

# **Form ADV Part 2A**

## **Firm Brochure**

**Gregory W Group**

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**April 8, 2015**

This Brochure provides information about the qualifications and business practices of Gregory W Group. If you have any questions about the contents of this Brochure, please contact us at (918) 583-1005 or [danderson@gregorywgroup.com](mailto:danderson@gregorywgroup.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.

Gregory W Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Gregory W Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 24, 2014 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Doug Anderson, President at (918) 583-1005 or [danderson@gregorywgroup.com](mailto:danderson@gregorywgroup.com).

Additional information about Gregory W Group is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Gregory W Group who are registered, or are required to be registered, as investment adviser representatives of Gregory W Group.

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#### **Item 4 – Advisory Business**

Since our founding by Gregory T. Weaver in 1989, we have maintained our independent ownership. Gregory T. Weaver is the sole owner of Gregory W Group. Since our founding, Gregory W Group has emerged as one of the nation's leading investment consulting firms. Our consulting philosophy is to act as our clients' in-house investment counsel. We work closely with our clients in the non-discretionary management of their portfolios and tailor our services to the unique needs of each individual client. Clients may impose restrictions on investing in certain securities or types of securities.

We have provided investment consulting services since our inception. Our clients are state and municipal retirement systems, foundations and endowments, ERISA plan sponsors, healthcare institutions, corporations, and family wealth offices.

Gregory W Group is a completely independent company. Our firm has no affiliations or financial relationships with any investment manager, broker/dealer, bank, insurance company, or other service provider. Independence, coupled with our understanding of how conflicts of interest arise, has ensured that our clients receive unbiased investment consulting services. Gregory W Group does not participate in wrap fee programs and operates in a non-discretionary capacity with respect to client's assets.

#### **Item 5 – Fees and Compensation**

Fees are subject to negotiation.

The specific manner in which fees are charged by Gregory W Group is established in a client's written agreement with Gregory W Group. Gregory W Group will generally bill its clients on a quarterly basis, although some clients choose to be billed monthly. Clients may elect to be billed in advance or arrears each calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Gregory W Group's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Gregory W Group's fee, and Gregory W Group shall not receive any portion of these commissions, fees, and costs.

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

Gregory W Group does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

Gregory W Group provides pension and investment consulting services to state and municipal retirement systems, foundations and endowments, ERISA plan sponsors, healthcare institutions, corporations, and family wealth offices.

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

Methods of Analysis – We provide an array of risk measures in our performance reports which are carefully monitored on a monthly basis. The risk measures that we most widely use include standard deviation, Alpha, Beta, R-squared, Sortino ratio, tracking error, batting average, and Sharpe ratio. Below, please see below a brief statement on the risk measures we typically provide in our client's performance reports.

**Standard Deviation** - A statistical measurement of the historical volatility of a portfolio, typically computed using 36 or 60 monthly returns. This depicts how widely the returns varied over a certain period of time. Investors use the standard deviation of historical performance to try to predict the range of returns that are most likely for a given fund or portfolio. A high standard deviation measure implies greater volatility. Standard deviation is also a component in the Sharpe Ratio, which assesses risk-adjusted performance.

Alpha - A coefficient measuring the risk-adjusted performance. A positive alpha indicates that the portfolio manager has performed better than would be predicted given its beta (volatility).

Beta - A quantitative measure of the volatility of a portfolio, relative to the overall market, usually the S&P 500. Specifically, the performance the portfolio has experienced as the S&P moved 1% up or down.

R<sup>2</sup> - A measurement of how closely a portfolio's performance correlates with the performance of a benchmark index. R-Squared measures what portion of performance can be explained by the performance of the overall market. Ranges from 0 to 1.00, where 0 indicates no correlation and 1.00 indicates perfect correlation.

Sharpe Ratio – A risk adjusted performance measure. The higher the Sharpe Ratio, the better a fund's historic risk-adjusted performance. Formula:  $(\text{Return} - \text{Riskfree Rate}) / \text{Standard Deviation}$

Information Ratio – A risk adjusted measure related to the Sharpe ratio. Rather than comparing a fund return to the risk-free rate, the information ratio uses asset class benchmarks to display added value per unit of risk. Formula:  $(\text{Return} - \text{Benchmark}) / \text{Standard Deviation}$ .

Sortino Ratio – A measure of how effectively a portfolio delivers return per unit of downside risk. Mathematically stated, it is the expected return less the minimum acceptable return, divided by the downside risk score.

Investment Strategies – Gregory W Group attempts to uncover investors who have fundamental-based, repeatable and consistently executable investment strategies. We avoid investment processes that are based on speculation or what might be short-term market conditions. Investment manager searches are serious projects that consume a significant amount of time for us and our clients. We dedicate significant resources to finding the best manager for each client mandate. Our senior professionals are actively involved in investment manager research.

We evaluate a long list of manager search criteria. The following table highlights the two broad areas of evaluation – quantitative and qualitative. Quantitative evaluation is a straightforward process that examines portfolio characteristics to determine “fit” and performance history to establish “skill”. We apply a broad group of risk-adjusting measures to each manager to determine the skill, or added value of their investment process.

<b>INVESTMENT PERSONNEL</b>  Experience Commitment/Retention Proven Skill Compensation	<b>INVESTMENT PHILOSOPHY</b>  Definition Soundness	<b>INVESTMENT PROCESS</b>  Execution of Philosophy Disciplines Research Effort Trading	<b>PRODUCT FIT</b>  Flexibility Consistency Investment Guideline Compliance
<b>GROWTH</b>  Innovation Expansion Asset Growth Staff Additions	<b>PERFORMANCE HISTORY</b>  Verifiable (CFA) Consistent Risk Adjusted Returns Peer Comparison Benchmark Comparison		<b>FEES / EXPENSES</b>  Absolute Fee Asset Base Fees Performance Fees Is $\alpha > \text{Fee}$
<b>QUALITATIVE REVIEW</b>  Consistency of: Regulatory Status Innovation Culture People Management Structure Investment Process Client List Competitive Advantage		<b>QUANTITATIVE REVIEW</b>  Consistent Value Added Performance Risk Adjusted Performance Sector and Industry Strategy Fundamental Portfolio Characteristics Style Review Performance Attribution Trading Cost Review	

*Risk of Loss – Investing in securities involves risk of loss that clients should be prepared to bear.*



## **Item 9 – Disciplinary Information**

There have been no disciplinary actions against Gregory W Group, registered investment representatives Gregory T. Weaver, Douglas J. Anderson, David A. Kay, Colin J. Cornell, or any other employees of Gregory W Group.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Gregory W Group or the integrity of Gregory W Group's management. Gregory W Group has no information applicable to this Item.

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

Gregory W Group is a completely independent company who provides investment consulting services. Our firm has no affiliations, activities or financial relationships with any investment manager, broker/dealer, bank, insurance company, or other service provider. Independence, coupled with our understanding of how conflicts of interest arise, has ensured that our clients receive investment consulting services from an unbiased source.

## **Item 11 – Code of Ethics**

Gregory W Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Gregory W Group must sign and promise to abide by the terms of the Code of Ethics annually, or as amended.

Gregory W Group anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Gregory W Group has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Gregory W Group, its affiliates and/or clients, directly or indirectly, have a position of interest. Gregory W Group's employees and

persons associated with Gregory W Group are required to follow Gregory W Group's Code of Ethics.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Gregory W Group will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Gregory W Group's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Gregory W Group and its clients.

Gregory W Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Doug Anderson, President at [danderson@gregorywgroup.com](mailto:danderson@gregorywgroup.com).

## **Item 12 – Brokerage Practices**

Gregory W Group is not affiliated with a broker dealer. We do not have any business relationship with any broker dealer. Research and Other Soft Dollar Benefits – Gregory W Group does not participate in soft dollar benefit arrangements. Brokerage for Client Referrals – Gregory W Group does not participate in client referral arrangements.

### **Item 13 – Review of Accounts**

Gregory W Group's Consultants monitor and review all client accounts at a minimum frequency of monthly, and during times of dislocation or upheaval within the financial markets such as what we experienced in 2008, significantly more frequently. Our firm is structured to promote dedicated, comprehensive, and highly-tailored service to our clients. Gregory W Group takes pride in its ability to communicate effectively with its clients. Our clients are free to communicate with anyone in our firm. At the outset, most clients communicate with their assigned consultant. Over time, avenues of communication tend to develop based on the nature of a given task or project. For instance, we regularly find our clients' Staffs tend to work closely with our analysts when performing day to day functions while the Board and Staff frequently communicate with their lead consultant when strategic and long-term issues arise. We are highly communicative with our clients and over time, we have discovered that our regional focus ensures our clients receive significant access to their consultants and other resources.

We provide performance reports to all of our clients on a quarterly basis; however each of our clients receives customized services. No two clients are alike, and as such, the service we provide must be unique. We offer our clients complete customization of their performance reports including portfolio data, performance attribution, report design, and the frequency of performance reports. Our clients' performance reports vary from one page to one hundred pages offering a wide range in reporting flexibility. We devote special attention to reporting. We view the clarity, timing, and content conveyed in our reports as a competitive advantage our clients enjoy. We eagerly welcome any and all client input that aids the improvement of our reports. There are no charges associated with such modifications.

For ongoing review, we require our client's managers to answer, on a quarterly basis, our Compliance and Attribution questionnaire. This is a multi-page document requesting both analytic and narrative attribution information. The responses to these documents are referenced against our quarterly market environment studies to weigh the impact of managerial decisions. In addition to documented attribution, our consultants regularly converse with managers regarding client portfolios.

We thoroughly monitor the investment press and a broad network of professionals for up-to-date information about investment management firms. In our view, replacing investment managers is most often caused by organizational issues. Therefore, we monitor organizational changes very closely.

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

Gregory W Group does not receive nor provide compensation related to client referrals. One hundred percent of our revenue is represented by investment consulting fees received from clients.

#### **Item 15 – Custody**

Gregory W Group does not custody securities or assets on behalf of clients. Clients select whomever they wish as their custodian and receive custodial account statements, at least quarterly.

#### **Item 16 – Investment Discretion**

Gregory W Group operates in a non-discretionary capacity across its client base. Gregory W Group does not manage securities accounts on behalf of clients.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Gregory W Group does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Gregory W Group may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Gregory W Group's financial condition. Gregory W Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Firm Brochure Supplement (Form ADV Part 2B)**

**Gregory T. Weaver**

**Gregory W Group**

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**(918) 583-1005**

**April 8, 2015**

**This Brochure Supplement provides information about Gregory T. Weaver that supplements the Gregory W Group Brochure. You should have received a copy of that Brochure. Please contact Doug Anderson at [danderson@gregorywgroup.com](mailto:danderson@gregorywgroup.com) if you did not receive Gregory W Group's Brochure or if you have any questions about the contents of this supplement. Additional information about Gregory T. Weaver is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Name: Gregory T. Weaver

Year of Birth: 1952

Business Experience: Chairman/Founder at Gregory W Group since 1989

Formal Education: M.B.A. – Southern Methodist University Graduate School of Banking  
B.A. – University of Central Oklahoma

Disciplinary Information: There have been no disciplinary actions against Gregory T. Weaver. Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Other Business Activities: None

Additional Compensation: None

Supervisor: Not applicable

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceedings: None

Bankruptcy Petitions: None

## **Firm Brochure Supplement (Form ADV Part 2B)**

**Douglas J. Anderson**

**Gregory W Group**

**320 S. Boston Avenue, Suite 2200**

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**(918) 583-1005**

**March 24, 2014**

**This Brochure Supplement provides information about Douglas J. Anderson that supplements the Gregory W Group Brochure. You should have received a copy of that Brochure. Please contact Doug Anderson at [danderson@gregorywgroup.com](mailto:danderson@gregorywgroup.com) if you did not receive Gregory W Group's Brochure or if you have any questions about the contents of this supplement. Additional information about Douglas J. Anderson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Name: Douglas J. Anderson

Year of Birth: 1970

Business Experience: President at Gregory W Group since 1991

Formal Education: B.S.B.A. in Finance – University of Tulsa

Disciplinary Information: There have been no disciplinary actions against Douglas J. Anderson. Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Other Business Activities: None

Additional Compensation: None

Supervisor: Gregory T. Weaver, Chairman of Gregory W Group

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceedings: None

Bankruptcy Petitions: None

## **Firm Brochure Supplement (Form ADV Part 2B)**

**David A. Kay**

**Gregory W Group**

**320 S. Boston Avenue, Suite 2200**

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**March 24, 2014**

**This Brochure Supplement provides information about David A. Kay that supplements the Gregory W Group Brochure. You should have received a copy of that Brochure. Please contact Doug Anderson at [danderson@gregorywgroup.com](mailto:danderson@gregorywgroup.com) if you did not receive Gregory W Group's Brochure or if you have any questions about the contents of this supplement. Additional information about David A. Kay is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Name: David A. Kay

Year of Birth: 1984

Business Experience: Executive Vice President at Gregory W Group since 2004

Formal Education: B.S.B.A. in Finance – University of Tulsa

Disciplinary Information: There have been no disciplinary actions against David A. Kay. Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

Other Business Activities: None

Additional Compensation: None

Supervisor: Gregory T. Weaver, Chairman of Gregory W Group

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceedings: None

Bankruptcy Petitions: None