

**ANDERSON GROWTH PARTNERS, LLC**

**Part 2A of Form ADV: *Firm Brochure***

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**This brochure provides information about the qualifications and business practices of Anderson Growth Partners, LLC (hereinafter “Adviser” or “AGP”). If you have any questions about the contents of this brochure, please contact us at 205-909-0953 or [rwallington@agpadvisors.com](mailto:rwallington@agpadvisors.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. Registration with the U.S. Securities and Exchange Commission, or any state, as an investment adviser does not imply any level of skill or training.**

**Additional information about Adviser is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Adviser is 138600.**

## **Item 2. Summary of Material Changes**

This is our Firm Brochure prepared according to the U.S. Securities and Exchange Commission's (SEC) current requirements and rules.

This Item discusses specific material changes that were made to the Brochure and provides clients with a summary of such changes. Pursuant to current 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.

*Since our last annual updating amendment in March 2020, our firm has made the following material changes.*

AGP opened three funds in 2020:

- 1) AGP David Capital, LLC
- 2) AGP Focus Capital, LLC
- 3) AGP BRC, LLC

AGP closed two funds in 2020:

- 1) AGP Senvest Partners, LLC
- 2) Anderson Global Small Caps, LLC

Please note, the above summarizes only material amendments made since our firm's last annual amendment.

We are also updating our assets under management as of December 31, 2020 in this current filing.

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#### **Item 4 – Advisory Business**

##### **A. Introduction:**

Anderson Growth Partners, LLC (“AGP”), an Alabama limited liability company, was formed by Clyde B. Anderson in 1998 to serve as the manager of a series of separate limited liability companies and limited partnerships (each, an “Anderson Entity”) that were formed to facilitate investments by various members of the Anderson family and their friends in (a) relatively liquid funds such as hedge funds (collectively, “Public Funds”), (b) relatively illiquid funds such as private equity funds (collectively, “Private Funds”) and c) investments in individual companies, either through directly managed private equity funds or by investing directly in specific companies (collectively, “Direct Investments”). The Public Funds, Private Funds and Direct Investments collectively are referred to as “Anderson Entity” or “Anderson Entities” in this Disclosure Brochure. Mr. Anderson serves as the Managing Member and is the majority owner of AGP. There are no other owners who own more than 10% of the company.

##### **B. Advisory Services:**

AGP provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of each client, i.e., each Anderson Entity. On a regular basis, AGP meets with various entities and individuals who are promoting investments in Public Funds and Private Funds and independently seeks private alternative investment opportunities. AGP makes a determination as to which of these proposed investments might be suitable for various members of the Anderson family and friends thereof (collectively, “Potential Investors”), and then meets individually with the Potential Investors, who in turn make individual decisions as to whether to invest in the corresponding Anderson Entities. Typically, AGP's management services are provided on a discretionary basis. If Potential Investors are willing to collectively commit enough capital to meet any applicable minimum investment requirements, AGP forms an Anderson Entity through which the Potential Investors make an investment in the Public Fund or Private Fund, as applicable.

##### **C. Client assets under management**

As of December 31, 2020, AGP managed client assets totaling approximately \$582,276,000. The client's assets are invested in a total of thirty-four separate Public Funds, Private Funds and Direct Investments. All of the client assets are managed on a discretionary basis by AGP.

## **Item 5 – Fees and Compensation**

### **A. Advisory Services Compensation:**

In consideration for the initial screening of the investment opportunity, organizing and managing the Anderson Entity in which the investment is made, monitoring the investment(s) in the Public Fund, Private Fund or Direct Investment, reporting fund results to the investors, making recommendations based upon the needs of an Anderson Entity as to the specific funds or securities to either buy or sell, and facilitating all such transactions, AGP receives both a management fee and a performance fee from each Anderson Entity as described below.

AGP's advisory fees are based on a percentage of assets under management and typically include a) an annual management fee which is generally the greater of 0.25% of the net asset value of the Anderson Entity's invested assets or a flat annual fee of \$12,000. For certain of the Anderson Entities the annual management fee ranges from no annual fee to 1.5% of the net asset value of the respective Entity) and b) a performance based fee. Performance based fees are based on the annual or cumulative performance of each individual Anderson Entity and may range from 5.0% to 15.0% depending on the client relationship and nature of the underlying fund's investment strategy, among other things. AGP's advisory and performance based fees are described in the Operating Agreement for each Anderson Entity.

All fees paid to AGP for investment advisory services are separate and distinct from the advisory, performance fees and expenses charged by the underlying Public Funds and Private Funds to their investors. These fees and expenses are described in each underlying fund's offering documents. These fees will generally include a management fee and a performance fee, and other fund expenses. An investor could invest in a Public Fund or Private Fund directly, without the services of AGP. In that case, the investor would not receive the services provided by AGP which are designed, among other things, to assist the investor in determining which fund or funds are most appropriate to each investor's financial condition and objectives. Accordingly, the investor should review both the fees charged by the funds and the fees charged by AGP to fully understand the total amount of fees to be paid by the investor and to thereby evaluate the advisory services being provided. In the event any fund assets are invested in mutual funds, ETF's or money market funds, investors should also understand that there are separate management fees and fund expenses for such funds which are disclosed in each fund's prospectus.

### **B. Fee collections:**

Management fees are typically assessed monthly however, they are typically paid either from periodic distributions of an Anderson Entity, or for more illiquid funds, from capital calls every three months. Performance based fees are generally assessed annually and typically credited to AGP's membership interest within each client investment partnership.

As Manager of an Anderson Entity, AGP may typically resign upon written notice to the Anderson Entity. AGP may be removed by a vote of the members of an Anderson Entity. In the

event of any termination or removal of AGP as manager of an Anderson Entity, any pre-paid, unearned management fees, annual fees or performance fees will be pro-rated and any unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

To qualify for this type of fee schedule, an investor must generally be a qualified client and an accredited investor.

C. Other types of fees:

Certain types of expenses directly attributable to each Anderson Entity are charged to the respective Entity; such as legal fees and other organizational fees associated with forming an Entity, as well as annual audit fees, tax preparation and license fees, and bank fees for the respective Entity. Additional information regarding fees and expenses charged to each Anderson Entity is provided in more detail in the operating agreements for each respective Entity. Investors should review operating agreements carefully in regard to the fees and expenses disclosures. Clients will incur brokerage and other transaction costs for funds that trade directly. Brokerage fees and practices are discussed in more detail in item twelve of the firm brochure.

D. Fees for sale of securities or other investment products:

Generally, clients do not prepay any fees to AGP related to the management of any of the Anderson Entities. Also, neither the AGP managing member nor any of its supervised persons receive compensation for the sale of securities or other investment products.

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

Side-by-side management refers to multiple client relationships where an adviser manages advisory client relationships and portfolios on a simultaneous basis for individuals, businesses, institutions and also mutual funds and/or hedge funds. In such circumstances, potential conflicts of interest may arise by and between the clients and the mutual and hedge funds, e.g., performance fee arrangements.

Investors and prospective investors in the AGP Funds should note that performance-based fees create an incentive for an adviser such as AGP to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Also, because the Performance Fee is calculated on a basis which includes unrealized as well as realized appreciation of assets, it may be greater than if such compensation were based solely on realized gains.

Because of the performance fee arrangement, we do have an incentive to favor performance-based fee accounts over non-performance-based fee accounts and could have an incentive to favor the AGP Funds which pay higher aggregate performance-based fees than a client paying non-performance-based fees or a Fund in which officers and employees of the firm may have more of their personal assets invested.

AGP earns performance based fees on the annual and/or cumulative performance of all individual Anderson Entities, and these fees may range from 5.0% to 17.5% depending on the

client relationship and nature of the underlying fund's investment strategy, among other things. AGP's advisory and performance based fees are described in the Operating Agreement for each Anderson Entity. There are no Anderson Entity funds managed by AGP which do not have a performance based fee as part of the fee structure for AGP managing the Entity.

Since we endeavor at all times to put the interests of our clients first as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to investors and prospective clients the existence of material conflicts of interest, including the potential for our firm and its employees to earn more compensation from some clients than others.
2. We collect, maintain and document accurate, complete and relevant investor background information to ensure that investment in the subscribed AGP Funds is appropriate for the investor's financial goals, objectives and risk tolerance and that the investor is qualified to invest.
3. We generally have a fair and consistent allocation of investment opportunities among clients and the AGP Funds, subject to the AGP Fund's/client's underlying strategy, cash availability, availability of interests in the underlying funds and other appropriate considerations.
4. We periodically compare holdings and performance of all accounts with similar strategies to identify significant performance disparities indicative of possible favorable treatment.
5. We educate our employees regarding the responsibilities of a fiduciary, including the equitable treatment of all clients, regardless of the fee arrangement.

Performance-based fees will only be charged in accordance with the provisions of Rule 205-3 of the Investment Advisers Act of 1940 and/or applicable state regulations.

### **Item 7 – Types of Clients**

AGP primarily offers its advisory services to clients that are investment funds i.e. Anderson Entities, organized, administered and managed by AGP for facilitating investments in specialty investment areas and strategies for members of the Anderson family and family friends. Generally, AGP will only set up new Anderson Entities for certain minimum investment commitments, but AGP retains the right to set up new Anderson Entities for investments that are less than the minimum commitment at its discretion.

Investors in any Anderson Entity generally must be an accredited investor, and with limited exceptions investors are also qualified clients. AGP currently has a \$25,000 investment minimum for investments in most Anderson Entities. The underlying investment funds in which the Anderson Entities invest have investment minimums as provided and disclosed in the offering documents for each investment fund.

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

### **A. Methods of analysis:**

AGP utilizes a variety of sources for investment information including on-line investment research services such as FactSet Research Systems, and hedge fund and private equity fund databases available to AGP related to investments made by Anderson Entities with the respective hedge funds and private equity funds. AGP uses the data from these various sources to monitor the ongoing long-term, as well as short-term, performance of the various Anderson Entities.

The analysis process includes initial screening of the various investment opportunities, as well as ongoing monitoring of the investments made in the Public Funds, Private Funds or Direct Investments through review of monthly/quarterly fund performance letters, periodic due diligence calls with the fund managers and analysis of detail financial statements and supporting investment schedules provided by the various funds or companies in which the Anderson Entities invest.

### **B. Investment strategies:**

AGP's primary investment strategies are focused on the long term purchases of i) Public Funds, which are relatively liquid funds such as hedge funds, ii) Private Funds, which are relatively illiquid funds such as private equity funds, and iii) Direct Investments, which are investments in individual companies.

The Public Funds and Private Funds which AGP manages as a manager of funds may have investment strategies which include hedging, leveraging, shorting, and other strategies as described in the offering documents of the underlying funds. The Direct Investments require direct monitoring, analysis and due diligence review of the underlying company investments held in each fund.

The various primary investment strategies, and the material risks involved in each strategy, are described below.

#### **i) Public Funds:**

These funds generally invest in relatively liquid funds such as hedge funds. The investment objective of the underlying funds is primarily long-term capital appreciation, with the funds generally holding both long and short equity positions. The investments held in the underlying funds are generally publicly traded securities in both U.S. and global equity markets.

The funds are subject to certain risks including market risk, credit risk and liquidity risk. Market risk is the potential loss that a fund may incur as a result of changes in the fair value of the specific equity and other holdings of the fund.



Credit risk is the possibility that a loss may occur from the failure of a counterparty to make payments according to the terms of a contract. The fund's exposure to credit risk at any point in time is represented by the fair value of the assets at such time. However, there is no certainty that, in the event of a failure of a counterparty, the underlying fund would not incur significant losses due to assets' being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Liquidity risk is the risk that the underlying funds' investments may not be able to be readily sold or cannot be sold at a price that the fund considers to be fair value in the event of a forced sale. Although the fund bases its values on market inputs there might not be sufficient liquidity in the markets to sell the securities at the stated levels.

ii) Private Funds:

These funds generally are relatively illiquid funds such as private equity funds. The investment objective of the underlying funds is primarily long-term capital appreciation, with the funds generally holding equity, equity-related and debt securities. The investments held in the underlying funds are generally in non-public companies in both the U.S. and global markets.

The funds are subject to certain risks including market risk, credit risk and liquidity risk. Market risk is the potential loss the underlying fund may incur as a result of changes in the fair value of its investments. The management of the underlying Private Equity Fund seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the underlying Private Equity Fund's investments conduct their operations, as well as general economic conditions, may have a significant negative impact on the Private Equity Fund's operations and profitability. In addition, the Private Fund is subject to changing regulatory and tax environments. Such events are beyond the Private Fund's control, and the likelihood that they may occur and the effect on the Private Fund cannot be predicted. Furthermore, most of the Private Fund's investments are made in private companies whose shares do not trade on established exchanges. While it is expected that these companies may pursue initial public offerings, trade sales, or other liquidation events, there are generally no public markets for these securities at the current time.

Credit risk is the possibility that a loss may occur from the failure of a counterparty to make payments according to the terms of a contract. The fund's exposure to credit risk at any point in time is represented by the fair value of the assets at such time. However, there is no certainty that, in the event of a failure of a counterparty, the underlying fund would not incur significant losses due to assets' being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Liquidity risk is the risk that the underlying fund's investment may not be able to be readily sold or cannot be sold at a price that the fund considers to be fair value in the event of a forced sale. As such, the Private Fund's ability to liquidate its private company investments and realize value is subject to significant limitations and uncertainties. A Private Fund's ability to liquidate its publicly traded investments is subject to limitations, including discounts that may be required to be taken on quoted prices due to the number of shares being sold.

iii) Direct Investments:

These funds generally directly hold illiquid investments in certain non-publicly traded companies. The investment objective of the underlying funds is primarily long-term capital appreciation, with the funds generally holding equity, equity-related and debt securities. The investments held in the underlying funds are generally in non-public companies in both the U.S. and global markets.

The funds are subject to certain risks including market risk, credit risk and liquidity risk. Market risk is the potential loss the underlying fund may incur as a result of changes in the fair value of its investments. The management of the Direct Investments seeks investment opportunities that offer the possibility of attaining substantial capital appreciation. Certain events particular to each industry in which the direct investments conduct their operations, as well as general economic conditions, may have a significant negative impact on the investee's operations and profitability. In addition, the Direct Investment is subject to changing regulatory and tax environments. Such events are beyond the Direct Investment's control, and the likelihood that they may occur and the effect on the Direct Investment cannot be predicted. Furthermore, most of the Direct Investment's investments are made in private companies whose shares do not trade on established exchanges. While it is expected that these companies may pursue initial public offerings, trade sales, or other liquidation events, there are generally no public markets for these securities at the current time.

Credit risk is the possibility that a loss may occur from the failure of a counterparty to make payments according to the terms of a contract. The fund's exposure to credit risk at any point in time is represented by the fair value of the assets at such time. However, there is no certainty that, in the event of a failure of a counterparty, the underlying fund would not incur significant losses due to assets' being unavailable for a period of time, the ultimate receipt of less than full recovery of its assets, or both.

Liquidity risk is the risk that the underlying fund's direct investment may not be able to be readily sold or cannot be sold at a price that the Company considers to be fair value in the event of a forced sale. As such, the Direct Investment's ability to liquidate its private company investments and realize value is subject to significant limitations and uncertainties. The Direct Investment's ability to liquidate its publicly traded investments is subject to limitations, including discounts that may be required to be taken on quoted prices due to the number of shares being sold.

## **Item 9 – Disciplinary Information**

### **A. Criminal or civil actions:**

Neither AGP, nor any of its management, have been involved in or subject to a criminal or civil action in a domestic, foreign or military court of competent jurisdiction at any time since AGP's inception in 1998.

### **B. Administrative proceedings before a regulatory agency:**

Neither AGP, nor any of its management, have been involved in or subject to an administrative proceeding before a regulatory agency at any time since AGP's inception in 1998.

### **C. Self-regulatory organization (SRO) proceedings:**

Neither AGP, nor any of its management, have been found to have caused an investment-related business to lose its authorization to do business or have been involved in a violation of the SRO's rules that resulted in being barred or suspended from membership since AGP's inception in 1998.

### **D. Litigation**

AGP, or any of its management, have never been named in, involved with or the subject of litigation related to its investment advisory services, either at the federal or state level.

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

### **A. Registrations as broker-dealer:**

None of the AGP management is registered as a broker-dealer or as a registered representative of a broker-dealer.

### **B. Registrations as futures commission merchant, commodity pool operator or commodity trading advisor:**

None of the AGP management is registered as a futures commission merchant, commodity pool operator or commodity trading advisor, or an associated person of the foregoing entities. AGP is a commodity pool operator and commodity trading advisor, but is exempt from registration with the CFTC under rules 4.13 (a)(3) and 4.14 (a)(8),

### **C. Other material arrangements that create a conflict of interest:**

None of the AGP management has any other relationships or arrangements that are material to AGP's advisory business or its clients that create a conflict of interest.

D. Potential conflicts of interest with other advisors:

AGP and its management do not receive compensation directly or indirectly from other advisors, which would create a conflict of interest, for recommending those same investment advisors to its clients.

**Item 11 – Code of Ethics, Interest in Client Transactions and Personal Trading**

A. Code of Ethics:

AGP has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. AGP's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth AGP's practice of supervising the personal securities transactions of supervised persons with access to client and portfolio information. Individuals associated with AGP may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of AGP that no person employed by AGP shall prefer his or her own interest to that of an advisory client.

AGP requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. AGP's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.

AGP will provide a copy of its Code of Ethics to any client or investor upon request to the Chief Compliance Officer at AGP's principal address.

B. Trading for client accounts in securities where firm or management has a material financial interest.

As a matter of AGP firm policy and practice, AGP and its investment professionals do not recommend or invest any Anderson Entity assets in certain restricted securities where the firm or management has a material financial interest, except as specifically allowed in the firm's Code of Ethics.

C. Trading in securities for personal accounts that may also be recommended for client accounts.

AGP firm policy and procedures allows firm employees to invest in the same securities that it may from time to time recommend to client accounts. To address any potential conflicts of interest related to personal trading in the same securities that may be recommended to client accounts, the firm has the following guidelines.

- i) Firm employees may not buy or sell a security for their personal accounts in a manner that will benefit their interest in favor of an advisory client (i.e. the timing and nature of any trades for personal accounts can't be done to benefit the individual at the expense of the advisory client).

To supervise compliance with these guidelines for personal trading, AGP requires that anyone associated with this advisory practice with access to advisory recommendations provide initial and annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. AGP requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

## **Item 12 – Brokerage Practices**

Due to the nature of AGP management services for the Anderson Entities, which invest primarily in Private Funds, Public Funds and Direct Investments, AGP does not utilize broker-dealers for brokerage and/or custodian services except to the limited extent that any Anderson Entities invest in individual securities, i.e. equities, fixed income and short term instruments.

AGP endeavors to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's ability to provide professional services, competitive commission rates, and other services which will help AGP in providing investment management services to clients. AGP may, therefore recommend or use a broker who provides useful securities transaction services even though a lower commission may be charged by a broker who offers minimal securities transaction assistance.

### **A. Factors in selecting broker-dealers for client transactions:**

#### **i) Research and other soft dollar benefits:**

AGP, as a matter of policy and practice, does not obtain any research or research related services or products on either a formal or informal arrangement through the use of client brokerage commissions, i.e. soft dollar arrangements.

#### **ii) Brokerage arrangements and client referrals:**

AGP, as a matter of policy and practice, does not select or recommend broker-dealers based on receiving client referrals from the respective broker-dealer.

#### **iii) Directed brokerage:**

AGP, as a matter of policy and practice, does not ask or require its advisory clients to direct AGP on which broker-dealers to use to execute client transactions.

B. Aggregation of client transactions:

AGP does not utilize broker-dealers for brokerage and/or custodian services except to the very limited extent that any Anderson Entities invest in individual securities, i.e. equities, fixed income and short term instruments. Due to the limited utilization of brokerage services, the majority of all transactions requiring the use of a broker are for only a few of the Anderson Entities (clients), therefore AGP doesn't aggregate the purchase or sale of securities for various client accounts.

**Item 13 – Review of Accounts**

A. Review procedures for client accounts:

AGP's Managing Member, Managing Director and Chief Compliance Officer perform on-going reviews of Anderson Entity portfolio holdings, as well as periodic reviews of asset allocations, portfolio performance and asset reallocations. AGP's analysis of the fund's portfolio holdings includes the review of the investment and performance information and reports received from the underlying Public Fund, Private Fund or Direct Investment in which the Anderson Entities invest. Additional Fund portfolio reviews may be triggered by changes in economic, market, or political circumstances or as may otherwise be initiated by or requested by investors in the Anderson Entities.

B. Reporting to clients

AGP provides written monthly statements (in electronic form) to investors in the Anderson Entities which includes beginning of year balances, contributions and withdrawals, net income (loss) allocated to each fund and the ending balances. Investors also receive a written annual tax statement, Form K-1, from the tax accounting firm for the Anderson Entities (also in electronic form).

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

A. Economic benefits from client referrals:

AGP, as a matter of policy and practice, does not accept any type of economic benefit from someone who isn't a client of AGP, and who provides investment advice or other advisory services to one of our clients.

B. Compensation for client referrals:

AGP, as a matter of policy and practice, does not provide any type of compensation to someone other than a supervised person of the firm for client referrals.

### **Item 15 – Custody**

AGP, by virtue of being both the investment manager and managing member of the Anderson Entities, is deemed to have custody of client assets.

Monthly account statements for the investors in the Anderson Entities are prepared by AGP, and AGP distributes those statements directly to the investors. The SEC custody rule changes effective in March, 2010 require AGP to either have a qualified custodian issue statements directly to our investors, separate from the monthly statements issued by AGP to our investors, or to have each of the Anderson Entities (funds) audited annually by an independent audit firm.

In lieu of having a qualified custodian distribute separate account statements to the investors of the Anderson Entities, AGP has an audit completed for each Anderson Entity (fund) starting with year-end financial statements as of December 31, 2010. The audits are being performed by KPMG, an audit firm registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). The audited financial statements are distributed annually to the respective investors in each fund.

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

AGP has discretionary authority to manage Anderson Entity assets on behalf of clients, within certain guidelines. Any discretionary authority granted to AGP as managing member of the Anderson Entities is based on the fund operating agreement or investment management agreement for each entity, which have all been approved and signed by the investors in each entity. While AGP has certain discretionary authority, the investors in the Anderson Entities generally make decisions on their own behalf for any transactions related to their holdings in each Anderson Entity.

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

In general, the Anderson Entities do not directly hold securities, and therefore most of the client assets in these Entities do not require AGP to act as a fiduciary to vote proxies for any client assets.

There are only three Anderson Entities which hold individual securities. For these specific funds, and any future funds that may hold securities, AGP maintains a written proxy policy which reflects the firm's fundamental duty as a fiduciary to vote proxies of any investment fund portfolio securities in the best interests of our clients.

In the event of any actual or potential conflicts of interests in the voting of any proxies of investment fund securities managed for AGP's investment fund clients, AGP will make approximate disclosures to Anderson Entity representatives regarding any such conflict(s). In such circumstances, AGP may either vote or abstain from voting proxies or forward proxies to Anderson Entity representatives for voting, depending on the circumstances.

AGP maintains relevant and appropriate proxy records as part of the firm's proxy policy. Our proxy policy, and information about the voting of a client's proxies, is available to an investor upon written request sent to the Managing Member or the Chief Compliance Officer at the firm's principal office address.

#### *Class Actions, Bankruptcies and Other Legal Proceeding*

Generally, AGP will not participate or act on behalf of the Anderson Entities in class action proceedings involving companies whose securities are held by the underlying funds as the underlying managers of these funds will act on behalf of the fund for which it acts as manager.

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

#### **A. Prepayment of client fees:**

AGP, under no circumstances will require or solicit advisory fees in excess of \$1,200 more than six months in advance of services rendered. Management fees are typically assessed monthly in arrears however, they are typically paid either from periodic distributions of an Anderson Entity, or for more illiquid funds, from capital calls every three months. Performance based fees are generally assessed annually and typically credited to AGP's membership interest within each client investment partnership.

#### **B. Disclosures related to discretionary authority and custody of client funds or securities:**

AGP has certain discretionary authority to manage Anderson Entity assets on behalf of clients, within guidelines set by the operating agreements for each Entity. Additionally, AGP, by virtue of being both the investment advisor and managing member of the Company, is deemed to have custody of the Anderson Entity client assets.

Clyde Anderson is the Managing Member of AGP, and also owns a majority interest in AGP, and therefore a minority interest in the assets held within the various Anderson Entities in the name of AGP. In addition to these assets, Mr. Anderson has other considerable net worth. Therefore AGP's and Mr. Anderson's financial condition is strong, and there are no existing financial issues likely to impair the ability of AGP to meet any contractual commitments to clients.

#### **C. Bankruptcy disclosures:**

Neither AGP, nor its managing member, have been the subject of a bankruptcy petition at any time in the past ten years or since the inception of AGP in 1998.