and (ii) an annual percentage of 0.25% of all other assets held in client accounts. For referrals made prior to April 1, 2017, these fees are payable for a maximum of seven years. Fees with respect to referrals made after that date are not subject to the seven year limitation. In addition, [Advisor] has agreed to pay SAI a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by Green Square and not the client.

To receive referrals from the WAS Program, Green Square must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with SAI and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in the WAS Program, Green Square may have a potential conflict of interest with respect to its decision to use certain affiliates of SAI, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Green Square as part of the WAS Program. Under an agreement with SAI, Green Square has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to SAI as part of the WAS Program. Pursuant to these arrangements, Green Square has agreed not to solicit clients to transfer their brokerage accounts from affiliates of SAI or establish brokerage accounts at other custodians for referred clients other than when Green Square’s fiduciary duties would so require, and Advisor has agreed to pay SAI a one-time fee equal to 0.75% of the assets in a client account that is transferred from SAI’s affiliates to another custodian; therefore, Green Square may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of SAI. However, participation in the WAS Program does not limit Green Square’s duty to select brokers on the basis of best execution.

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

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

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

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

When GSAM is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when GSAM is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds, unless GSAM or a control affiliate acts as the investment advisor or sub-advisor as defined in section 2(a)(20) of the Investment Company Act of 1940; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

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

## **Item 12. Brokerage Practices**

As discussed above, in Item 5, GSAM generally recommends that clients utilize the

brokerage and clearing services of *Schwab* and/or *Fidelity*.

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

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

Transactions may be cleared through other *Financial Institutions* with whom GSAM and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. GSAM periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution. The client may direct GSAM 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 GSAM 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 GSAM (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, GSAM may decline a client's request to direct brokerage if, in GSAM's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless GSAM decides to purchase or sell the same securities for several clients at approximately the same time. GSAM 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 GSAM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among GSAM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent



that GSAM determines to aggregate client orders for the purchase or sale of securities, including securities in which GSAM's *Supervised Persons* may invest, GSAM generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the SEC. GSAM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that GSAM 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, GSAM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

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

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

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

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

### **Account Reviews**

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

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

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom GSAM provides investment advisory services will also receive a report from the firm that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance from time to time. Clients should compare the account statements they receive from their custodian with those they receive from GSAM. The aforementioned reporting excludes portfolios managed by Green Square as a sub-advisor. For those portfolios, the adviser is responsible for providing each client with account statements and any other required regulatory reports.

### **Consulting Reports**

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

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

### **Economic Benefits**

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

### **Client Referrals**

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

If a client is introduced to GSAM by either an unaffiliated or an affiliated solicitor, GSAM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such

referral fee is paid solely from GSAM's investment management fee, and does not result in any additional charge to the client. If the client is introduced to GSAM by an unaffiliated solicitor, the solicitor provides the client with a copy of GSAM's written disclosure brochure which meets the requirements of Rule 204-3 of the

Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of GSAM discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of GSAM's written disclosure brochure at the time of the solicitation.

## **Item 15. Custody**

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

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

As a result of its status as Advisor, Sub-Advisor, General Partner, or Investment Manager of the Private Funds, GSAM and its affiliates have custody of the securities of those Private Funds. However, each fund is subject to an annual audit by a third party, independent PCOAB registered Auditor and audited financial statements are distributed to each client.

## **Item 16. Investment Discretion**

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

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

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

GSAM may vote client securities (proxies) on behalf of its clients or may use a third party

vendor to do so. When GSAM accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully-described in GSAM's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in GSAM's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact GSAM to request information about how GSAM voted proxies for that client's securities or to get a copy of GSAM's Proxy Voting Policies and Procedures.

Green Square uses Proxyedge, a product of Broadridge, to vote on behalf of Green Square clients. Green Square has the authority to direct votes, and can override or revoke any vote cast by Proxyedge.

A brief summary of GSAM's Proxy Voting Policies and Procedures is as follows:

- GSAM has formed a Proxy Voting Committee that will be responsible for ensuring voting decisions are made in the best interest of clients, and ensuring that proxies are submitted in a timely manner. In addition, the Proxy Committee is responsible for maintaining Green Square's Proxy Voting Guidelines, as well as notifying Proxyedge when accounts are added at new Brokers, Banks, or Custodians.
- Proxyedge will vote proxies according to GSAM's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds. The Proxy Committee meets regularly to review the votes placed on behalf of Green Square.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, GSAM devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct GSAM's vote on a particular solicitation but can revoke GSAM's authority to vote proxies.

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

## **Item 18. Financial Information**

GSAM does not require or solicit the prepayment of more than \$1,200 in fees six months

or more in advance. In addition, GSAM is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. GSAM has no disclosures pursuant to this Item.