



Form ADV, Part 2A

High Net Worth and Sub-Advisory

Disclosure Brochure

March 5, 2019

This firm brochure provides information about the qualifications and business practices of Government Portfolio Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (503) 248-9973 or deanne@gpafixedincome.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Any reference to or use of the terms "registered investment adviser" or "registered" does not imply that Government Portfolio Advisors LLC or any person associated with Government Portfolio Advisors LLC has achieved a certain level of skill or training.

Additional information about Government Portfolio Advisors LLC is available on the SEC's website at www.adviserinfo.sec.gov.

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ITEM 2 - MATERIAL CHANGES

In accordance with the SEC's Form ADV requirements, Government Portfolio Advisors LLC ("GPA") reviews and updates this brochure at least annually to confirm that it remains current. The purpose of this page is to inform clients of material changes since it was last updated on March 5, 2018. This brochure is updated annually, and if a client is receiving this brochure for the first time, this section may not be relevant.

No material changes have been made since our last brochure, updated March 5, 2018.

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ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Government Portfolio Advisors LLC ("GPA," "we," "our," or "us") was organized as an Oregon limited liability company in 2013. We have been registered as an investment adviser with the SEC since 2014. We have focused on providing investment advisory services to institutional public fund clients and to non-institutional clients, such as individuals, trusts, estates and charitable organizations. The portfolio advisory services are offered to clients through separately managed accounts and sub-advisory agreements.

Our principal owners are Deanne Woodring, President, and David Westcott, Chief Investment Officer and Chief Compliance Officer.

Advisory Services Offered

GPA provides fixed income investment services on a discretionary basis to non-institutional accounts, such as individuals, trusts, estates and charitable organizations. We also provide sub-advisory services through Concentric Wealth Management, an unaffiliated investment adviser, which such services are guided by the terms of the sub-advisory agreement.

GPA offers investment management, transactions, investment research, portfolio analysis, portfolio reporting and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Our institutional clients are required to maintain full approval authority over securities transactions, and therefore, clients must approve any such recommendations made by GPA before the securities are purchased or sold in their accounts, which is defined as non-discretionary.

We generally invest or make recommendations to invest clients' assets in the following investment types:

- U.S. government debt
- Government agency debt
- Corporate bonds
- Municipal bonds
- Other fixed income securities, such as bankers' acceptances, commercial paper, and certificates of deposit
- Money market mutual funds and cash
- Mortgage-backed and asset-backed securities
- Fixed income mutual funds, ETFs and closed-end funds
- Equity ETF's or mutual funds

Tailored Services and Client Imposed Restrictions

Non-Institutional clients provide us with an investment policy to follow, which is regularly reviewed. GPA manages client accounts based on the client's investment policy and guidelines. Within those parameters, GPA develops a guideline portfolio strategy plan, as discussed below under **Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss**, based on the client's individual circumstances and financial situation. A client's strategic plan is based on

information the client supplies about their financial situation, goals, and risk tolerance. Our recommendations and investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep GPA informed of any changes to their investment objectives or restrictions.

All of our clients may impose restrictions on investing in certain securities, industries or sectors. You must advise us of any such restrictions in writing.

Sub-Advisory Services

GPA provides investment advice to Concentric Wealth Management for separately managed municipal bond accounts pursuant to a sub-advisory agreement.

Assets Under Management

GPA manages its public fund institutional accounts primarily on a non-discretionary basis, but our high net worth services are on discretionary contracts on a continuous and regular basis. As of December 31, 2018, our total assets under management were:

Regulatory Assets Under Management

Discretionary Assets	\$ 1,160,695,111
Non-Discretionary Assets	<u>\$ 11,339,640,801</u>
Total Assets	\$ 12,500,335,912

Consulting Assets Under Advisement

Public Funds	\$7,466,043,502
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Total Regulatory Assets Under Management and Consulting Assets Under Advisement
\$19,966,379,414

ITEM 5 - FEES AND COMPENSATION

Fee Schedule

Investment Management Services

We typically charge non-institutional clients a fixed asset management fee for investment management services, which generally ranges from 20-50 basis points of assets under management as of the initial contract date. Some clients pay more or less than others depending on certain factors, including the type and size of the account, the range of additional services provided to the client, and the total amount of assets managed for a group of related clients. The fee is specified in the contract the client has with us. Client contracts may provide that, if assets under management exceed a stated amount during the term of the contract, the fees are subject to negotiation for the remainder of the term. Any fees based on asset size may be adjusted annually.

Sub-Advisory Services

GPA's compensation under sub-advisory agreements are negotiated separately for each client based on the scope of services provided to that client. GPA calculates sub-advisory fees on either: (a) a fixed fee basis based on a scope of services request and subject to the specific arrangement reached by each client; or (b) an AUM basis. Typically, GPA's sub-advisory compensation ranges from one to ten basis points.

Payment of Fees

GPA's advisory fees for investment management services are typically payable either monthly or quarterly, in arrears, based on the fee provided in the investment management agreement. With client authorization, GPA will automatically withdraw GPA's advisory fee from the client's account held by its custodian. Upon our client's request, we will deduct our entire fee from one or more related accounts rather than proportionally from all related accounts. GPA will invoice based on the agreement terms, and if a client prefers, payment may be made by check or an ACH transfer. If your agreement begins during a payment period, we will prorate the fee you pay for the initial partial payment period, based on the number of days from the beginning of your agreement until the end of the initial payment period.

Either party may terminate the agreement upon thirty (30) days written notice to the other party, and fees will be pro-rated based on the number of days between the end of the 30-day notice period and the end of the payment period. GPA will submit an invoice to the client showing the advisory fees due for services rendered and not yet paid.

Other Fees and Expenses

GPA's fees do not include custodian fees. Clients pay all commissions and other charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees client pays to GPA. See **Item 12 - Brokerage Practices** below for more information on the factors that GPA considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

No Compensation from Sales or Purchases of Securities

GPA and its employees do not accept compensation for the sale or purchase of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

GPA and its employees do not accept "performance-based fees" (fees based on a share of capital gains on or capital appreciation of the client assets).

ITEM 7 - TYPES OF CLIENTS

GPA provides investment management services, on a discretionary basis, to the following types of clients:

- State and Municipal Government Entities
- High Net Worth Individuals and Trusts

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

It is the objective of GPA to develop a strategy based on the client's investment policy and objectives.

- 1) Determine investment fund balances: A target amount for the investment portfolios will be determined,
- 2) Benchmark evaluation: A risk and return assessment is completed to determine an appropriate market benchmark for the investment portfolio,
- 3) Portfolio investment parameters: A portfolio duration range based on historical yields and the benchmark is reviewed and investment policy constraints are applied,
- 4) Credit and asset allocation: Target ranges for asset allocation and credit securities are developed,
- 5) Adoption of the strategy is completed.

Investing Involves Risk

Liquidity Risks:

High quality fixed income securities are marketable securities and are considered highly liquid in regards to selling and purchasing in the open market.

General Risks

Investing in securities involves risk of losing your principal (invested amount) and any profits you have not realized. You should be prepared to bear that risk. The prices of securities held in client accounts and the income generated fluctuate substantially over time. In addition, as recent global and domestic economic events have shown, the performance of any investment is not guaranteed.

Our agreement with you states that we are not liable to you for

- any loss you suffer because of the performance, either historical or prospective, of any investment manager or investment we recommend or make for you
- any loss you suffer because we follow your oral or written instructions
- any act or failure to act by any custodian or broker

Nevertheless, nothing in our agreement constitutes your waiver of any legal right under applicable federal or state securities laws or any other law whose applicability may not be waived through contract. If there is a discrepancy between the information in this brochure and your agreement with us, your agreement will control.

Risks Associated with Investing in U.S. Treasury Securities

U.S. Treasury securities include direct obligations of the U.S. Treasury, such as Treasury bills, notes, and bonds. For these securities, the U.S. government unconditionally guarantees the payment of principal and interest, resulting in the highest possible credit quality. Fluctuations in interest rates subject U.S. Treasury securities to variations in market value. However, they are paid in full when held to maturity.

Risks Associated with Investing in Government Sponsored Enterprise or Federal Agency Obligations

Federal agency securities are neither direct obligations of, nor guaranteed by, the U.S. government. These obligations include securities issued by certain U.S. government agencies and government-sponsored entities. However, they generally involve some form of federal sponsorship: some operate under a government charter; specific types of collateral back some; the issuer's right to borrow from the Treasury supports some; and only the credit of the issuing government agency or entity supports others. These agencies and entities include, but are not limited to, the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and the Tennessee Valley Authority and Federal Farm Credit Bank System.

On September 7, 2008, Freddie Mac and Fannie Mae were placed into conservatorship by their new regulator, the Federal Housing Finance Agency. Simultaneously, the U.S. Treasury made a commitment of indefinite duration to maintain the positive net worth of both firms.

Risks Associated with Investing in Corporate Notes and Bonds

Corporate bonds are debt obligations issued by corporations to borrow money. These are bonds that a corporation issues to raise money for a variety of purposes. The term is usually applied to longer-term debt instruments, generally with a maturity date falling at least a year after the issue date. (The term "commercial paper" is sometimes used for instruments with a shorter maturity.) Corporate notes and bonds are typically rated by S&P, Moody's or Fitch, and GPA will recommend bonds for client portfolios based on the specific rating constraints of the client. GPA maintains ongoing credit rate monitoring of all the bonds held in portfolios. Some corporate bonds have embedded call options that allow the issuer to redeem the debt before its maturity date.

Risks Associated with Investing in Municipal Bonds

Municipal bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds often pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk. Investing in municipal bonds carries risk unique to these types of bonds, which may include:

- **Legislative Risk** – Legislative risk includes the risk that a change in the tax code could affect the value of taxable or tax-exempt interest income.
- **Liquidity Risk** – The risk that investors may have difficulty finding a buyer when they want to sell and may be forced to sell at a significant discount to market value. Liquidity risk is greater for thinly traded securities such as lower-rated bonds, bonds that were part of a small issue, bonds that have recently had their credit rating downgraded or bonds sold by an infrequent issuer. Municipal bonds may be less liquid than other bonds.
- **Credit Risk** – Credit risk includes the risk that a borrower will be unable to make interest or principal payments when they are due and therefore default. To reduce investor concern, insurance policies that guarantee repayment in the event of default back many municipal bonds.

Risks Associated with Investing in Mortgage and other Pass-through Securities

GPA may invest client's accounts in various debt obligations backed by pools of mortgages or other assets including, but not limited to, loans on single-family residences, home equity loans, mortgages on commercial buildings, credit card receivables and leases on airplanes or other equipment. Principal and interest payments made on the underlying asset pools backing these obligations typically pass through to investors, net of any fees paid to any insurer or any guarantor of the securities.

Risks Associated with Investing in Bank Deposits and Certificates of Deposit

Banks will issue term certificates of deposit or bank deposits that may be a short-term investment alternative for GPA clients. GPA will follow the client's investment policy constraints guiding bank deposits and collateral.

Risks Associated with Investing in Fixed Income Indexed Mutual Fund and/or Exchange Traded Funds (ETF's)

ETF's and Mutual Funds are shares of a diversified investment company and are registered pursuant to the Investment Company Act of 1940. Certain ETF's and Mutual Funds also invest in fixed-income securities that are listed on a nationally recognized markets and have assets under management in excess of 100 million dollars. These index funds replicate indices of broad based fixed income open market securities.

- Liquidity Risk – In volatile markets, the liquidity of Mutual Funds and ETF's may be impacted due to the nature of the funds. These securities should not be utilized in the liquidity component of any portfolio.
- Pricing Risk – ETF's – NAV versus Market Value -Unlike mutual funds, ETF shares are traded on a national stock exchange and at market prices that may or may not be the same as the net asset value ("NAV") of the shares, that is, the value of the ETF's assets minus its liabilities divided by the number of shares outstanding.

Risks Associated with Investing in Other Debt Securities (Bonds)

GPA may also provide investing advice on other fixed income products that are allowable under the client's investment policy, such as supranational debt. Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater the price changes given interest rate moves.

Certain additional risk factors relating to debt securities include:

- Reinvestment Risk – When interest rates are declining, investors have to reinvest their interest income and any return of principal, whether scheduled or unscheduled, at lower prevailing rates.
- Inflation Risk – Inflation causes tomorrow's dollar to be worth less than today's; in other words, it reduces the purchasing power of a bond investor's future interest payments and principal, collectively known as "cash flows." Inflation also leads to higher interest rates, which in turn leads to lower bond prices.
- Interest Rate and Market Risk – Debt securities may be sensitive to economic changes, political and corporate developments, and interest rate changes. Investors can also expect periods of economic change and uncertainty, which can result in increased volatility of market prices and yields of certain debt securities. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.
- Call Risk – Debt securities may contain redemption or call provisions entitling their issuers to redeem them at a specified price on a date prior to maturity. If an issuer exercises these provisions in a lower interest rate market, the account would have to replace the security with a lower yielding security, resulting in decreased income to investors.
- Mortgage Prepayment Risk – Mortgage backed securities, commercial mortgage backed securities, and other types of consumer related debt generally allow the borrower to prepay or pay off their entire principal balance at any time. This means investors may receive less money than expected to reinvest at a high rate when rates

rise and/or more money than expected to reinvest at a low rate when rates fall. Usually, a bond is called at or close to par value. This subjects investors that paid a premium for their bond to a risk of lost principal. In reality, prices of callable bonds are unlikely to move much above the call price if lower interest rates make the bond likely to be called.

- **Credit Risk** – If the issuer of a debt security defaults on its obligations to pay interest or principal or is the subject of bankruptcy proceedings, the account may incur losses or expenses in seeking recovery of amounts owed to it.
- **Liquidity and Valuation Risk** – There may be little trading in the secondary market for particular debt securities, which may affect adversely the account's ability to value accurately or dispose of such debt securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of debt securities.

It may be possible to reduce the risks described above through diversification of the client's portfolio and by credit analysis of each issuer, as well as by monitoring broad economic trends and corporate and legislative developments, but there can be no assurance that we will be successful in doing so. Credit ratings for debt securities provided by rating agencies reflect an evaluation of the safety of principal and interest payments, not market value risk. The rating of an issuer is a rating agency's view of past and future potential developments related to the issuer and may not necessarily reflect actual outcomes. There can be a lag between the time of developments relating to an issuer and the time a rating is assigned and updated.

Bond rating agencies may assign modifiers (such as +/-) to ratings categories to signify the relative position of a credit within the rating category. Unless we state otherwise, clients should include any security within that category without considering the modifier when reading their investment policies based on ratings categories.

ITEM 9 - DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management.

GPA and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. GPA does not have any disciplinary information to disclose.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

We are obligated to disclose if we, any of our "supervised persons" (meaning our employees and independent contractors), or any of our affiliates are involved in other financial industry activities, such as those of a broker-dealer, commodity pool operator or a futures commission merchant. We are also obligated to disclose if we receive compensation from other advisers for recommending or selecting those advisers for you. GPA does not have any financial industry activities or affiliations to disclose.

GPA has a sub-advisory agreement with Concentric Wealth Management to provide separately-managed fixed income advisory services for high net worth individuals. GPA's compensation under the sub-advisory agreements is negotiated separately for each client based on the scope of services provided to that client.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

We have adopted a code of ethics that applies to all of our supervised persons and emphasizes the high standards of conduct and fair dealings we place on the interests of our clients. Our Chief Compliance Officer ("CCO") administers and enforces our code of ethics. Our clients may request a copy of our code of ethics by contacting our CCO, David Westcott, at (503) 248-9973 or the address on the cover page of this brochure.

Our code of ethics requires our supervised persons to:

- Comply with applicable federal and state securities laws
- Conduct themselves with integrity and act ethically in their dealings with the public, clients and professional associates
- Fulfill their duty of loyalty by acting solely in our clients' best interests
- Strive to provide long-term client satisfaction
- Disclose any conflict of interest
- Adhere to our policies limiting the giving or receiving of gifts and business entertainment
- Adhere to our policies limiting the giving of political contributions
- Report any violation of our compliance manual to our CCO as soon as possible

Participation or Interest in Client Transactions and Personal Trading Practices

GPA and our supervised persons may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for a client's account. GPA and our supervised persons may purchase or sell securities for themselves that we also recommend for clients. This includes related securities (e.g., warrants, options, or futures). This presents a potential conflict of interest, as we may have an incentive to take investment opportunities from clients for our own benefit, favor our personal trades over client transactions when allocating trades, or use the information about the transactions we intend to make for clients to our personal benefit by trading ahead of clients.

Our policies to address these conflicts include the following:

- GPA prohibits trading in a manner that takes personal advantage of price movements caused by client transactions.
- GPA prohibits any employee from purchasing or selling on the same day the same security that was purchased or sold by a GPA client.
- Except as otherwise noted below, GPA requires our personnel to obtain pre-approval from the Chief Compliance Officer for personal trades that present potential conflicts.
- GPA requires our personnel to report personal securities transactions on a quarterly basis.
- GPA does not typically aggregate orders for clients in the same securities, nor does it aggregate trades in like securities among client accounts together with accounts of GPA and our supervised persons.

Under certain limited circumstances and when it does not impose conflicts upon our clients, we make exceptions to the policies stated above. GPA will maintain records of these trades, including the reasons for any exceptions.

ITEM 12 - BROKERAGE PRACTICES

Broker Selection

GPA's clients maintain one or more accounts with an independent qualified custodian of the client's choice. Each client has a separate process for custodian selection that is independent of GPA. GPA presents an investment proposal analysis (IPA) on each transaction. If the client is a non-discretionary client, the client must approve the transaction and the terms of the transaction prior to execution. GPA will execute the trade on a competitive bidding process with an approved broker/dealer list. The broker/dealer list will be presented to the client for approval and will be updated periodically. The broker/dealer list submitted for approval will be composed from a field of qualified broker/dealers and will be selected based on the following criteria:

- pricing
- service execution
- financial stability and reputation
- financial strength
- firm history
- individual broker FINRA report review

Research and Other Soft Dollar Benefits

GPA pays for its research from several vendors and utilizes Bloomberg for analytical research.

GPA does not receive any soft dollar benefits. GPA has reviewed potential soft dollar relationships and has concluded that soft dollars relationships in treasury and agency securities are not offered by GPA's primary vendors.

Directed Brokerage Transactions

Clients are discouraged from directing GPA to use a particular broker-dealer for all trading. Upon a client's request, GPA may add a broker-dealer to its approved list, but the determination as to which broker-dealer(s) will be used for specific transactions remains in GPA's discretion.

Aggregation and Allocation of Transactions

GPA does not typically aggregate transactions. In order to meet the non-discretionary advisory services requirements of most of our clients, GPA requires prior approval for each transaction before execution. GPA presents investment proposals that are specific to the individual needs of each client and receives verbal confirmation that instructs GPA to proceed with the security transaction. We execute each transaction in the order of receipt from each client.

Trade Error Policy

When placing trades for client accounts, investment advisers owe clients a duty of care to place orders correctly and promptly resolve any trade errors identified. If a trade error occurs, we will make the client whole, so it is not disadvantaged. Any net gain resulting from an error will be held in a separate bank account specifically allocated for trade errors.

ITEM 13 - REVIEW OF ACCOUNTS

We manage portfolios on a continuous basis and generally review all positions in client accounts at least monthly. We offer account reviews to clients on a periodic basis depending on the scope of services defined in a client advisory agreement with GPA. The Portfolio Advisors conduct all reviews based on a variety of factors. These factors may include but are not limited to stated investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts. A periodic review may occur if there is significant cash flow change in the account, a political event, or a change in the client's financial situation.

Each client receives a written month-end report from GPA that includes an accounting of all holdings and transactions. In addition, GPA provides a written quarterly report that summarizes activity and performance over that period. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Currently, GPA does not have any engagement in any solicitor agreements and does not receive any fees for client referrals.

ITEM 15 - CUSTODY

We do not provide custodial services to our clients. Our client's assets must be held by an independent bank, registered broker-dealer or other "qualified custodian." The client will receive statements directly from the qualified custodian monthly. The statements will reflect funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian and compare these reports to the reports sent from GPA. The information in our reports may vary from your custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities. If the information from your custodial statement differs from the information GPA provides, we encourage you to contact our CCO immediately. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us. GPA does reconcile to our clients bank custodial statements on a monthly basis.

GPA does not have physical custody of clients' funds or securities. However, due to our ability to deduct advisory fees directly from client accounts, GPA is deemed to have custody. GPA will follow the requirements of the Advisers Act, which includes having a reasonable basis the custodian is delivering account statements to our clients directly on at least a quarterly basis.

ITEM 16 - INVESTMENT DISCRETION

GPA primarily offers services on a discretionary basis to non-institutional accounts, such as individuals, trusts, estates and charitable organizations.

When clients grant GPA full discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts. In such cases, GPA will not contact clients before placing trades in their account, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority in the contract and have documents signed with the custodian bank to share information regarding the account.

ITEM 17 - VOTING CLIENT SECURITIES

GPA does not accept or have the authority to vote proxies for client securities. Accordingly, we have not adopted a proxy voting policy. Clients will receive proxies or other solicitations directly from their custodian. We do not provide advice with respect to particular securities solicitations.

GPA does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required to disclose any financial condition that could impair our ability to meet our contractual obligations to you. We must also disclose if we have been the subject of any bankruptcy proceeding within the last 10 years.

We have no such financial condition to disclose to you, and we have never been the subject of any bankruptcy proceeding.