

Firm Brochure
(Part 2A of Form ADV)

GRECU CAPITAL MANAGEMENT, INC.

970 Reserve Drive, Ste. 100

Roseville, CA 95678

PHONE: 888-504-7328

FAX: 916-262-7507

WWW.GRECUCAPITAL.COM

LEX@GRECUCAPITAL.COM

March 29, 2019

This brochure provides information about the qualifications and business practices of Grecu Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at: 888-504-7328, or by email at: LEX@GRECUCAPITAL.COM. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Grecu Capital Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov

ITEM 2-Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually and when material changes occur.

Material Changes since the Last Update

The material changes in this brochure from the last annual updating amendment of Grecu Capital Management, Inc. on January 31, 2018 are listed below. Material changes relate to Grecu Capital Management, Inc.'s policies, practices or conflicts of interests only.

- Grecu Capital Management, Inc. has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- Grecu Capital Management, Inc. has updated fees and compensation (Item 5).

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 888-504-7328 or by email at: LEX@GRECUCAPITAL.COM.

ITEM 3-Table of Contents

ITEM 2-Material Changes	2
Annual Update.....	2
Material Changes since the Last Update	2
Full Brochure Available	2
ITEM 4: Advisory Business	5
Item 4A: Firm Description	5
Principal Owners	5
Types of Advisory Services.....	5
Tailored Relationships.....	7
Wrap Accounts	7
Assets Under Management.....	7
ITEM 5: Fees and Compensation	7
Description	7
Fee Billing	9
Other Fees.....	9
Past Due Accounts and Termination of Agreement	10
Compensation Related to the Sale of Security Products	10
ITEM 6: Performance-Based Fees and Side-by-Side Management	10
Sharing of Capital Gains	10
ITEM 7: Types of Clients	10
Description	10
Account Minimums	10
ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	11
Methods of Analysis.....	11
Investment Strategies	11
Risk of Loss.....	11
ITEM 9: Disciplinary and Legal Information.....	12
ITEM 10: Other Financial Industry Activities and Affiliations	12
Financial Industry Activities	12
Affiliations.....	12
ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .	12
Code of Ethics	12
Participation or Interest in Client Transactions	13
Personal Trading.....	13

ITEM 12: Brokerage Practices	13
Selecting Brokerage Firms	13
Best Execution.....	13
Soft Dollars.....	13
Order Aggregation.....	13
ITEM 13: Review of Accounts	13
Periodic Reviews	13
Review Triggers	13
Regular Reports	14
ITEM 14: Client Referrals and Other Compensation	14
Incoming Referrals	14
Referrals Out	14
ITEM 15: Custody	14
Account Statements	14
Performance Reports	14
Net Worth Statements	14
ITEM 16: Investment Discretion	15
Discretionary Authority for Trading	15
Limited Power of Attorney.....	15
ITEM 17: Voting Client Securities	15
Proxy Votes	15
ITEM 18: Financial Information.....	15
Financial Condition	15

ITEM 4: Advisory Business

Item 4A: Firm Description

Grecu Capital Management, Inc., (“GCM”) was founded in 2002.

GCM provides personalized confidential ongoing financial planning/investment management to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or other business entities (i.e.; small businesses). Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

GCM is strictly an ongoing financial planning/investment management firm, and ERISA Section 3(38) investment manager. The firm does not sell financial products, such as annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

GCM does not act as a custodian of client assets. The client always maintains asset control. GCM places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of an Investment Policy Statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning or ongoing financial planning/investment management may be beneficial to the client.

Principal Owners

Jerrold A. Grecu is a 100% stockholder.

Types of Advisory Services

GCM provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations.

GCM furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, insurance issues and trust services that often include estate planning.

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. GCM does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through GCM.

The Adviser offers its advisory services in three basic platforms: (1) Financial Planning Services; (2) ongoing Financial Planning and Investment Management Services; and (3) 401k Design and Consulting.

- (1) **Financial Planning:** The nature of a financial planning service is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed. The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Advisor or any of the insurance products or other products and services offered by the associated persons of the Advisor. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the Advisor. There is an inherent conflict of interest between the client and the Advisor whenever a financial plan recommends use of professional investment management services or the purchase of insurance products or other financial products or services. The Advisor or its associated persons may receive compensation for financial planning and the provision of investment management services and/or the sale of insurance and other products and services. The Advisor does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

- (2) **Ongoing Financial Planning & Investment Management:** The nature of the Adviser's ongoing management services includes a review of all aspects of the client's financial affairs, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

- (3) **401k Design and Consulting:** GCM acts as an ERISA Section 3(38) investment manager on behalf of the Plan Sponsor. ERISA section 3(38) defines the "Investment Manager" as a fiduciary with full discretionary powers for selecting, monitoring and (if necessary) replacing the investment options (i.e., trust assets) in a qualified retirement plan.

As a Plan investment manager, GCM has specific responsibilities including: (1) Selecting and monitoring the investments to be offered with the Plan; (2) constructing advisor-managed portfolios utilizing the tenets of Modern Portfolio Theory; (3) periodic reporting of performance results; (4) providing one-on-one advice to participants as requested; and (5) acting with a high level of competence, thoroughness, care, skill, prudence and due diligence with respect to all responsibilities to ensure compliance with ERISA and other applicable laws, rules, and regulations.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment Policy Statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Wrap Accounts

The Adviser does not offer Wrap-Fee programs.

Assets Under Management

As of December 31, 2018, GCM manages approximately \$115,151,661.00 on discretionary assets and \$7,542,416.00 on a non-discretionary asset.

ITEM 5: Fees and Compensation

Description

GCM bases its fees on a percentage of assets under management or a retainer fee (based on assets).

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship. Fees are negotiable. Lower fees for comparable services may be available from other sources.

GCM is strictly an ongoing financial planning/investment management firm. The firm does not sell financial products, such as annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted.

Fee Schedule for Ongoing Financial Planning & Investment Management Services

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- _1.00%_ on the first \$1,000,000;
- _0.85%_ on the next \$2,000,000 (from 1,000,001 to 3,000,000); and
- _0.70%_ on the next \$2,000,000 (from 3,000,001 to 5,000,000); and
- _0.50%_ on the assets above \$5,000,000.

Our account minimum is \$1,000,000 with a minimum fee of \$10,000. When a relationship falls below \$500,000, the minimum fee is \$5,000. Current client relationships may exist where the fees are higher or lower than the fee schedule above due to the complexity of each client's situation.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed.

Fee Schedule for 401k Design and Consulting Services:

Plans shall pay to GCM the Annual Asset Based Fees listed below, calculated on a quarterly basis for a total of four (4) quarterly payment periods per calendar year. Excluded Assets shall not be counted as Plan assets for purposes of calculating the fees.

<u>Plan Assets From</u>	<u>Plan Assets To</u>	<u>Per Quarter</u>	<u>Annualized</u>
\$0	\$500,000	0.1750%	0.70%
\$500,001	\$1,000,000	0.1625%	0.65%
\$1,000,001	\$1,500,000	0.1500%	0.60%
\$1,500,001	\$2,000,000	0.1375%	0.55%
\$2,000,001	\$2,500,000	0.1250%	0.50%
\$2,500,001	\$3,000,000	0.1125%	0.45%
>\$3,000,000			0.40%

One-fourth of the annualized Asset Based Fee percentage will be applied to the market value of the Plan assets on a quarterly (calendar) basis.

GCM may be reimbursed by Plan for all reasonable out of pocket expenses incurred by it in connection with the Fiduciary Services provided hereunder. All expenses must be approved in advance by Client.

Either party may terminate the 401k Investment Management Agreement upon 30 days prior written notice to the other party, and GCM shall be entitled to a pro-rata amount of compensation.

Fee Billing

Financial Planning & Ongoing Investment Management

Billing in Arrears: Fees may be billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. At the beginning of each quarter the combined fee shall be calculated and deducted from the managed account(s), or a brokerage account established for this purpose. The percentage of assets fee will be based on the value of the managed account(s) at the end of the prior quarter. A prorated advisory fee will be charged for any monies or securities added to the account(s) between fee payments. Payment in full is expected upon invoice presentation. The client must consent in advance to direct debiting of their investment account.

Billing in Advance: Fees may be billed quarterly in advance, will be charged when services commence and will be pro-rated for partial quarters. At the beginning of each quarter the combined fee shall be calculated and deducted from the managed account(s), or a brokerage account established for this purpose. The percentage of assets fee will be based on the value of the managed account(s) at the beginning of the current quarter. A prorated advisory fee will be charged for any monies or securities removed from the account(s) between fee payment dates. In those situations, fees are not more than \$500 per client and 6 or more months in advance. Payment in full is expected upon invoice presentation. The client must consent in advance to direct debiting of their investment account.

GCM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Plan Investment Management

One-fourth of the annualized Asset Based Fee percentage will be applied to the market value of the Plan assets on a quarterly (calendar) basis. The Asset Based Fee is payable quarterly within thirty (30) days following the end of the calendar quarter. In any partial quarterly payment period, the Asset Based Fee will be applied to the market value of the Plan assets on an identified date during the applicable quarterly period for which Plan Assets were held in the Model Portfolios or underlying individual funds.

Other Fees

Custodian Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.30 means that the mutual fund company charges 0.3% for their services. These fees are in addition to

the fees paid by you to GCM. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

An advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Subsequently, A Client may terminate any of the aforementioned agreements at any time by providing notice to the Adviser in writing. Clients shall be charged pro rata for services provided through to the effective date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser may terminate any of the aforementioned agreements at any time by providing notice to the Client in writing. Clients shall be charged pro rata for services provided through to the effective date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in The Adviser's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

Plan clients are entitled to terminate an Investment Management Agreement within five business days of the execution of this Agreement without incurring a penalty or charge. Otherwise, either party may terminate the agreement upon 30 days prior written notice to the other party.

Compensation Related to the Sale of Security Products

The Adviser does not accept compensation for the sale of securities or other investment products.

ITEM 6: Performance-Based Fees and Side-by-Side Management

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

GCM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

ITEM 7: Types of Clients

Description

GCM generally provides investment advice to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or other business entities (i.e., small businesses).

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$1,000,000 of assets under management, which equates to an annual fee of \$10,000.

When an account falls below \$500,000 in value, the minimum annual fee of \$5000 is charged.

GCM has the discretion to waive the account minimum. Accounts of less than \$1,000,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$1,000,000 within a reasonable time. Other exceptions will apply to employees of GCM and their relatives, or relatives of existing clients.

ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, , and company press releases.

Other sources of information that GCM may use include Morningstar Principia mutual fund information, Dimensional Fund Advisors, Fidelity Investments, academic research from major universities, and the World Wide Web.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a diversified combination of passively-managed mutual funds or exchange-traded funds. Our investment strategy is based on Modern Portfolio Theory and leading academic research conducted at major universities. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

ITEM 9: Disciplinary and Legal Information

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

ITEM 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

GCM is *not* registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

GCM does *not* have arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships

ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The employees of GCM have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

GCM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the *GCM Compliance Manual*.

Personal Trading

The Chief Compliance Officer of GCM is Jerrold A. Grecu. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

ITEM 12: Brokerage Practices

Selecting Brokerage Firms

GCM does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. GCM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Best Execution

GCM reviews the execution of trades at each custodian each quarter. The review is documented in the *GCM Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. GCM does *not* receive any portion of the trading fees.

Soft Dollars

The term ‘soft dollar arrangement’ describes a brokerage practice in which investment advisers use client brokerage commissions to pay for goods or services. This practice can create a conflict of interest when an incentive exists to select a broker-dealer based on an adviser’s interest in receiving the research or product, rather than on best trade execution for the client. GCM does not have an agreement with any broker to participate in a soft-dollar arrangement.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

ITEM 13: Review of Accounts

Periodic Reviews

Account reviews are performed monthly by Jerrold Grecu. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, tax return (if the client requests tax preparation services), and a summary of objectives and progress towards meeting those objectives.

Plan Sponsors and Participants can access performance reports through the applicable Third Party Administrator's website on both a per fund basis as well as a per account basis.

ITEM 14: Client Referrals and Other Compensation

Incoming Referrals

GCM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, personal friends and other similar sources. The firm does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Referrals Out

GCM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. The firm does not directly or indirectly compensate any person who is not a supervised person for client referrals.

ITEM 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. GCM does not provide custody services to its clients for securities. Clients deposit securities directly with the brokerage or bank custodian.

Performance Reports

GCM provides each client with a quarterly report listing current market values of the portfolios, cost basis, calculation of total return, accompanied by a personal letter reviewing the account. Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by GCM. Each client also receives a year-end report listing all realized capital gains and losses, interest and dividends for taxable accounts.

Plan Sponsors and Participants can access performance reports through the applicable Third Party Administrator's website on both a per fund basis as well as a per account basis.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

ITEM 16: Investment Discretion

Discretionary Authority for Trading

GCM accepts discretionary authority to manage securities accounts on behalf of clients. GCM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, GCM consults with the client prior to each trade to obtain concurrence *if* a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. GCM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

ITEM 17: Voting Client Securities

Proxy Votes

GCM does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, GCM will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

ITEM 18: Financial Information

Financial Condition

GCM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because GCM does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.