



GOFF CAPITAL PARTNERS

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Part 2A of Form ADV: Firm Brochure
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This brochure provides information about the qualifications and business practices of Goff Capital Partners, L.P. ("GCP") Information provided herein is provided in response to instructions and guidance issued in connection with Form ADV Part 2A. You should refer to those materials, including defined terms used therein, in reviewing this brochure. If you have any questions about the contents of this brochure, please contact Hugh Balloch by phone at 203-504-5062 or by fax at 203-504-5068. 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.

Additional information about GCP is also available on the SEC's website at www.adviserinfo.sec.gov. An investment adviser's registration with the SEC does not imply a certain level of skill or training.

ITEM 2. MATERIAL CHANGES

GCP's initial brochure was filed February 14, 2012. The material changes in this annual update are assets under management.

ITEM 3. TABLE OF CONTENTS

ITEM 1. COVER PAGE.....	1
ITEM 2. MATERIAL CHANGES	2
ITEM 3. TABLE OF CONTENTS	3
ITEM 4. ADVISORY BUSINESS	4
ITEM 5. FEES AND COMPENSATION	5
ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
ITEM 7. TYPES OF CLIENTS	7
ITEM 8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS ..	7
ITEM 9. DISCIPLINARY INFORMATION	18
ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	19
ITEM 11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	20
ITEM 12. BROKERAGE PRACTICES.....	23
ITEM 13. REVIEW OF ACCOUNTS.....	24
ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION.....	25
ITEM 15. CUSTODY	25
ITEM 16. INVESTMENT DISCRETION	25
ITEM 17. VOTING CLIENT SECURITIES.....	26
ITEM 18. FINANCIAL INFORMATION	27
ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS	27

* The SEC requires all investment advisers to organize their disclosure documents according to the specific categories listed above, some of which may not pertain to GCP's business. When a required category is not relevant to our business, we list the category and state that it does not apply.

ITEM 4. ADVISORY BUSINESS

Description of the Adviser

Goff Capital Partners, L.P. ("GCP") is an investment adviser organized as a Texas limited partnership. GCP previously conducted its business under the name of GMSP Operating Partners, LP. GCP was formed, and has been providing investment advisory services, since February 26, 1998. GCP is owned by our three managing principals: John Goff, Hugh Balloch and Conrad Suszynski. Messrs. Goff, Balloch and Suszynski are the limited partners of GCP. GMSP, L.L.C. is the general partner of GCP, and each of Messrs. Goff, Balloch and Suszynski serve as managers of GMSP, L.L.C.

GCP was formed by John Goff on February 26, 1998 under the name GMSP Operating Partners, LP to serve as the investment advisor to Goff Moore Strategic Partners, L.P. ("GMSP") with a broad investment mandate to invest in a range of public and private investments. Hugh Balloch and Conrad Suszynski joined the firm as managing principals and investors in 1999 and 2006 respectively. In 2007, GMSP Operating Partners, LP changed its name to Goff Capital Partners, L.P.

Description of Advisory Services

GCP provides investment advisory services utilizing several different strategies and types of investment vehicles. Asset types that GCP has invested in include bank loans, high yield credit, distressed debt, structured products, real estate assets, and long/short equities. GCP acts as an investment adviser to entities that are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act"), and whose securities are not registered under the Securities Act of 1933, as amended (the "Securities Act") (each, a "Fund" or "Client" and collectively, the "Funds" or "Clients"). As the investment adviser to the Funds, GCP's services consist of identifying opportunities and acquiring, managing, monitoring, and disposing of investments of the Funds. Investment advice is provided directly to the Funds, subject to the discretion and control of the general partner or the board of directors of the applicable Fund. Advice is not provided individually to the limited partners or shareholders of the Funds.

GCP typically enters into investments and investment management arrangements with capital sources by documenting the expected business in the specific relationship in a written agreement. Each such arrangement is unique, frequently reflecting the type of assets to be acquired, target returns, compensation, expected life of the investments and relationships, degree of exclusivity and dedicated resources to the particular arrangement. GCP may invest for more than one entity at the same time, but in the past has committed to various degrees of exclusivity for the active Fund(s). Where a Fund has a narrowly defined focus, GCP typically only actively invests in targeted investments on behalf of that Fund, while continuing to manage the investments of all of our Funds to maximize returns. GCP may organize additional investment funds to those currently managed or may manage investment funds or separately managed accounts that may either co-invest with the Funds or follow an investment program similar to or different from the Funds' program.

Services are provided to the Funds in accordance with the asset management agreements with the Funds and/or organizational documents of the applicable Fund. Investment restrictions for the Funds, if any, are generally established in the organizational or offering documents of the applicable Fund.

Client Assets Managed

As of December 31, 2012, GCP manages approximately \$2,297,000,000 of Client assets as follows:

Figures are in US\$ thousands

	<i>Discretionary</i>	<i>Non-Discretionary</i>	<i>Total</i>
<i>Total Assets Under Management</i>	<i>\$1,943,000</i>	<i>\$354,000</i>	<i>\$2,297,000</i>

By Vehicle Type

<i>Structured Product Vehicles</i>	<i>\$1,907,000</i>
<i>Unregistered Investment Vehicles</i>	<i>390,000</i>
<i>Total</i>	<i>\$2,297,000</i>

ITEM 5. FEES AND COMPENSATION

As provided under the governing documents of each applicable Fund, GCP or its affiliates may receive from the Funds an asset management fee and/or a profits interest, in addition to other fees as necessary and agreed to (including but not limited to servicing fees, administrative fees, and legal fees). Although GCP has entered into agreements with the Funds providing for these fees, GCP and the general partner of the applicable Fund may negotiate alternative fees on a case-by-case basis with other funds or separate account clients that they manage in the future. The facts and circumstances of each Fund will be considered in determining the fees received by GCP as compensation for advisory services, including the Client's investment strategy, assets under management, account composition, reporting requirements, and any other factors that GCP deems relevant. All such fees will be set forth in a written agreement with each Client.

MANAGEMENT FEES

Unregistered Funds

As compensation for advisory services to these Clients, GCP generally charges a management fee of up to 2.0% annually of contributed equity or a flat fee to cover overhead, in each case calculated and payable quarterly or monthly, either in advance or arrears. Fees are deducted from Client assets or billed directly to the Client, as provided by each Client's asset management agreement. Any such management fees are negotiated during the development of each Fund's management agreement. During the investment period of a Fund, GCP may charge a management fee based on a budget approved by the corresponding Fund's board of directors. In some cases, GCP or its affiliates may be

compensated by receiving an additional equity interest in a Fund in lieu of management fees or cost reimbursement. Upon termination of the applicable Fund, any prepaid management fees are returned on a pro-rated basis.

Structured Product Vehicles

As compensation for our advisory services to these Clients, GCP generally charges a management fee up to 1.00% per annum of principal balance of assets held in the portfolio of structured product vehicles. In the past, management fees have been calculated on a monthly basis on determination dates and paid in advance or arrears.

PERFORMANCE FEES

GCP may also receive a performance fee through a profits interest, which (i) may range from 10% to 20% of profits earned, (ii) may be payable after the achievement of a hurdle rate and/or return of capital, and (iii) may or may not be contingent on the manager of the applicable Fund eclipsing a high-water mark. In some cases, certain Funds may pay a different fee than others based on the terms of their agreement with GCP.

OTHER COMPENSATION

GCP or its related persons may receive additional compensation or other pecuniary benefits due to the nature of our business. Examples of such additional compensation include directors' fees from, or expense reimbursements by, our portfolio companies of which our managing principals are directors, leasing commissions and property management fees.

OTHER EXPENSES

In addition to management compensation, each Fund bears the expenses of its organization and the offering of its interests (including legal and accounting fees, printing costs, travel, "blue sky" filing fees and out-of-pocket expenses). Additionally, each Fund bears all costs and expenses directly related to its investment programs.

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

As disclosed above in Item 5, GCP or an affiliate may receive a profits interest, which is based on the performance of the applicable Fund and which is payable to an affiliate of GCP. GCP does not currently manage any accounts that are charged hourly or flat fees.

CONFLICTS OF INTEREST

GCP may simultaneously manage Funds with performance-based fees and others without performance-based fees. This may present a conflict of interest for GCP to the extent that it gives GCP a financial incentive to favor one Fund over another.

GCP controls this conflict by structuring the fee arrangements with each Fund based upon the expected business of each Fund. Each such arrangement is unique, frequently reflecting the type of assets to be acquired, target returns, compensation, expected life of the investments and relationships, degree of exclusivity and dedicated resources to the particular arrangement. GCP may invest for more than one entity at the same time but in the past has committed to various degrees of exclusivity for the active Fund(s).

More detailed information can be found in the sections titled "Fees and Expenses" and "Brokerage and Custody" in each Fund's offering materials.

ITEM 7. TYPES OF CLIENTS

Our current Clients include unregistered investment funds, structured product vehicles, and proprietary accounts. Investors in the Funds are generally limited partnerships or limited liability companies. Investment advice is provided directly to the Funds, subject to the discretion and control of the general partner or the board of directors of the applicable Fund. GCP does not individually advise any of the investors in the Funds. Interests in the Funds are offered pursuant to applicable exemptions from registration under the 1940 Act and the Securities Act.

There is no minimum initial investment in each Fund and investments are made at the discretion of the general partner of each applicable Fund. GCP does not have a minimum size for a Fund.

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

The items below are types of investment strategies we pursue, although we may pursue all or a portion of these strategies depending upon the circumstances and based on various factors, including macro-economic conditions.

INVESTMENT STRATEGIES

Real Estate Strategy

GCP seeks to produce appropriate risk-adjusted returns by investing in properties, portfolios, operating platforms and companies that need capital. We invest directly and with operating partners with expertise in their local markets. GCP's financial resources, structuring expertise, management capabilities and industry relationships may enhance the operating and financial performance of the assets held by a Fund. GCP will seek to produce target returns and improve the operational performance and capitalization of investments through active asset management while preserving downside protection. GCP generally implements a fundamental value-based approach to all investments. This approach includes keeping a consistent view and focus on the expected value of real

estate assets and cash flows in a stable and balanced market in order to identify opportunities to acquire assets when below this level and liquidate holdings when above. Critical to GCP performance is understanding and analyzing economic, financial, demographic and social factors impacting real estate supply and demand in local markets. GCP approaches opportunities with a comprehensive view of individual and macro factors which are likely to impact the valuation of the asset relative to other real estate or financial assets.

GCP pursues investment opportunities in instances where it perceives compelling value and frequently can improve returns with aggressive asset management. GCP will institute and undertake a proactive asset management program, customized for each investment, and will generally seek to ultimately secure a controlling interest over major investment decisions, including financing, capital expenditures, disposition, annual business plans and budgets, as well as the selection of third-party service providers.

GCP's investments seek to ensure an alignment of interests between the Funds and any property-level operating partners or management teams, by creating a transaction structure that shares risk on the downside and adequately incentivizes the partners or managers at the property-level on the upside.

Reflecting GCP's comprehensive due diligence process and the investment expertise of its investment professionals, each transaction will be reviewed to analyze risk factors, contingency plans, and potential exit scenarios, as GCP believes that an understanding of the downside associated with each investment is integral to ensuring appropriate investment decisions are made. Extensive financial analysis will be prepared and focus on "what-if" scenarios to understand, price and structure and mitigate risk, and GCP will seek to ensure it is adequately managing risk from each investment's acquisition through to exit.

Special Situations Strategy

GCP's special situations strategy employs directional, capital structure arbitrage, relative value, and event-driven investment strategies across various credit markets where GCP holds significant investment experience, primarily the commercial real estate distressed, leveraged loan, high yield and structured debt markets. GCP also utilizes an investment approach to exploit relative value and arbitrage opportunities within these markets. The objective is to maintain low correlation to the broader equity and bond markets, as well as other alternative investment strategies, and to maximize risk-adjusted returns on capital. GCP also looks to implement selected trading strategies to exploit pricing inefficiencies across the credit markets and within each Fund's capital structure.

Private Equity Strategy

GCP seeks to make investments in operating companies through acquisitions and restructurings. In evaluating potential portfolio companies, GCP conducts due diligence to analyze, among other things, the company's market and competitive position within that market, the company's cost and revenue structures, the company's assets, such as brand strength, distribution capability and intellectual property, the company's

management team and compensation structure, the company's contingent liabilities (environmental, regulatory, accounting or otherwise), the company's potential growth opportunities and potential exit strategies.

Structured Finance Investments

GCP may invest in various structured finance instruments, including asset-backed securities, collateralized loan obligations and collateralized debt obligations; and swaps (including total rate of return swaps) whose rates of return are determined primarily by reference to the total rate of return on one or more loans referenced in such instruments. The rate of return on the structured finance instrument may be determined by applying a multiplier to the rate of total return on the reference loan(s). Application of a multiplier is comparable to the use of financial leverage, a speculative technique. Leverage magnifies the potential for gain and the risk of loss, because of a relatively small decline in the value of a reference loan could result in a relatively large loss for the value of a structured finance instrument. Please see the risk factors below relating to leverage.

METHODS OF ANALYSIS

GCP utilizes fundamental and technical analysis methods in evaluating targeted investments.

GCP and the board of directors and/or general partner of the applicable Fund oversee the execution of the Fund's investment strategies by: (i) identifying unique investment opportunities with experienced partners and management teams, (ii) executing a comprehensive due diligence process, (iii) structuring investments in an efficient and flexible manner, (iv) implementing the appropriate business plans for each asset, (v) applying strong portfolio management, and (vi) maintaining and aggressively exploiting diverse exit options. A description of GCP's investment process is provided below.

Investment Sourcing

GCP has broad relationships across the real estate finance, development, investment, operations, and management communities. GCP anticipates that these relationships will generate a substantial flow of investment opportunities, many of which will involve the restructuring of assets, portfolios, operating platforms and companies.

Investment Underwriting

The underwriting process will involve collecting in-depth information about the investment's characteristics, market, competitors and include a forecast of expected future performance. GCP may rely on outside advisors and/or consultants to opine on legal, engineering, environmental, and political risk factors germane to the underwriting process. The process is frequently characterized by a series of ongoing collaborative discussions and debates among the members of the GCP investment team, with a fundamental philosophy of seeking to challenge or disprove any proposed investment thesis. GCP's investment team has significant experience in most major property markets and employs a highly analytic, disciplined and value-driven approach. The GCP team

endeavors to avoid confirmation bias by actively seeking divergent views and non-conforming facts.

Investment Committee

Certain of our Funds have an investment committee, which is responsible for approving each investment by the corresponding Fund. The committee is comprised of senior members of GCP, each with substantial principal investment experience, and may also contain a representative of a Client or Clients who may or may not have voting rights. A formal investment committee memorandum is prepared and presented to the investment committee of the applicable Fund for final approval of each investment.

Asset Management

GCP will be actively engaged in the strategic asset management decisions that drive value, namely operating and business plans and budgets, capital expenditures, leasing, repositioning, financing, refinancing and exit. GCP will institute and undertake a proactive asset management program customized to the nature, structure and characteristics of each investment and the expertise and capabilities of each operating partner or management team at the property-level. Because the real estate and financial markets are highly volatile, GCP anticipates variances from this plan as investments season, and accordingly, asset management programs and exit strategies will remain flexible and will be adapted to changing market dynamics, the macro-economic environment, capital markets, and local real estate fundamentals.

Exit Options

Ideally, GCP seeks investments with multiple identifiable exit strategies. In the case of real property these may range from simple property sales to public capital markets transactions. Liquidating transactions may include single asset sales or portfolio sales to individual buyers, private investment funds, publicly held companies or institutional investors. Entity or platform level investments secured by underlying real estate offer an additional exit strategy through a sale of the company as a whole. Consideration received as a result of an exit may include cash, restricted and unrestricted securities of publicly or privately held companies or partnership interests in new ventures. Financial instruments and securities will typically be sold through a competitive process with broker dealers, but direct placements to end investors is also possible.

RISK OF LOSS

The investment strategies for each Fund involve a high degree of uncertainty. The possibility of partial or total loss of capital will exist in connection with such strategies, and investors should not invest unless they can readily bear the consequences of such loss. The following risk factors are generally applicable to GCP's Clients. However, additional risk factors, including risk factors that are specific to a particular Fund's investment strategy, are described in each Fund's private placement memorandum, subscription agreement, or risk disclosure statement.

No Assurance of Investment Returns

GCP cannot assure Clients that investments will generate returns or that returns will be commensurate with the risks of investing in the type of companies and transactions that fall within each Client's individual investment objectives.

General Market Risks

Since 2008, there have been significant and well-publicized dislocations in the market for collateralized debt obligations, structured product securities, bank loans and other fixed income instruments. Such market changes include, but are not limited to, increased delinquencies and defaults in residential and commercial mortgage backed securities, With greater economic risks to these assets and disruption in the international capital markets significant changes in credit spreads, an increased rate of downgrades of rated securities, and significantly reduced liquidity for assets similar to the Funds may result in steep reductions in the market value or a lack of verifiable market quotes for assets that Funds may buy. It could result in an inability of Funds to divest assets to meet short term liquidity demands. Such changes may materially and adversely affect the performance of a Fund's portfolio investments. The entire market or particular instruments traded on a market may decline even if earnings or other factors improve, inasmuch as the prices of such instruments are subject to numerous economic, political, psychological and other factors that have little or no correlation to the performance of a particular company.

Inflation Risk

Client accounts are exposed to the risk that the value of the portfolio assets or income will decrease as inflation shrinks the purchasing power of a currency.

Hedging

A Fund may elect to hedge against market movements or the credit or other risks of any particular portfolio investment, whether by means of a derivative or other financial product or instrument. To the extent that a Fund engages in certain hedging transactions, there can be no assurances that such hedging, even if undertaken, will insulate such Fund from risks, and hedging techniques (whether via a derivative or other product or instrument) may give rise to certain costs and additional risks, including a risk of the total loss of any amounts invested in hedging instruments.

GCP may utilize financial instruments both for investment purposes and for risk management purposes in order to (1) protect against possible changes in the market value of a Client account resulting from fluctuations in the markets and changes in interest rates, (2) protect the unrealized gains in the value of a Client account, (3) facilitate the sale of any such investments, (4) enhance or preserve returns, spreads or gains on any investment in a Client account, (5) hedge against a directional trade, (6) hedge the interest rate or credit on any financial instruments, or (7) act for any other reason GCP deems appropriate. For a variety of reasons, GCP may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Such situations may prevent a Client from achieving the intended hedge or expose a Client to risk of loss. It should be noted that a Client account will be exposed to certain risk that cannot be hedged.

Regulation & Enforcement; Litigation

The Funds are subject to regulation by laws at local and national levels and in multiple jurisdictions, including foreign countries. Specific and general regulations addressing capital markets and real estate related debt investments, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of investments, and the costs of operating the Funds. Additional regulation could also increase the risk of third-party litigation. On July 21, 2010 the President signed into law major financial services reform legislation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). The Dodd-Frank Act, among other things, grants regulatory authorities such as the Commodity Futures Trading Commission and the SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives market. It is unclear how these regulators will exercise these revised and expanded powers and whether they will undertake rulemaking, supervisory or enforcement actions that would adversely affect the Funds or investments made by the Funds.

Risks Inherent to Real Estate Market

The Funds will primarily invest in debt and equity investments related to real estate. Real estate historically has experienced significant fluctuations and cycles in performance that may result in reductions in the value of the Funds' investments. The performance and value of a Client's investments once acquired depend upon many factors beyond such Fund's control. The ultimate performance and value of a Client's investments are subject to the varying degrees of risk generally incident to the ownership and operation of the properties in which the Fund will invest and which collateralize or support its investments. The ultimate performance and value of a Client's investments depend upon, in large part, such Fund's ability to operate each investment, so that it produces sufficient cash flows necessary either to pay the interest and principal on debt used to finance the Fund's investments or pay the Client as an equity investor. Revenues and cash flows may be adversely affected by:

- changes in national or local economic conditions;
- changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics;
- competition from other properties offering the same or similar services;
- changes in interest rates and in the state of the debt and equity capital markets;
- the ongoing need for capital improvements, particularly in older building structures;
- changes in real estate tax rates and other operating expenses;
- adverse changes in governmental rules and fiscal policies, civil unrest, acts of God, including earthquakes, hurricanes and other natural disasters, acts of war or terrorism, which may decrease the availability of or increase the cost of insurance or result in uninsured losses;
- adverse changes in zoning laws;

- the impact of present or future environmental legislation and compliance with environmental laws;
- the impact of lawsuits which could cause the Funds to incur significant legal expenses and divert management's time and attention from the day-to-day operations of the Funds; and
- other factors that are beyond the Fund's control and the control of the property owners.

Tenant Credit Risk

A Fund may invest in properties in which tenant leases will generate a significant portion of the Fund's revenue. As a result, any such Fund is subject to the credit risk of their tenants. In particular, local economic conditions and factors affecting the industries in which the Fund's tenants operate may affect the tenants' ability to make lease payments. In the event that the Fund's tenants default on their leases and fail to make rental payments when due, there could be a significant decrease in the Fund's revenues. This loss of revenues could adversely affect the Fund's profitability and its ability to meet their financial obligations. In addition, a Fund may be unable to locate replacement tenants in a timely manner or on comparable or better terms if tenants default on their leases.

Borrower or Issuer Credit Risk

GCP may engage in transactions on behalf of Clients in securities and financial instruments that involve counterparties that, under certain circumstances, could default in their obligations, or the market for certain securities and/or financial instruments may become illiquid. There is a risk that the loan borrower or issuer of a fixed income security will be unable to make timely principal and interest payments. GCP may invest on the behalf of certain Clients in securities rated below investment grade, which means that such securities are predominantly regarded as speculative with respect to the issuer's continuing ability to meet principal and interest payments. Securities are subject to varying degrees of credit risk, which may be reflected in ratings should they be assigned by commercial rating companies.

Lack of Liquidity of Investments

Real estate investments are relatively or highly illiquid. Such illiquidity may limit the ability of a Fund investing in real estate related assets to vary their investment portfolios in response to changes in economic and other conditions.

Illiquidity may result from the absence of an established market for investments as well as the legal or contractual restrictions on their resale. In addition, illiquidity may result from the decline in value of a property comprising a Fund's investments. GCP cannot assure a Fund that the fair market value of any property held by that Fund will not decrease in the future, leaving any of such Fund's investments relatively illiquid.

Investments in publicly-traded companies (including publicly-traded real estate investment trusts or "REITs") may also be subject to legal or contractual restrictions on sale, including the possibility that the general partner of a Fund, on behalf of the Fund, will be in possession of material non-public information about any such publicly-traded

company. In addition, the ability to exit an investment through the public market will depend on market conditions, and particularly the market for initial public offerings. The possibility of partial or total loss of capital will exist. Furthermore, the Funds may invest in loans with maturity dates that are later than the dates such Funds are expected to terminate. As a result, a Fund may have to sell, distribute or otherwise dispose of its investments at a disadvantageous time as a result of dissolution.

Leverage

Funds may borrow and may utilize various other forms of leverage, and generally expect to operate with a significant leverage ratio. Although leverage presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the total return of the leveraging Fund will decrease. Accordingly, any event which adversely affects the value of a portfolio investment would be magnified to the extent a Fund is leveraged. The cumulative effect of the use of leverage by a Fund in a market that moves adversely to the Fund's investments, or in the event portfolio investments experience credit quality deterioration, could result in a substantially greater loss to the Fund than if the Fund had not been leveraged. In addition, contractual demands by lenders to a Fund to reduce its leverage may force such Fund to sell investments on an emergency basis at prices less than those obtainable in a more orderly liquidation. To the extent that a creditor has a claim on a Fund, such claim would be senior to the rights of an investor in the Fund. As a result, if a Fund's losses were to exceed the amount of capital invested, an investor could lose its entire investment.

Financing Arrangements

To the extent that a Fund enters into financing arrangements in the future, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, this could result in a substantial loss for the Fund. Also, Funds may, in the future, enter into financing arrangements that contain financial covenants that could require them to maintain certain financial ratios. If a Fund were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately, in whole or in part, together with any attendant costs, and the Fund might be forced to sell some of its assets to cover such costs. The applicable Fund might also be required to reduce or suspend distributions or dividends to stockholders, as applicable. Such financial covenants would also limit the ability of the applicable Fund to adopt the financial structure (e.g., by reducing levels of borrowing) which it would have adopted in the absence of such covenants. In addition, pursuant to the partnership agreements of certain Funds, the general partner of the Fund is permitted to pledge the capital commitments of the limited partners of the Fund to secure financing arrangements for the Fund. The limited partners of the Fund may be required to honor their capital commitments to permit the Fund to pay debt rather than to make investments.

Environmental Liability

The Funds may be exposed to substantial risk of loss arising from investments involving undisclosed or unknown environmental, health or occupational safety matters, or inadequate reserves, insurance or insurance proceeds for such matters that have been previously identified. Through its interest in real estate, a Fund may be subject to a wide range of environmental, health and safety laws, ordinances and regulations, including, without limitation, those relating to the investigation, removal, and remediation of past or present releases of hazardous or toxic substances. Such laws may impose joint and several liability, which can result in a party being obligated to pay for greater than its share, or even all, of the liability involved. Such liability may also be imposed without regard as to whether the owner or operator knew of, or caused, the presence or release of such substances. Environmental liabilities are generally not limited under such laws and could exceed the value of the relevant property and/or the aggregate assets of the responsible party. The presence of such substances, or the failure to properly remediate related contamination, may adversely affect the marketability of the real estate or the value of such property as collateral, which could have an adverse effect on returns on investments. In addition, some environmental laws create a lien on contaminated property in favor of the government for costs it incurs in connection with the contamination. In addition to clean-up actions brought by governmental agencies and private parties, the presence of hazardous substances on a property may lead to claims of personal injury, property damage or other claims by private plaintiffs. Moreover, the ability of a Fund to insulate itself against any such environmental liability through the performance of environmental due diligence of the nature customarily performed in the U.S. may be limited in certain foreign countries.

It is GCP's practice to obtain and rely upon the analysis of third party experts in the field of environmental matters. We select from recognized regional and national firms when hiring environmental consultants and avoid investing where environmental risks are present.

Investments in Non-Performing Assets

The Funds may make investments in nonperforming or other troubled assets that involve a high degree of financial risk. Investments in properties which require restructuring or workouts or operating under bankruptcy protection laws may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of a Fund's original investment. In addition, under certain circumstances, payments to a Fund or distributions to a Fund's limited partners may be reclaimed if any such payments or distributions are later determined to have been fraudulent conveyances or preferential payments under applicable law. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt or as equity contributions.

Investments in Distressed Assets

GCP may invest in distressed assets on behalf of one or more of the Funds. Debt obligations and other securities of distressed companies will by their nature relate to companies in unstable financial condition and entail substantial inherent risks. Consequently, many of these companies will likely have significantly leveraged capital structures, making them highly sensitive to declines in revenues and to increases in expenses and interest rates. The leveraged capital structure of such investments will increase the exposure of the portfolio companies to adverse economic factors such as downturns in the economy or deterioration in the condition of the portfolio company or its industry. Distressed investing also involves significant expenses of legal counsel, experts, consultants and other third parties.

Investments in Equity Securities

Investments in public equities are subject to the risk that stock prices will fall over short or long periods of time. In addition, common stock represents a share of ownership in a company, and rank after bonds and preferred stock in their claim on the issuer's assets in the event of bankruptcy.

Investments in Foreign Securities

We may invest Client assets in securities of companies domiciled or operating in one or more foreign countries. Investing in foreign securities involves considerations and possible risks not typically involved in investing in securities of companies domiciled and operating in the U.S., including instability of some foreign governments, the possibility of expropriation, limitations on the use or removal of funds or other assets, foreign currency risk, changes in governmental administration or economic or monetary policy (in the U.S. or abroad) or changed circumstances in dealings between nations. The application of foreign tax laws (e.g., the imposition of withholding taxes on dividend or interest payments) or confiscatory taxation may also affect investment in foreign securities. Higher expenses may result from investment in foreign securities than would from investment in domestic securities because of the costs that must be incurred in connection with conversion between various currencies and foreign brokerage commissions that may be higher than in the U.S. Foreign securities markets also may be less liquid, more volatile and subject to less governmental supervision than in the U.S., including lack of uniform accounting, auditing and financial reporting standards and potential difficulties in enforcing contractual obligations.

Investments in Structured Finance Instruments

GCP may cause Clients to invest in structured finance instruments. A portion of leveraged loans, high yield debt securities, structured finance instruments and synthetic securities (collectively, the "Collateral Debt Obligations") may consist of equipment trust certificates, collateralized mortgage obligations, collateralized bond obligations, collateralized loan obligations or similar instruments. Structured finance instruments may present risks similar to those of the other types of Collateral Debt Obligations in which the Client may invest and, in fact, such risks may be of greater significance in the case of structured finance instruments. Moreover, investing in structured finance instruments may entail a variety of unique risks, including prepayment risk. In addition, the

performance of a structured finance instrument will be affected by a variety of factors, including its priority in the capital structure of the issuer thereof, the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans or other assets that are being securitized, remoteness of those assets from the originator or transferor, the adequacy of and ability to realize upon any related collateral and the capability of the servicer of the securitized assets.

Investments in Synthetic Securities

GCP may cause its Clients to invest in synthetic securities. In addition to credit risks associated with holding non-investment grade loans and high yield debt securities, with respect to synthetic securities, GCP or its Clients will usually have a contractual relationship only with the counterparty of such synthetic securities, and not the obligor on a reference obligation (the "Reference Obligor"). Such agreement generally stipulates that GCP, an affiliate of GCP or its Client will have no right to directly enforce compliance by the Reference Obligor with the terms of the reference obligation (defined herein as the debt security or other obligation upon which the synthetic security is based), nor any rights of set-off against the Reference Obligor, nor have any voting rights with respect to the reference obligation. In addition, in the event of insolvency of the counterparty, the Client will be treated as a general creditor of such counterparty, and will not have any claim with respect to the reference obligation. Consequently, the Client will be subject to the credit risk of the counterparty as well as that of the Reference Obligor. As a result, concentrations of synthetic securities in any one counterparty subject the notes to an additional degree of risk with respect to defaults by such counterparty as well as by the Reference Obligor. GCP may not perform independent credit analyses of the counterparties, any such counterparty, or an entity guaranteeing such counterparty, individually or in the aggregate.

Investments in Senior Secured Loans

Senior secured loans have significant credit risks and material losses may occur. As with other debt obligations, claims and collateral may be difficult to enforce in the event of a default. No assurance can be made that full or significant recovery of principal and/or interest will be received or that any collateral recovered will be marketable or sufficient.

Derivatives Risk

Derivatives, such as futures and options, are subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. Derivatives also expose a Fund to the credit risk of the derivative counterparty. Derivative contracts may expire worthless and the use of derivatives may result in losses to the Fund.

Illiquid Securities

GCP may cause a Fund to invest in a security that is illiquid. This could present a problem in realizing the prices quoted (selling a bond at or near its true value) and in effectively trading the position(s). The primary measure of liquidity is the size of the spread between the bid price and the offer price quoted by a dealer. The greater the dealer

spread, the greater the liquidity risk. Liquidity risk is less relevant for investments that are intended to be held until maturity. Lack of liquidity means GCP may not be able to sell such investments at prices that reflect GCP's assessment of their value or the amount paid for such investments. Illiquidity may result from the absence of an established market for the investments as well as legal, contractual or other restrictions on their resale by GCP and other factors. Furthermore, the nature of GCP's investments, especially those in financially distressed companies, may require a long holding period prior to profitability.

Market or Interest Rate Risk

The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities fall. If a Client holds a fixed income security to maturity, the change in its price before maturity will have little impact on the Client's performance. However, if the Client has to sell the fixed income security before the maturity date, an increase in interest rates may result in a loss. Senior secured bank loans generally pay interest at rates that are determined periodically by reference to a base lending rate plus a premium. These rates often are re-determined either daily, monthly, quarterly or semi-annually. Recently, domestic and international markets have experienced a period of acute stress starting in the real estate and financial sectors and then moving to other sectors of the world economy. This stress has resulted in unusual and extreme volatility in the equity and debt markets and in the prices of individual investments. These market conditions could add to the risk of short-term volatility of investments.

Valuation of Portfolio Investments

From time to time, special situations affecting the valuation of the investments (such as limited liquidity, unavailability or unreliability of third-party pricing information and acts or omissions of service providers to the Fund) could have an impact on the value of a Client's investment, particularly if prior judgments as to the appropriate valuation of an investment should later prove to be incorrect after a net asset value-related calculation or transaction is completed. Generally, GCP is not required to make retroactive adjustments to prior subscription or withdrawal transactions, management fees or performance allocations based on subsequent valuation data. In addition, GCP may, but is not required to, discount the value of its positions due to limited liquidity, concentration levels or for other reasons. Due to the nature of its investments, GCP may not be able to place a precise value on positions and therefore may need to estimate values.

Dependence on Managing Principals

While the management of our Funds is a collaborative effort, each Fund is largely dependent on the advice and services of our three managing principals. If any of our three managing principals, for any reason, ceases to manage one or more of the Funds, the performance of the affected Funds may suffer. In this event, the remaining managing principals would continue to manage the affected Funds, or some or all of our Funds may be dissolved.

ITEM 9. DISCIPLINARY INFORMATION

Item 9 is not applicable to GCP or any of our management persons, as they have no reportable material legal or disciplinary events.

ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Related Broker-Dealers

Neither GCP nor any of our management persons is registered, or has an application pending to register, as a broker-dealer or a registered representative.

Related Futures Commission Merchant/Commodity Pool Operator/Commodity Trading Advisor

Neither GCP nor any of our management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor or as an associated person of any of the foregoing entities.

Related Person Arrangements

One of our managing principals, John Goff, serves as the Chief Executive Officer of Crescent Real Estate Holdings, LLC ("Crescent"). Crescent compensates Mr. Goff or one of his affiliates for the services he provides as CEO of Crescent. In evaluating investment opportunities, Mr. Goff may determine that an opportunity should be pursued by Crescent, as opposed to one of our Funds. This presents a conflict of interest for us to the extent that an investment opportunity is allocated to Crescent instead of to one of our Funds. We address and mitigate this potential conflict by disclosing Mr. Goff's relationship with Crescent to our Clients, and to the extent the Client is sensitive to the conflict, drafting and negotiating the governing documents of the Fund to include non-competition provisions and to otherwise address the allocation of opportunities as between the Fund and Crescent.

Through its management of Client assets, GCP has control of Gainsco, Inc., which is engaged in the property and casualty insurance business and writes business policies in the nonstandard personal automobile market. GCP has the right to vote 25% or more of Gainsco Inc.'s voting stock. In addition, John Goff serves on the board of directors of Gainsco, Inc. GCP may be incentivized to choose Gainsco, Inc. to provide these services over another third party insurance provider.

Employees and representatives of GCP may also own a personal interest in a variety of independent business entities. While such employees and representatives do not typically invest in business entities that would create a direct conflict of interest with a Client's interest, a conflict of interest may arise. If such a conflict did arise, GCP and such employees would take action to minimize any such conflict and take action in accordance with the Clients' organizational documents and GCP's code of ethics and standards of conduct to resolve the conflict.

Affiliated Advisers

GCP does not currently have any affiliated advisers. We do not recommend or select other investment advisers for our Clients, for compensation or otherwise, nor do we have a business relationship with an adviser that may create a material conflict of interest.

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

CODE OF ETHICS

GCP maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted, and is committed to enforcing, a Code of Ethics. Our Code of Ethics applies to each employee of GCP and any other "access person" of GCP, and we obtain a written acknowledgment on behalf of each employee or access person of GCP that they have read the provisions of the Code of Ethics carefully and agree to conduct business on behalf of GCP in accordance with the Code of Ethics. Our Code of Ethics is designed to ensure compliance with legal requirements and with our standard of business conduct, to reduce actual and potential conflicts of interest and to initiate certain "best practices" to ensure that our employees and access persons place the interests and integrity of our Clients above their own personal interests. Sanctions for noncompliance with GCP's Code of Ethics vary according to the circumstances, but may include suspension or termination of employment.

The below summary of GCP's Code of Conduct does not purport to be complete and is qualified by reference to the full version GCP's Code of Ethics, a copy of which is available to any Client or prospective Client upon request to our Chief Compliance Officer, Hugh Balloch, whose contact information may be found on the cover page of this brochure.

Standards of Conduct

GCP and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of our Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and GCP or the Client.

Ethical Business Practices

Falsification or alteration of records or reports, also known as a prohibited financial practice, or knowingly approving such conduct, is strictly prohibited. GCP seeks to outperform its competition fairly and honestly and seeks competitive advantages through superior performance, not illegal or unethical dealings.

Confidentiality

Employees must maintain the confidentiality of GCP's proprietary and confidential information, and must not disclose that information unless necessary approval is obtained. GCP has a particular duty and responsibility, as an investment adviser, to safeguard Client information. Information concerning the identity and transactions of investors is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

We expect our partners and personnel to conduct GCP's affairs on an arm's length basis and not to engage in business or financial activities that may conflict with those of our Clients. However, from time to time, GCP's partners, employees or their affiliates may invest alongside the Funds. To ensure that the interests of the Funds remain our priority, GCP requires that all trading in specific positions for partner or employee accounts (or those of their affiliates) to come after any analogous trades are executed for Fund accounts. GCP's partners and other personnel communicate openly and frequently among themselves in order to ensure that the interests of the Funds remain our priority.

PERSONAL TRADING

Our access persons are prohibited from trading "Restricted List Securities" and are only allowed to trade "Watch List Securities" after obtaining prior approval by our Chief Compliance Officer. "Restricted List Securities" are securities of companies that GCP prohibits its access persons from trading due to GCP's actual possession of material nonpublic information about those companies. "Watch List Securities" are securities of companies that access persons are not automatically prohibited from trading, but any such trading of Watch List Securities will be subject to additional review by our Chief Compliance Officer as to whether GCP may be in possession of material, nonpublic information relating to these companies or whether GCP may be sensitive to trading in these securities for other reasons. Access persons who violate the personal trading policy are reprimanded in accordance with the sanctions outlined in the policy and/or the Code of Ethics, which may include suspension or termination of employment. Personal securities transactions are monitored and reviewed by our Chief Compliance Officer or his designee for compliance with our personal trading policy and applicable SEC rules and regulations.

Prohibition Against Insider Trading

GCP forbids any access person from trading, either personally or on behalf of others, including Clients advised by GCP, on material non-public information or communicating material non-public information to others in violation of the law or duty owed to another party. The prohibition of trading while in possession of material non-public information, penalties for insider trading, and processes for identifying insider trading are addressed in detail in our personal trading policy.

Reporting Requirements

In compliance with SEC rules, our personal trading policy requires access persons to disclose all of their personal brokerage accounts and other securities holdings within 10 days of their initial engagement with GCP and annually thereafter. Additionally, no later than 30 days after each quarter-end, all access persons must report all transactions in reportable securities over which the access person had any direct or indirect beneficial ownership.

OTHER POTENTIAL CONFLICTS OF INTEREST

GCP and its affiliates engage in a broad range of activities, including activities for their own account and for the accounts of Clients. In addition to other sections of this brochure describing potential conflicts of interest, this section describes various potential conflicts that may arise in conducting our business, as well as how GCP addresses such conflicts of interest. The discussion below may not be inclusive all conflicts that may arise.

Any of the potential conflicts of interest discussed in this brochure will be discussed and resolved on a case-by-case basis. GCP's determination as to which factors are relevant, and the resolution of such conflicts, will be made using GCP's best judgment, but in its sole discretion. In resolving conflicts, GCP will take into consideration the interests of the relevant Clients, the circumstances giving rise to the conflict and applicable laws.

Material conflicts of interest that may generally be encountered by a Fund include those discussed below and throughout this brochure. Other, specific conflicts may be disclosed in the offering documents relating to each Fund, which materials we advise our Clients to read in their entirety.

Allocation of Investment Opportunities

GCP acts as investment adviser to many Clients that have similar investment objectives and pursue similar strategies. Certain investments identified by GCP may be appropriate for multiple Clients. Investment decisions for such Clients are made by GCP in its best judgment, but in its sole discretion, taking into account such factors as GCP believes relevant and may include investment objectives, regulatory restrictions, current holdings, availability of cash for investment, the size of investments generally, and limitations and restrictions on a Client's account that are imposed by such Client. A particular investment may be bought or sold for only one Client or in different amounts and at different times for more than one but less than all Clients, even though it could have been bought or sold for other Clients at the same time. Likewise, a particular investment may be bought for one or more Clients when one or more other Clients are selling the investment. In addition, purchases or sales of the same investment may be made for two or more Clients on the same date. There can be no assurance that a Client will not receive less (or more) of a certain investment than it would otherwise receive if GCP did not have a conflict of interest among Clients. In effecting transactions, it is not always possible, or consistent with the investment objectives of GCP's various Clients, to take or liquidate the same investment positions at the same time or at the same prices. Certain investment restrictions may limit GCP's ability to act for a Client and may reduce performance.

Regulatory and legal restrictions (including restrictions on aggregated positions) may also restrict the investment activities of GCP and result in reduced performance.

GCP seeks to manage and/or mitigate these potential conflicts of interest by including provisions with respect to the allocation of investment opportunities among its Clients, including the allocation of limited investment opportunities, in the governing documents of each Client sensitive to this conflict. Our allocation policy is based on a fundamental desire to treat each Client account fairly over time. Each Fund is made aware of this potential conflict of interest in the offering materials for such Fund, and the procedures for allocation of investment opportunities are set forth in detail in the governing documents of each Fund.

Capital Structure Conflicts

Conflicts may arise in cases when Clients invest in different parts of an issuer's capital structure, including circumstances in which one or more Clients own private securities or obligations of an issuer and other Clients may own public securities of the same issuer. In addition, one or more Clients may invest in securities, or other financial instruments, of an issuer that are senior or junior to securities, or financial instruments, of the same issuer that are held by or acquired for, one or more other Clients. If such issuer encounters financial problems, decisions related to such securities (such as over the terms of any workout or proposed waivers and amendments to debt covenants) will raise conflicts of interests. For example, a Client holding debt securities of the issuer may be better served by a liquidation of the issuer in which it may be paid in full, whereas a Client holding equity securities of the issuer might prefer a reorganization that holds the potential to create value for the equity holders.

GCP has adopted policies and procedures to manage any conflicts that arise when Clients hold different pieces of an issuer's capital structure. In accordance with those procedures, GCP typically designates two employees with separate job duties to cover the different parts of the capital structure. These "information barrier walls" are set and each employee manages each Client's investment in the best interest of the Client's representative position. GCP may also use external counsel for guidance and assistance in these circumstances.

Devotion of Time by Managing Principals

The managing principals of GCP may devote a substantial portion of their business time to ventures other than managing the Funds, including ventures unrelated to the business of GCP. Funds managed by such partners may be at a competitive disadvantage to other Funds which are managed by partners or other personnel of GCP that devote their entire attention to GCP's business. We address this conflict by actively monitoring the performance of, and the services provided to, the Fund to ensure that it receives the highest quality services.

ITEM 12. BROKERAGE PRACTICES

Broker-Dealer Selection

GCP has an obligation to obtain "best execution" in Client transactions considering the execution price and overall commission costs paid and certain other factors. Our trading desk route orders to various broker-dealers for execution at their discretion. Where possible, we deal directly with the dealers who make a market in the securities involved, except in those circumstances where it believes better prices and execution are available elsewhere.

Factors involved in selecting brokerage firms include:

- Size of broker
- Reputation
- Quality of service
- Experience
- Financial stability and creditworthiness
- Financial statements
- Regulatory filings
- Standing in financial community
- Ability to handle block trades
- Acceptable record of delivery and payment on past transactions
- Quality of research and investment information provided
- Best available execution
- Market knowledge regarding specific industries and securities
- Access to sources of supply or markets
- Nature of the market for the security

Soft Dollar Arrangements

GCP currently does not have any soft dollar arrangements with any broker-dealer or third party in connection with Client securities transactions, nor does GCP consider research benefits or soft dollar arrangements when selecting or recommending broker-dealers for Client transactions. GCP does receive research benefits from our qualified custodians; however, GCP does not consider these research benefits when selecting or recommending a qualified custodian.

ITEM 13. REVIEW OF ACCOUNTS

Oversight and Monitoring

GCP provides continuous advisory services for the Funds. The portfolio investments of each Fund are primarily reviewed by a team of investment professionals, which currently includes our managing principals, principals, vice presidents, analysts and CFO.

Reporting

We send either audited or unaudited reports to our Funds, depending on the requirements set forth in the governing documents for each Fund. Certain of our Funds have engaged

an independent public accounting firm to prepare audited financial statements of such Funds within 120 days of the end of each fiscal year (or such shorter period as may be set forth in a Fund's operative documents) or as soon as reasonably practicable thereafter. We furnish any Funds not subject to an audit with unaudited quarterly reports reviewing the Fund's performance for such quarter, as well as quarterly letters from GCP. Investors in a Fund receive a quarterly investor statement from the Fund's administrator, which shows capital activity, income (loss), management fees and a pro-forma calculation of any performance reallocation. All of these reports are written.

ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION

From time to time, GCP enters into arrangements whereby a third party provides an economic benefit to GCP for providing advisory services to the Funds. Through these arrangements, GCP pays a fee to an unaffiliated merchant bank or advisor for providing an introduction to a Fund investor, which is typically based on the amount of capital funded to a Fund by the investor, subject to a cap.

ITEM 15. CUSTODY

GCP does not act as the qualified custodian of our Clients' assets. However, to the extent that we have, or are deemed to have, custody of Client assets, unaffiliated qualified custodians maintain physical custody of each such Client's assets, and we confirm each quarter with the custodian that it provides account statements directly to such Clients at their address of record. We encourage our Clients to compare the account statements they receive from their qualified custodians with any performance reports provided by GCP. With respect to these Clients, in order to comply with Rule 206(4)-2, we are also subject to an annual surprise examination with an accountant that verifies that Client funds and securities of which we have, or are deemed to have, custody are held by a qualified custodian in either a separate account for each Client under that Client's name or in accounts that contain only Clients' funds and securities and is under our name as agent or trustee for the Clients.

ITEM 16. INVESTMENT DISCRETION

GCP provides investment advice directly to its Funds pursuant to a written investment management agreement with each Fund, subject to the discretion and control of the general partner or the board of directors of the applicable Fund. GCP does not provide advice directly to the investors in the Funds. Powers of attorney and any restrictions on GCP's authority are set forth in the organizational documents and subscription documents of each Fund. Please refer to the disclosures relating to potential conflicts of interest in connection with allocation of investment opportunities as set forth in Item 11.

ITEM 17. VOTING CLIENT SECURITIES

While we are rarely in a position to cast votes on behalf of our Clients, in the unusual event we are requested to do so, we will accept such authority to vote Client securities in accordance with our voting policies and procedures, summarized below.

GCP will treat voting rights of securities held in a Client's portfolio in a manner that it believes is in such Client's best interests. Initially, GCP will determine whether it is in a Client's best interest for GCP to exercise the Client's voting rights with respect to specific securities. If GCP determines that it is appropriate to exercise voting rights in a particular instance, the matters on which a vote is solicited will be evaluated in light of the Client's investment objectives for the security and to maximize the Client's value as a shareholder. Regularly recurring matters will usually be voted as recommended by the issuer's board of directors or management, but GCP may find, on a case-by-case basis, that it is in the best interest of the applicable Client to vote against such proposals.

Potential conflicts of interest that may arise with respect to the outcome of certain proxy votes include:

- Voting in accordance with a portfolio manager's recommendation where the proxy company or one of its benefit plans has an institutional separate account relationship with GCP or a large investment in one of the Funds.
- GCP having a material business relationship with a proponent of a proxy proposal, participants in a proxy contest or directors or nominee directors of a portfolio company.
- An employee of GCP having a personal interest in the outcome of a particular proxy proposal.

In the event of a conflict of interest, our Chief Compliance Officer will advise as to whether and how the proxy should be voted. GCP is committed to resolving any such conflict in the best interest of the applicable Client(s) before it votes the proxy in question. To resolve the conflict, GCP may take any of the following courses of action:

- Disclose the conflict to the applicable Client(s) and obtain their consent prior to voting.
- Suggest that the applicable Client(s) engage another party to determine how the proxy should be voted.
- Vote in accordance with the recommendation of an independent third party, such as a proxy consultant, research analyst or compliance consultant.

Client(s) may direct a proxy vote at any time by calling or writing to us to inform us of their desired vote.

This summary of GCP's voting policies and procedures does not purport to be complete and is qualified in its entirety by GCP's voting policies and procedures. GCP will make information regarding proxy voting available upon request to any Client and a copy of GCP's voting policies and procedures is available to any Client or prospective Client upon request sent to our Chief Compliance Officer, Hugh Balloch, whose contact information may be found on the cover page of this brochure.

ITEM 18. FINANCIAL INFORMATION

GCP is not required to provide financial statements because it does not serve as a qualified custodian of Client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

GCP is not currently aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to the Funds.

ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Item 19 is not applicable to GCP, as it is not registered with any state securities authority.