



Form ADV Part 2A Brochure

Gresham Partners, LLC

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March 31, 2023

This brochure provides information about the qualifications and business practices of Gresham Partners, LLC ("Gresham" or the "Firm"). Gresham is an investment adviser that is registered with the United States Securities and Exchange Commission (the "SEC"). Registration with the SEC does not imply a certain level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this brochure, please contact Robert Nanney, Gresham's Chief Compliance Officer, at 312-960-0200. Additional information about the Firm is also available on the SEC's website at [www.investor.gov](http://www.investor.gov) and on Gresham's website at [www.greshampartners.com](http://www.greshampartners.com).



## **Item 2. Material Changes**

The following is a summary of material changes to Gresham's Form ADV Part 2A since its last annual updating amendment dated March 31, 2022:

- Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss was updated to add an additional risk factor related to Financial Institution Risk; Distress Events.

The Firm has also made non-material updates to change references to "Investment-Only Clients" to "Investor-Only Clients" and "Individual Clients" to "Clients" throughout the document. These changes had no effect on nature of Gresham's advisory relationship with these Clients.



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### **Item 4. Advisory Business**

Gresham is a Delaware limited liability company that has been registered with the SEC as an investment adviser since 1997, the year of its inception. Gresham provides investment and wealth planning services to ultra-high net worth individuals, their families and family households as well as their related trusts, estates, retirement plans, family offices, private trust companies, foundations and endowments and similar clients (“Client” or “Clients”) on a discretionary and non-discretionary basis.

Gresham primarily provides Clients with integrated investment and other wealth planning and management services that include the creation of comprehensive investment, tax, wealth transfer, trust administration and philanthropic strategies tailored to each Client’s situation. Gresham also provides Clients with comprehensive asset and performance reporting, family member education, consulting regarding the operation of their family offices and private trust companies, and assistance obtaining and using other professional services provided by third parties.

The Firm tailors the investment advice it provides to each of its Clients, and these Clients may impose reasonable restrictions on the ways in which their assets are managed.

Gresham’s wholly owned subsidiary, Gresham Advisors, LLC, has structured partnerships that allow Clients of Gresham to access relatively diversified and carefully constructed pools of hedge funds and private equity and real asset funds managed by unaffiliated investment advisers (“Partnerships”). These Partnerships are only available to Gresham Clients and Gresham’s qualified Partners and employees. Investor-Only Clients invest directly in Gresham’s Partnerships without receiving other wealth management, consulting, or other advisory services. Investor-Only Clients include former Clients that remain invested in Gresham Partnerships. With respect to the Gresham Partnerships, the Firm is careful to abide by each Partnership’s investment mandates



and all investment limitations and restrictions described in each Partnership's confidential offering materials.

Gresham has arranged with an unaffiliated third party, JTC Trust Company (Delaware) ("JTC"), to make trustee and trust administration services available to Clients under terms likely more favorable than these Clients could obtain on their own from JTC, including lower fees. Under this arrangement, which is referred to as Gresham Partners Trust Solutions® and for which Gresham has paid JTC a fee, Gresham helps Clients decide whether they want to utilize JTC's services and, if they decide to do so, Gresham works with them and JTC to structure how the services will be delivered. Gresham does not receive any compensation as a result of Clients utilizing JTC's services.

As of December 31, 2022, Gresham exercised investment discretion over approximately \$6,546,163,995 in the Gresham Partnerships and Client discretionary assets. The Firm provided non-discretionary investment advice on Client assets worth approximately \$2,980,981,171. Therefore, Gresham's total Regulatory Assets Under Management as of December 31, 2022, were approximately \$9,527,145,166.

Gresham is owned by the following Partners of the Firm:

Ben A. Beavers  
Matthew S. Bonaguidi  
David S. Colton  
Kim A. Kamin  
Linda "Lee" Morava  
Edward "Ted" F. Neild, IV  
Nicole M. Perkins  
David A. Salsburg  
Gregory D. Schneiderman  
Joseph C. Simpson  
Leisa W. Storbeck  
Sean R. Warrington



## **Item 5. Fees and Compensation**

Gresham is compensated for the integrated wealth management services it provides through payment of fees by its Clients. Fees are normally stated as a percentage of each Client's total advised assets using the following fee schedule with a minimum annual fee of \$180,000 as a guideline:

Assets Under Advisement	Annual Fee
First \$25 million	0.75%
Next \$25 million	0.50%
Over \$50 million	0.30%

For multi-household families, the minimum annual fee payable by Client is \$180,000, and the following fee schedule based on aggregated, average assets under management across the multiple households applies:

Fee	Less than \$25 million	\$25 million or higher	\$50 million or higher	\$75 million or higher	\$100 million or higher
First \$25 million	0.75%	0.70%	0.65%	0.60%	0.50%
Next \$25 million	0.50%	0.50%	0.50%	0.50%	0.50%
Over \$50 million	0.30%	0.30%	0.30%	0.30%	0.30%

These fee schedules may be modified from time to time, and fees may be adjusted based on each Client's circumstances. When determining the fee for a Client, Gresham considers the amount of the Client's current and potential advised assets, the number of households that are and will be provided services, and the complexity of the Client's investment and wealth planning situation. Based on these considerations, Gresham will provide (i) multi-household family discounts, typically at the first breakpoint for each household where clear service-related efficiencies exist; (ii) a temporarily or permanently waived or reduced minimum fee; and/or, (iii) a phase-in period during which rates in the fee schedule are adjusted, the fee schedule is applied to a reduced percentage of assets under advisement (to avoid conflicts of interest related to scaling in investments during the period and so Gresham does not appear to have an incentive to accelerate the rate at which the investments become subject to the fee schedule), or (iv) other specifically agreed-upon terms, as applicable.

Gresham can also charge an administrative services fee for consulting, reporting and other services provided for non-Gresham advised assets or for such services provided in connection with other aspects of the Client's current or anticipated financial situation. This administrative services fee is charged at a discounted rate from the standard fee schedule or as an agreed-upon amount based on the services being provided. All fees are agreed upon with each Client and described in the Client's Financial Advisory Agreement ("FAA").

In accordance with each Client's FAA, the annual fee is generally calculated as a percentage of the market value of all assets advised on the last day of each calendar quarter, plus any first-of-



the-month contributions to Gresham's Partnerships following the calendar quarter-end. For illiquid, commitment-based Gresham Partnerships where valuations are not always readily available, Gresham will normally utilize the last available value plus or minus any intra-quarter capital activity.

Gresham's advisory fees are typically collected quarterly in advance. Clients requesting to make payments further in advance are approved under limited circumstances. Clients pay for advisory services by check or wire or can give the Firm fee-debiting authority over one or more custodial accounts.

To the extent that a Client terminates its advisory relationship with Gresham the Firm will calculate and refund any unearned fees. If an account is terminated in the middle of the billing period, fees will be prorated to the date of termination and any unearned portion of prepaid fees will be refunded.

Clients are not charged a management fee or incentive fee to invest in Gresham's Partnerships. As of January 1, 2016, a Client that terminates its advisory relationship with Gresham but remains invested in one or more Gresham Partnerships will be charged a maximum management fee of 0.75% annually to remain invested in a Partnership. Former Clients who terminated their advisory relationship prior to January 1, 2016, that remain invested in Gresham Partnerships may pay a different fee based upon what was provided in the applicable Partnership's confidential offering materials or as agreed upon at the time of termination.

An Investor-Only Client that has never been an advisory Client and invests directly in a Gresham Partnership will be charged an annual management fee or can choose to be charged an incentive fee as described in detail in the applicable Partnership's confidential offering materials. These fees and fees charged to former Clients can be altered at the discretion of the General Partner and the mutual agreement of the Investor-Only Client. Partnership fees are calculated quarterly and are debited by the Partnership from Investor-Only Client accounts.

The Gresham Partnerships are subject to a variety of fees and expenses that are described in detail in each Partnership's confidential offering materials. Among other things, these fees and expenses generally include: management fees and performance-based incentive allocations collected by the unaffiliated managers chosen by Gresham; legal, administrative, and audit costs; due diligence of managers, including travel expenses incurred in connection with such due diligence; and third-party expenses related to the due diligence and ongoing monitoring of the underlying managers, including any consultant-related fees and expenses; ongoing monitoring of the Partnerships' returns and risks, including costs related to the use of Bloomberg, and other computer and software-related expenses; risk analyses; performance-benchmarking services; costs incurred in connection with the acquisition, ownership, financing, hedging or sale of investments, and taxes for the Gresham Partnership's and for the underlying funds in which they invest; and brokerage costs incurred by the underlying funds or in certain transactions for the Gresham Partnerships. No compensation expenses for Gresham Partners or employees are charged to the Partnerships.

Each Client, former Client or Investor-Only Client that invests in the Gresham Partnerships indirectly bears their proportional share of the fees and expenses. These fees and expenses are charged to the relevant Partnership and are not billed directly to the Client. If the above expenses are incurred jointly for the accounts of a Gresham Partnership and any other Gresham Partnerships managed by the General Partner or its affiliates, such expenses will generally be allocated among the Partnership and/or such other Partnerships in proportion to the size of the investment made by each activity or entity to which the expense relates, or in such other manner as the General Partner



considers fair and reasonable to all of the Gresham Partnerships over time.

The payment of management fees, performance-based fees, and administrative and operating expenses at the underlying fund level, and possibly at the sub-fund levels as well as the payment of administrative and operating expenses incurred by the Gresham Partnerships results in a layering of fees and significant expenses. Gresham Partnership fees and expenses are disclosed in reports produced by independent fund administrators, tax return preparers and auditors for the Gresham Partnerships, and Gresham reports Partnership performance net of these fees and expenses.

Gresham also recommends that Clients invest in strategies available outside the Gresham Partnerships when those strategies seem more appropriate. Separately managed accounts, non-affiliated managed funds, mutual funds and exchange-traded funds (“ETFs”) are subject to additional fees, commissions and administrative costs that are borne by their investors. Clients’ trading activity in stocks, bonds, mutual funds and ETFs will result in commissions and other transaction costs in accordance with each Client’s arrangements with its broker/dealer and custodian, which are further described in Item 12 – Brokerage Practices of this brochure.

Neither Gresham nor any of its Partners or employees accepts any compensation from third parties in connection with the sale of securities or other investment products.

#### **Item 6. Performance-Based Fees and Side-by-Side Management**

When Investor-Only Clients invest in a Gresham Partnership and select a performance-based fee compensation structure, Gresham may earn performance-based fees based on the performance of the Gresham Partnership and the capital gains or capital appreciation of these investors’ capital accounts. To qualify for an investment in a private fund and its performance-based fee arrangement, an investor to the private fund must be a qualified investor, either as an accredited investor or qualified purchaser as applicable to the corresponding private fund offering documents. For a full description of the applicable fees, including performance based fees, and expenses charged to the respective private fund, investors should review the associated offering documents. Performance-based fees can create an incentive for Gresham to make investments on behalf of the Gresham Partnerships that are riskier or more speculative than would be the case in the absence of such an arrangement. Based on the very limited number of investors selecting a performance-based fee structure (as of 12/31/2022, only two investors have selected this fee structure), Gresham does not believe it will have an incentive to make riskier or more speculative investments or to allocate limited investment opportunities to those investors whose fees are based on the performance of their investment in the Gresham Partnerships.

Gresham Partnerships occasionally have the opportunity to invest directly in securities purchased by an underlying fund. Such co-investment opportunities are evaluated on a case-by-case basis. Additionally, from time to time Gresham becomes aware that private funds in which Gresham Partnerships invest are willing to accept more subscriptions than the Gresham Partnerships wish to commit. In such cases, Gresham may notify selected Clients or Investor-Only Clients of the investment opportunity. Although Gresham will always try to treat its Clients fairly over time, these types of investment opportunities in private funds will be communicated to only certain Clients based on Gresham’s understanding of its Clients’ investment objectives.



### **Item 7. Types of Clients**

As described in Item 4 – Advisory Business, Gresham primarily provides Clients with integrated investment and other wealth planning and management services that include the creation of comprehensive investment, tax, wealth transfer, trust administration and philanthropic strategies tailored to each Client's situation. Clients are ultra-high net worth individuals, their families and family households, as well as their related trusts, estates, retirement plans, family offices, private trust companies, foundations and endowments. Clients sign a Financial Advisory Agreement that details the nature of investment advisory authority given to Gresham. Investor-Only Clients invest directly in Gresham's Partnerships without receiving other wealth management, consulting or other advisory services. As of 12/31/2022, 96% of the assets in Gresham's private Partnerships were owned by Clients and the rest were owned by Investor-Only Clients.

Gresham generally imposes a minimum annual fee of \$180,000 for services it provides to Clients, but the minimum annual fee may be waived or modified at Gresham's discretion.

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

Gresham develops customized investment recommendations for each Client based on a variety of factors including the client's net worth, investment objectives, risk tolerance, tax status, liquidity requirements, and wealth transfer or philanthropic goals. Gresham typically holds several meetings with each new Client before developing an investment policy statement and recommended asset allocation. Gresham works carefully to understand each Client's risk tolerance, but Clients should understand that all investing involves a risk of loss.

Gresham believes that its Clients can benefit from exposure to alternative asset classes. Investing directly in hedge funds and private equity and real asset funds, however, can be problematic for many individuals because certain managers are no longer accepting new investors, they may require large minimum investments that limit an individual's ability to diversify, or they have more restrictive liquidity terms. Furthermore, Gresham believes that the risk and return differential across hedge funds and private equity and real asset funds is generally greater than the risk and return differentials across other more conventional asset classes, so the potential benefits of careful fund selection are amplified.

The Firm conducts extensive initial and ongoing due diligence on the underlying managers that are chosen for the Gresham Partnerships. Gresham's due diligence includes, among other things, reviews of investment strategies, risk monitoring, legal documents and third-party service providers. Most importantly, Gresham evaluates each manager on how they evaluate and manage risk, which entails a subjective review of the manager's investment approach. Gresham tends to select experienced managers with broad mandates who can take relatively concentrated positions based on careful fundamental analysis and who tend to have a limit on the amount of capital they will accept, but other types of managers may be selected. Gresham monitors chosen managers on an ongoing basis.

Securities and financial instruments in which Clients may invest are subject to change and the market value of any particular investment may be subject to substantial variation. There is also the risk that the value of the assets in which a Client account invests may decrease (potentially dramatically) in response to the prospects of individual companies, particular industry sectors or governments, changes in interest rates and national and international political and economic events due to increasingly interconnected global economies and financial markets. There is no assurance that Client accounts will generate any income or appreciate in value. Investments in





securities of international companies are subject to the risk that world events, including political or economic upheaval or unrest, natural disasters and government action or inaction could adversely impact the value of the securities of companies in a particular region or country. Investments may not have a readily ascertainable market price, and there is no guarantee that the value determined with respect to a particular investment will represent the value that will be realized on the eventual disposition or that would, in fact, be realized upon an immediate disposition of the investment. Adverse changes in market and economic conditions, tax or other laws or regulations or accounting standards may have an adverse effect on Clients and their investments and on the value and consequences of holding their investments, and it cannot now be predicted whether such changes will occur and to what extent these changes may adversely affect Clients.

Despite Gresham's best efforts to identify and retain managers that are best-in-class, investments in the Gresham Partnerships should be considered risky and subject to a variety of risk factors that are described in detail in each Partnership's confidential offering materials. Among other things, interests in the Gresham Partnerships that invest in marketable strategies have limited liquidity, which currently provides for quarterly withdrawals of up to 50% of the Partnership value with 65 days prior written notice. Gresham's marketable-strategy Partnerships are not traded on secondary markets. Interests in the Gresham Partnerships that are commitment-based and invest in private, illiquid strategies do not offer any liquidity and often have a life of twelve or more years. Investors in the Partnerships that invest in private strategies are responsible for commitment payments that can last throughout the life of the Partnership. Furthermore, if faced with significant withdrawal or redemption requests, Gresham Partnerships may suspend or delay redemption payments. Some underlying funds in which the Gresham Partnerships invest may trade frequently, which can reduce performance through greater tax liabilities and transaction costs. Underlying funds may also take relatively concentrated positions in certain securities, and the Gresham Partnerships may have relatively concentrated positions in certain underlying funds. There can be no assurance that a Partnership's investment objective will be achieved or that an investor will receive a return on its capital. Investing in securities involves risk of loss that Clients should be prepared to bear.

Gresham relies on valuations provided by the underlying Gresham Partnership managers when calculating performance of its Partnerships. Although Gresham reviews the valuation procedures used by Gresham Partnership managers, the Firm is not able to confirm or review the accuracy of such valuations. Illiquid, non-marketable assets such as private equity, real estate and other real assets can be difficult to value based on the nature of the underlying assets. Valuations for the underlying investments in these illiquid Partnerships normally lag by one quarter or more. Gresham maintains a valuation committee to oversee its non-marketable Partnership valuations.

### **Cybersecurity - Risk of Loss of Client Data**

Investment advisers, including Gresham, must rely in part on digital and network technologies ("cyber networks") to maintain substantial computerized data about activities for client accounts and to otherwise conduct their business. Such cyber networks might in some circumstances be subject to a variety of possible cybersecurity incidents or similar events that could potentially result in the inadvertent disclosure of confidential computerized data or Client data to unintended parties, or the intentional misappropriation or destruction of data by malicious hackers seeking to compromise sensitive information, corrupt data or cause operational disruption. Cyber-attacks might potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access.



Gresham maintains policies and procedures on information technology security, it has technical and physical safeguards intended to protect the confidentiality of its internal data, and it takes other reasonable precautions to limit the potential for cybersecurity incidents and to protect data from inadvertent disclosure or wrongful misappropriation or destruction. Nevertheless, despite reasonable precautions, the risk remains that cybersecurity incidents may occur and such incidents, in some circumstances, might result in unauthorized access to sensitive information about Gresham or its Clients, and/or cause damage to client accounts or Gresham's activities for Clients.

Gresham will seek to notify affected Clients of any known cybersecurity incident that may pose a substantial risk of exposing confidential personal data about such Clients to unintended parties.

### **Force Majeure**

Client portfolio investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies, social instability, etc.). Some force majeure events may adversely affect the ability of a party to perform its obligations until it is able to remedy the force majeure event. These risks could, among other effects, adversely impact the cash flows available from companies or partnerships in which Gresham may invest, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost to these investments of repairing or replacing damaged assets resulting from such force majeure event could be considerable. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on any investment held by Client accounts. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which Gresham may invest.

### **Coronavirus Risk**

In March 2020, a novel strain of coronavirus (known as COVID-19) resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities worldwide. These closures have caused the disruption of manufacturing supply chains and local and global economies, the duration of which remains uncertain. The extent to which COVID-19 may negatively affect the operations of Gresham and the performance of managed investments is difficult to predict. Any potential impact on such operations and performance will depend to a large extent on future developments and new information that may emerge regarding the duration and severity of COVID-19 and the actions taken by authorities and other entities to contain COVID-19 or treat its impact. These potential impacts, while uncertain, could adversely affect the performance of the investment portfolios managed by Gresham.

### **Work From Home**

In response to the spread of COVID-19, many businesses, including Gresham, have encouraged or mandated that their personnel work from home in an effort to help slow the spread of the coronavirus pandemic. Notwithstanding such precautionary measures, Gresham may still experience a significant increase in illness of their respective personnel. Work-at-home arrangements could also lead to employee fatigue, reduced collaboration and less optimal communication and supervision relative to traditional office structures which could severely impair



our and/or such service providers' operational capabilities, potentially having a detrimental impact on our business and operations. To the extent personnel, as a result of working remotely, rely more heavily on external sources for information and technology systems for their business-related communications and information sharing, that business will likely be more vulnerable to cybersecurity incidents and cyberattacks and could have more difficulty resuming normal operations in the event it is the target of such incident or attack.

### **Financial Institution Risk; Distress Events**

An investment in a Partnership is subject to the risk that one of the Partnership's banks, brokers, hedging counterparties, lenders or other custodians of some or all of the Partnership's assets (each, a "Financial Institution") fails to perform its obligations or experiences insolvency, closure, receivership or other financial distress or difficulty, similar to that experienced by Silicon Valley Bank and Signature Bank in March 2023 (each, a "Distress Event"). Distress Events can be caused by factors including eroding market sentiment, significant withdrawals, fraud, malfeasance, poor performance or accounting irregularities. In the event a Financial Institution experiences a Distress Event, the Firm, and/or the Partnerships may not be able to access deposits, borrowing facilities or other services for an extended period of time or ever. Although assets held by regulated Financial Institutions in the United States frequently are insured up to stated balance amounts by organizations such as the Federal Deposit Insurance Corporation ("FDIC"), in the case of banks, or the Securities Investor Protection Corporation ("SIPC"), in the case of certain broker-dealers, amounts in excess of the relevant insurance are subject to risk of loss. Although in recent years governmental intervention has resulted in additional protections for depositors, there can be no assurance that governmental intervention will be successful or avoid the risk of loss, substantial delays or negative impact on banking or brokerage conditions or markets. Any Distress Event has a potentially adverse effect on the ability of the Firm to manage the Partnerships and their investments, and on the ability of the Firm, and/or Partnership to maintain operations, which in each case could result in significant losses and unconsummated investment acquisitions and dispositions. Such losses have the potential to include the inability of a Partnership to acquire or dispose of investments at prices that the Firm believes reflect the fair value of such investments, fulfill obligations and maintain operations. Although the Firm expects to exercise contractual remedies under the agreements with Financial Institutions in the event of a Distress Event, there can be no assurance that such remedies will be successful or avoid losses or delays. Although the Firm seeks to do business with Custodians that it believes are creditworthy and capable of fulfilling their respective obligations to the Partnerships, the Firm is under no obligation to use a minimum number of Custodians with respect to any Partnerships, or to maintain account balances at or below the relevant insured amounts.

### **Item 9. Disciplinary Information**

Neither Gresham nor any of its Partners or employees have been involved in any legal or disciplinary events that would be material to a Client's evaluation of the Firm or its Partners or employees.

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

Gresham Advisors, LLC, a wholly owned subsidiary of Gresham, serves as the general partner and investment adviser to the Gresham Partnerships in which Gresham's Clients and Investor-Only Clients invest. These Partnerships are not made available to the general public and only Gresham Clients and qualified Partners and employees are allowed to invest in them. The Gresham Partnerships are listed below:



### Gresham Marketable Partnerships

- GP Diversified Growth Strategies, L.P.
- GP Emerging Markets Strategies, L.P.
- GP Global Equity Strategies, L.P.
- GP Low Volatility Hedged Strategies, L.P. (master fund)
- GP Opportunistic Growth Strategies, L.P. (master fund)
- GP Opportunistic Growth Strategies Offshore Ltd. (feeder fund)
- Gresham Low Volatility Hedged Strategies Offshore, Ltd. (feeder fund)

### Gresham Commitment-Based Partnerships

- GP Buyout Fund, L.P.
- GP China Venture Capital, L.P.
- GP China Venture Capital II, L.P.
- GP China Venture Capital III, L.P.
- GP Global Venture Capital, L.P., and its series
- Gresham China Opportunities Fund I, L.P.
- Gresham Direct Access Manager Program, L.L.C., and its series
- Gresham Private Equity Fund I, L.P.
- Gresham Private Equity Fund II, L.P.
- Gresham Private Equity Strategies, L.P., and its series
- Gresham Real Assets Strategies, L.P., and its series
- Gresham Real Estate Partners II, L.P.
- Gresham Real Estate Partners III, L.P.

As General Partner of the Gresham Partnerships, Gresham Advisors, LLC is registered with the National Futures Association (“NFA”) as a Commodity Pool Operator. Gresham Partners, LLC is registered with the NFA as a Commodity Trading Advisor based solely on its ability to provide discretionary services to Clients that invest in the Gresham Partnerships.

### **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Gresham has adopted a written Code of Ethics (the “Code”) for all Partners and employees that includes policies and procedures governing their conduct and addressing the Firm’s fiduciary duty to its clients.

Among other things, the Code requires Partners and employees to:

- Act as fiduciaries, putting the interests of clients ahead of the interests of the Firm and its Partners and employees, and fully disclosing any material conflicts of interest;
- Comply with all applicable laws and regulations;
- Periodically report personal securities transactions;
- Adhere to procedures for trading in public company securities; and
- Promptly report any suspected violations of the Code to the Chief Compliance Officer.



Upon commencement of employment and annually thereafter, all Partners and employees must acknowledge their receipt of, understanding of, and agreement to adhere to the Code. A copy of Gresham's Code is available to current and prospective clients upon request.

As described above, Gresham normally recommends that Clients invest in the Gresham Partnerships. To the extent that former Clients or certain Investor-Only Clients remain invested or invest in one or more Gresham Partnerships, those former Clients or Investor-Only Clients will bear a management fee, and in certain cases, a performance-based fee that is charged through the relevant Partnerships. Gresham does not believe that the fee arrangements for former clients or Investor-Only Clients pose a conflict of interest. Under Gresham's allocation policy, where a limited investment opportunity is appropriate for Gresham Partnerships, the opportunity is to be allocated fairly and equitably in accordance with the respective Clients' investment objectives, available capital and other appropriate considerations. Gresham monitors the implementation of its allocation policy to ensure that these objectives are being met.

Gresham's Partners, employees, and their family members invest personally in the Gresham Partnerships. Partners, employees, and their family members do not pay any fees to Gresham in connection with their investments in the Gresham Partnerships, but they otherwise invest on the same terms as Clients and bear their proportionate share of Partnership expenses. Gresham Partners, employees, and their family members may also invest personally in securities that are held by (a) the underlying funds in which the Gresham Partnerships invest, and/or (b) directly by Clients. Partners and employees are strictly prohibited from trading based on material non-public information and from taking any investment opportunity away from any Client. Gresham's Chief Compliance Officer reviews personal trading reports for Partners, employees, and their immediate family members on a quarterly basis.

#### **Item 12. Brokerage Practices**

Gresham recommends Fidelity Investments ("Fidelity") for non-discretionary Clients who need a custodial account and/or brokerage account. Gresham may be directed by the Client to process transactions in their Fidelity account with Client authorization. For discretionary Clients, Gresham requests that the Client open an account with Fidelity. Fidelity acts as custodian of the account and requires Client authorization to move assets to third parties. Most investment advisers will not request their discretionary Clients to open accounts with any particular broker, but Gresham does so in order to assist in managing transactions to and from its Partnerships and to include Gresham Partnerships in Clients' Individual Retirement Accounts as other custodians often cannot report on alternative investments.

Gresham does not receive any payment, products, research, or services (i.e., "soft dollars") as a benefit for its recommendation of custodial or brokerage services provided by Fidelity. However, Gresham has received services from Fidelity that are ancillary to maintenance of the custodial accounts for Clients or that relate to Gresham marketing activity at no cost to the Clients or Gresham. Gresham feels that it has negotiated terms favorable to what the Clients would be able to negotiate on their own.

Fidelity generally does not charge its advisory clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many



no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

Gresham does not normally trade individual securities on a discretionary basis for Clients, so the Firm does not normally aggregate transactions on behalf of multiple clients. Although Gresham does not recommend individual securities to its Clients, Gresham periodically receives stock distributions from the Gresham Partnership fund investments that it then distributes to Clients' custodial accounts, and sometimes Gresham may have a large block of ETFs to trade across multiple Clients' accounts. In these circumstances, Gresham may aggregate the orders and then allocate each Client its pro-rata share of the proceeds, or use other methods Gresham deems to be fair and equitable to all such Clients. These sales will be transacted on a non-discretionary basis and Clients will be required to authorize the sale of the security prior to processing. If authorization is not received from an Client in a timely manner, that Client may receive a price different from the price received by other Clients because its trade will be processed at a different time due to a delay in Gresham's receipt of trading authorization.

### **Broker Selection for Gresham Partnerships**

As general partner of the Gresham Partnerships, Gresham selects brokers to effect certain transactions in those Partnerships. Although most investments in the Gresham Partnerships are managed by unaffiliated third-party managers, at certain times Gresham receives a stock distribution or needs to purchase an ETF or implement another type of security transaction on behalf of a Partnership it manages. Gresham is not affiliated with any broker, so Gresham selects unaffiliated third-party brokers to execute all such transactions. Gresham receives no form of compensation, monetary or non-monetary, for selecting any broker and, therefore, has no soft dollar arrangement or other incentive to select one broker over another.

Gresham has complete discretion in determining the brokers the Gresham Partnerships use and in negotiating the brokerage commission rates. The majority of holdings in Gresham Partnerships that are not managed by unaffiliated third-party managers are maintained at an unaffiliated third-party custodian and Gresham Partnerships will often use the broker affiliated with the custodian to process trades. Gresham feels it has negotiated competitive commission rates and receives quality execution services through that selected broker. However, there are times when Gresham determines it to be more beneficial to the Gresham Partnerships to execute a transaction with different brokers at a higher cost based on other qualifying factors, such as the size and type of transaction, timing of execution, nature of the relevant markets on which the transaction will be executed, and other factors affecting the transaction.

## **Item 13. Review of Accounts**

### **Review of Clients' Accounts**

Gresham's advisory services are tailored to the needs of each Client, so the steps described immediately below should be viewed as guidelines. Typically, one or more members of Gresham's Client Service Team ("Advisors") meet with each new Client several times prior to establishing a set of investment objectives. The information developed during these meetings, along with each Client's wealth transfer and philanthropic goals, forms the basis for the Client's investment policy statement(s). Gresham's Advisors work with each Client to develop a financial plan, and then the investment policy statement(s), financial plan, holdings and performance are reviewed with the Client generally two to four times per year. Gresham may review a Client's account more frequently, particularly if the Client experiences a significant financial or life event. Gresham provides most Clients with quarterly written reports that address market and economic





developments as well as information about the Client's objectives, holdings and returns. However, the frequency and format of Client reports can be adjusted depending on each Client's needs.

#### **Review of Investor-Only Clients' Accounts; Gresham Partnership Communications**

Clients, former Clients and Investor-Only Clients who invest in the Gresham Partnerships that invest in marketable strategies receive quarterly statements from the Partnership Administrator. For illiquid, commitment-based Gresham Partnerships, all investors receive periodic valuations and information pertaining to the underlying investments in capital call and distribution notifications. All Clients invested in the Gresham Partnerships receive an annual audited financial statement for the Partnership prepared by an independent, unaffiliated Certified Public Accounting firm. Gresham does not review Investor-Only Clients' accounts with them on a quarterly basis or other regular schedule, but reviews are arranged individually with them to meet their needs.

#### **Review of the Gresham Partnerships' Accounts**

Gresham monitors the holdings and performance of each Gresham Partnership on an ongoing basis. The Firm seeks to confirm that chosen managers are investing in accordance with their respective mandates and that each Partnership's capital is allocated appropriately. Gresham conducts periodic reviews of each of the Partnerships' substantive holdings, but more frequent reviews may be prompted by market or economic developments, unexpected over or under-performance, or a material announcement by an underlying fund's investment adviser. These reviews are overseen by Gresham's Chief Executive Officer and Chief Investment Officer. With respect to each Gresham Partnership, each investor will be furnished information necessary for tax reporting. On an annual basis, Clients and Investor-Only Clients are sent their Partnership's annual financial statements.

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

Gresham does not compensate any third party for client referrals. Gresham also does not receive any compensation from any third party in connection with the provision of investment advice to its Clients or other types of advice to its Clients.

#### **Item 15. Custody**

As general partner of the Gresham Partnerships, Gresham is deemed to have custody of assets managed on a discretionary basis in those Partnerships. To abide by Rule 206(4)-2 under the Advisers Act (the "Custody Rule"), Gresham Partnerships are audited annually by an unaffiliated auditor, and those audits are prepared in accordance with generally accepted accounting principles and are delivered to each investor in the Partnership within 120 days of the partnership's fiscal year end.

For assets managed outside the Gresham Partnerships, Gresham is deemed to have custody in certain circumstances whereby Gresham is the appointed investment adviser under certain discretionary or trust agreements or when Clients maintain Standing Letters of Authorization to move money under their agreements with Fidelity. These assets under advisement are held by unaffiliated managers or other unaffiliated investment advisers or qualified custodians that are not affiliated with Gresham. Qualified custodians, which include Fidelity, provide Clients with statements showing all trades, holdings and other transactions at least quarterly. Gresham urges Clients to carefully review and compare the statements provided by their custodians or unaffiliated fund managers with the reports provided by the Firm. In cases where Gresham is deemed to have custody as an appointed investment adviser under certain discretionary and trust agreements, and



where Clients maintain Standing Letters of Authorization directed to Gresham's Partnerships, Gresham engages a third-party, unaffiliated auditor to conduct an annual surprise asset verification examination.

Gresham is also deemed to have custody based on authority Clients grant it to auto-debit quarterly fees from their custodial accounts with Fidelity. In those cases, Gresham also complies with the requirements of the Custody Rule; however, these accounts are not subject to the surprise asset verification examination.

#### **Item 16. Investment Discretion**

Gresham has discretionary authority over the Gresham Partnerships as described in each Partnership's operating agreement and confidential offering materials.

Gresham provides both discretionary and non-discretionary investment advisory services for its Clients' assets based on each Client's preference. In cases of non-discretionary investment recommendations, the Clients review and approve each investment transaction.

In cases where Gresham has investment discretion over a Client's assets, the Firm has discretionary authority to set and adjust the allocation of certain assets to various Gresham Partnerships, unaffiliated managed funds, separately managed accounts and direct-access managers, and to make discretionary transactions that impact the Client's allocation to cash, mutual funds and ETFs in the Client's custodial account. This authority is described in written agreements between each such Client and Gresham.

#### **Item 17. Voting Client Securities**

The Gresham Partnerships invest predominantly in unaffiliated private funds rather than publicly traded securities, so the Firm does not exercise proxy voting authority in the conventional sense. From time to time, private fund managers seek consent from Gresham and other investors in their funds. Gresham's investment professionals will carefully evaluate all such proposals and seek to act in the affected Partnership's best interests. To the extent that such a proposal creates a material conflict of interest between the Firm and the Partnerships, Gresham will consult with outside legal counsel about the appropriate course of action.

For discretionary Client accounts, it is Gresham's policy to vote proxies for all mutual fund and ETFs purchased on a discretionary basis for the Client pursuant to Gresham's discretionary authority. Gresham is charged with identifying the proxies upon which the Firm will vote, voting the proxies in the best interests of the discretionary Clients, and submitting the proxies promptly and properly.

Our policy is to vote proxies for mutual fund and ETF positions managed under discretion by Gresham in the interest of maximizing shareholder value. To that end, the Firm will vote in a way that it believes, consistent with its fiduciary duty, will cause the investment to increase the most or decline the least in value. Consideration will be given to both the short and long-term implications of the proposal to be voted on when considering the optimal vote.

The Firm currently has not identified any potential conflicts of interest between its discretionary Clients' interests and our own interests within our proxy voting process. Nevertheless, if we determine that the Firm is facing a material conflict of interest in voting a proxy, our procedures





provide for us to inform any affected discretionary Clients of the potential conflict in advance and mutually agree on an acceptable manner of handling the potential conflict.

In certain instances, Client accounts hold non-discretionary equity securities that are not managed by Gresham. Gresham will not be responsible for voting proxies for such non-discretionary securities.

Should Gresham inadvertently receive proxy or class action information for non-discretionary securities held in Client accounts, Gresham will immediately forward such information to the Client and will not take any further action with respect to the voting of such proxy or class action.

If multiple Clients hold the same equity, Gresham may only receive one proxy notice, which would prevent the Firm from forwarding the notice to each Client since the Firm cannot forward a single notice to multiple Clients. Since equity positions are not managed by Gresham, the Firm will consider these positions as immaterial to the implementation of the Client's investment strategies and will abstain from voting the proxies in question.

Upon termination of our FAA with a Client, we shall make good faith and reasonable attempts to forward proxy information inadvertently received by us on behalf of the Client using the forwarding address provided by the Client.

Please contact us if you have any questions about or you would like to review our proxy voting policy and procedures, or you have questions about or would like to review our proxy voting record.

#### **Item 18. Financial Information**

Gresham Partners has never filed for bankruptcy nor been the subject of a bankruptcy petition and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients.