

Item 1 – Cover Page

Granville Capital, Inc.  
300 North Greene Street, Suite 1750  
Greensboro, NC 27401  
336-273-8544

[www.granvillecapitalinc.com](http://www.granvillecapitalinc.com)

March 24, 2023

This Brochure provides information about the qualifications and business practices of Granville Capital, Inc. If you have any questions about the contents of this Brochure, please contact us at 336-273-8544 or [info@granvillecapitalinc.com](mailto:info@granvillecapitalinc.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.

Granville Capital, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information which you utilize to determine to hire or retain an Adviser.

Additional information about Granville Capital, Inc. (CRD Number 126679) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Brochure contains material changes from our previously filed Brochure dated March 25, 2022. Regulatory assets under management have been updated in Item 4 – Advisory Business. Item 4 - Advisory Business, Item 5 – Fees and Compensation, Item 10 – Other Financial Industry Activities and Affiliations and Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading have been updated to add additional information regarding potential conflicts of interest.

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### **NOTICE**

Although this publicly available Brochure describes investment advisory services of Granville Capital, Inc., persons who receive this Brochure (whether or not from Granville Capital, Inc.) should be aware that it is designed solely to provide information about Granville Capital, Inc. as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each fund client is included in relevant governing documents. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents will govern and control.

***This Brochure is not an offer or agreement to provide advisory services to any person, an offer to sell interests (or a solicitation of an offer to purchase interests) in any fund client or a complete discussion of the features, risks or conflicts associated with any client.***

#### **Item 4 – Advisory Business**

Granville Capital, Inc. (“Granville”) commenced operations in February 2003, and is owned by Pearce A. Landry, Stephen C. Hassenfelt, Eugene G. Purcell IV, and Michael W. Dinkins. Granville serves as the general partner of Granville Multi-Strategy Partners, L.P. (formerly known as NCT Opportunities Equity Partners Limited Partnership), Granville Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P., each a North Carolina limited partnership, which is exempt from registration as an investment company pursuant to Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act of 1940, as amended. Granville serves as the investment manager for Granville Multi-Strategy Partners, L.P., Granville Multi-Strategy Global Partners, Ltd., a Cayman Islands exempted company, and Granville Private Equity Partners, L.P. Granville is a general partner in GPEP Associates, L.P., a North Carolina limited partnership, which is the general partner of Granville Private Equity Partners, L.P., a North Carolina limited partnership. Granville also offers separately managed accounts. Granville offers advice on manager selection and monitoring and allocates client assets to a variety of underlying investment managers, who, in turn, invest such assets using investment approaches that are allocated among multiple strategies, asset classes, regions, industry sectors, and securities.

The advisory services provided by Granville to its clients are tailored to the investment objectives, investment strategy and investment restrictions set forth in the documents governing its client relationships, including investment fund client offering documents, separately managed account client investment advisory agreements and separately managed account client investment guidelines. Recommendations that are made for each separately managed account reflect that client’s stated objectives.

In the sole discretion of the general partner or director of the investment fund client, an investment fund client may enter into side letters, and currently has entered into such side letters, with certain investors covering, among other things, management fees, investment management allocations, incentive fees, withdrawal rights, and transfer rights. Such investors are granted favorable rights not afforded other investors in such investment fund client, generally. Such side letters are entered into by investment fund clients without the consent of or notice to the other investors in such investment fund clients.

From time to time, the Granville recommends that certain of its separately managed account clients invest in Granville’s investment fund clients to the extent that such an investment would be suitable and appropriate for such client. Such recommendations are subject to certain potential conflicts of interest on the part of Granville and involve the payment of certain additional fees and compensation by a separately managed account

client that invests in a Granville managed investment fund client. Additional details regarding such investment fund clients are provided in the Items below.

As of December 31, 2022, Granville's regulatory assets under discretionary management were \$585,060,806, and assets under non-discretionary management were \$326,269,138.

## **Item 5 – Fees and Compensation**

Granville's fixed fees for services as general partner and/or investment manager of Granville Multi-Strategy Partners, L.P., Granville Equity Partners, L.P., and Granville Multi-Strategy Global Partners, Ltd. are based upon a percentage of assets managed. The standard asset-based management fee is 1% per year (0.25% per quarter) and is paid in advance at the beginning of each calendar quarter. Fees are deducted from investment fund assets. In the event an investor is admitted on a day other than the first business day of a calendar quarter, or an investor withdraws funds during a quarter, management fees are adjusted (charged or refunded for the ratable portion of the quarter) and are paid or refunded at the beginning of the next quarter. Granville, in its sole discretion, reduces or waives the standard asset-based management fee for certain investors. For example, Granville has entered into agreements with certain financial institutions and investment advisers under which these financial institutions and investment advisers will (1) advise their clients of the availability of investment funds for which Granville serves as general partner and/or investment manager and (2) share responsibility for providing services to mutual clients with respect to investment fund matters. For investors who are clients of these financial institutions or investment advisers, the standard asset-based management fee may be, and currently is, discounted for certain investors by up to 25% to reflect the shared responsibility for providing client services. No management fee is paid by the general partner or investment manager of investment fund clients, or any investor who is an affiliate of the general partner or investment manager.

As the general partner of Granville Private Equity Partners, L.P., GPEP Associates, L.P. (of which Granville is the general partner) receives a fixed quarterly fee equal to 0.235% (0.94% per year) of each partner's capital commitment, plus 0.125% (0.5% per year) of the excess, if any, of the fair market value of each partner's capital account over the partner's capital commitment. The general partner may, in its sole discretion, reduce the quarterly fee for all partners on the same basis. The fee is paid in advance at the beginning of each calendar quarter. Fees are deducted from partnership assets.

As the general partner of Granville Investment Fund I, L.P., Granville receives an annual management fee of 0.25% of the cumulative capital contributions made by partners

participating in certain investments. For the remaining investments Granville receives no management fee.

As the general partner of Granville Private Equity Partners II, L.P. and Granville Private Equity Partners III, L.P., Granville for the first five years receives a fixed quarterly fee equal to 0.1875% (0.75% per year) of each partner's cumulative capital contributions not to exceed each partner's capital commitment. Thereafter, Granville will receive a fixed quarterly fee equal to 0.1875% (0.75% per year) of the lesser of each partner's cumulative capital contributions or capital balance.

The above-described management fees and fixed fees are payable without regard to the overall success or income earned by and investment fund client and therefore may create an incentive on the part of Granville to raise or otherwise increase assets under management to a higher level than would be the case if Granville were receiving a lower or no management fee or fixed fee.

A separately managed account client that invests in one of Granville's investment fund clients generally pays management fees and performance compensation to Granville or its affiliates, which are in addition to any investment advisory fees that are paid to Granville by such separately managed account client. To the extent a separately managed account client invests in a Granville managed investment fund client, Granville and its related persons (directly or indirectly) benefit from fees and compensation payable to Granville or its affiliates. In addition, because investment fund clients invest in underlying funds, such separately managed account clients will bear multiple levels of fees, performance compensation, costs and expenses.

In addition to Granville's management fees, its investment fund clients also pay certain operating expenses of such pooled investment funds including, but not limited to, organizational and offering expenses (such as legal, accounting, professional, expert and consulting fees and expenses, government filing fees, printing and mailing expenses, and other expenses incurred in offering investment fund client interests); all fees and compensation paid to underlying investment managers and underlying funds; expenses related to investments in underlying funds; audit, accounting, and tax return expenses; legal fees and expenses; consulting fees; compliance support expenses; and custody charges. Investment expenses payable by such investment fund clients include fees and expenses incurred in conducting background checks and due diligence related to underlying investment managers and underlying funds; commissions; research fees; custodial fees; bank service fees; and any other fees and expenses reasonably related to the purchase, sale, or transfer of the investment fund client's assets. All manager fees and expenses and fees and expenses charged by underlying funds in which investment fund

clients invest are treated as expenses of such investment fund clients. Investment fund client offering documents provide additional detail about fees and expenses. Both investment fund clients (directly and indirectly through underlying funds) and separately managed account clients will incur brokerage and other transaction costs. Please see Item 12 below for additional information regarding Granville's brokerage practices. Fees and expenses are allocated to Granville's clients in accordance with its expense allocation policy. Such general expense allocation policy is subject at all times to any specific allocation provisions set forth in an investment fund client's offering documents or separate account client's account documents. If fees and expenses are incurred by multiple clients, Granville generally allocates the expense among clients on a pro rata basis based on each client's assets under management. Expenses related to a specific investment are generally allocated based upon the percentage of capital deployed by the respective client(s) into the investment. Notwithstanding the foregoing, Granville may use other methods to allocate fees and expenses among clients in any manner that it deems fair and equitable.

A separately managed account client that invests in one of Granville's investment fund clients is also responsible, as an investor in the investment fund client, for the payment of its share of the expenses incurred in connection with the administration or operation of the investment fund client in which it invests. To the extent Granville's related persons are investors in such investment fund client, their share of the investment fund client's expenses will be reduced as a result of the investment by a separately managed account client in the investment fund client. The expenses payable by a separately managed account client that invests in an investment fund client are separate and distinct from the fees charged by Granville for advisory services provided by it to such separately managed account client.

Current and prospective investors in Granville's investment fund clients should refer to the private placement memorandum or other offering documents of the respective investment fund client for detailed information with respect to the fees and expenses they may pay in connection with an investment in such investment fund client. The information contained herein is a summary only and is qualified in its entirety by such documents.

Fees for other investment supervisory services and separately managed accounts are negotiated on a case-by-case basis. Certain high-net-worth clients are charged a fixed fee, while others are charged an asset-based fee. These fees are typically billed in arrears at the end of each calendar quarter.

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

In addition to management fees, Granville is also entitled to an investment management allocation (or incentive fee in some cases) of net profits based upon performance of Granville Multi-Strategy Partners, L.P., Granville Equity Partners, L.P., and Granville Multi-Strategy Global Partners, Ltd. Investment management allocations or incentive fee payments are made annually and are typically 5% of net realized and unrealized profits, subject to a high water mark provision. No investment management allocation or incentive fee will apply to the general partner or investment manager of investment fund clients, or any investor who is an affiliate of the general partner or investment manager. Granville, in its sole discretion, may reduce or waive, and in some cases has reduced or waived, the investment management allocation of investment fund clients or incentive fee for certain investors.

After the investors in Granville Private Equity Partners, L.P. have received a preferred return of 8% per annum, compounded annually, on unreturned capital contributions, the general partner of Granville Private Equity Partners, L.P., GPEP Associates, L.P. (of which Granville is the general partner), is entitled to an allocation of 10% to 20% of any additional realized profits depending upon the nature of the investments.

After investors in Granville Investment Fund I, L.P. have received a distribution equal to their capital contribution and a preferred return of 8% per annum, compounded annually on unreturned capital contributions, Granville is entitled to an amount equal to the preferred return distributions to certain partners divided by one minus a carried interest percentage of 10%, less the distributions to certain partners.

After the investors in Granville Private Equity Partners II, L.P. and Granville Private Equity Partners III, L.P. have received distributions equal to their aggregate capital contributions, Granville receives 5% carried interest of any additional distributions.

Performance-based fee arrangements may create an incentive for Granville to make investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Further, the simultaneous management of different vehicles and accounts with different types of fees creates certain potential conflicts of interest, including the possibility of favorable or preferential treatment of a vehicle or account that is subject to fees that are higher than others or that is subject to performance-based fees. Granville seeks to address such potential conflicts of interest through its adoption of the Code of Business Conduct and Ethics described below in Item 11.



Current and prospective investors in Granville's investment fund clients should refer to the private placement memorandum or other offering documents of the respective investment fund client for detailed information with respect to the fees they may pay in connection with an investment in such investment fund client. The information contained herein is a summary only and is qualified in its entirety by such documents.

## **Item 7 – Types of Clients**

Granville provides investment advisory services to high-net-worth individuals, trusts, IRAs, and certain pooled investment vehicles. Six pooled investment vehicles are structured as limited partnerships and one as a Cayman Islands exempted company. Investors in the pooled investment vehicles are accredited investors. The minimum initial investment is \$1,000,000 for Granville Multi-Strategy Partners, L.P., Granville Equity Partners, L.P., and Granville Multi-Strategy Global Partners, Ltd., and \$300,000 for Granville Private Equity Partners II, L.P. and Granville Private Equity Partners III, L.P., subject to increase or decrease at the discretion of the general partner or directors of the investment fund client.

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

Granville allocates client assets to a variety of underlying investment managers generally through the purchase of an interest in a private investment fund, limited partnership, or other pooled investment vehicle managed by an investment manager. Granville seeks to invest client assets with investment managers that pursue investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors, and securities. For separately managed accounts with respect to which Granville has discretionary authority, investment strategies are determined on a case-by-case basis in consultation with the client.

In selecting investment managers and allocating assets among them, Granville considers both quantitative and qualitative factors including, but not limited to, an investment manager's performance during various time periods and market cycles; an investment manager's reputation, experience, and training; its articulation of, and adherence to, its investment philosophy; the presence and deemed effectiveness of an investment manager's risk management discipline; the structure of an investment manager's portfolio and the types of securities or other instruments held; its fee structure; on-site interviews with the investment manager's personnel; the quality and stability of an investment manager's organization, including internal and external professional staff; and whether an investment manager has a substantial personal investment in the investment program it pursues.

Granville conducts its own proprietary research on all managers in which it invests, using a wide range of publicly and privately available sources of information that it deems relevant to its investment decisions. Information reviewed may include, but is not limited to, offering memoranda, limited partnership agreements, due diligence questionnaires, presentation materials, audited financial statements, performance history, use of leverage and derivatives, perspectives of references and service providers, investment philosophy and process, portfolio management and risk management systems, and issues affecting business risk. In certain cases, Granville utilizes a third party to conduct operational due diligence to supplement its own research.

The investment strategies employed by the underlying investment managers may include, but are not limited to, investments in public and private, domestic and foreign, long and short positions in equity securities, fixed income securities, options, warrants, convertible securities, financial and commodity futures, currency forward contracts, over-the-counter derivative instruments, securities that lack active public markets, and other related equity or fixed income instruments.

Portfolio securities in which the underlying investment managers invest are generally marketable, although the interests in the private investment funds in which Granville invests are subject to significant restrictions on transfer. The investments by Granville Private Equity Partners, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P.'s managers, however, primarily involve purchases of non-marketable or illiquid securities.

Investment in Granville's pooled investment vehicles involves significant risk factors and is suitable only for persons who can accept a high degree of risk, who can afford the complete loss of their capital and who are generally willing to lock-up their investment for a minimum of one year. Because Granville relies on certain key personnel in connection with the provision of services to its pooled investment vehicles, the death, disability or departure of key personnel could adversely affect the business of such investment vehicles; investors have no right or power to take part in the management of the investment vehicles. There is no assurance that the investment strategies employed by the underlying investment managers will be successful. Granville's underlying investment managers' strategies and their underlying investments involve risk of loss that clients should be prepared to bear. Many of the strategies to be employed involve a variety of risks. Investment in Granville's pooled investment vehicles carries with it the inherent risk of loss associated with investments in securities as well as additional risks that may include, without limitation, lack of liquidity, the use of leverage which can compound losses, short sales with unlimited loss potential, options and derivatives with implied leverage, default or insolvency of counterparties and service providers, commodities and financial futures

with high leverage, concentration in a limited number of industries and securities, foreign investments, investments in new issues/IPOs, credit and interest rate risks, investments in high-yield, low or unrated securities, investments in digital assets/digital currencies, investments in special purpose acquisition companies, environmental, social and governance (ESG) investments, and currency risk. Further structural risks may include the retention of investment managers who have limited staff and little or no history as independent entities and are compensated based on performance, which could induce high risk taking and significant or total loss. An underlying manager's investment flexibility may be constrained in the event it comes into the possession of non-public information concerning specific companies. For tax-exempt entities, there is also the risk of being subject to unrelated business taxable income.

There are additional risks associated with the multi-manager structure. Granville has no control over the day-to-day operations of any of the investment managers in which it invests, and Granville does not receive complete transparency on the investment managers' underlying investments or strategies. Most of the investment managers will rely on the service of a small number of key personnel. The death, disability or departure of key personnel could adversely affect investment performance. Many of the investment managers have lock-ups which limit the ability to withdraw for certain periods of time. In addition, some investment managers make illiquid "side-pocket" investments, and there is no liquidity for these investments until they are disposed of by the investment manager. Most investment managers will generally have the ability to prevent withdrawals from their funds under extenuating circumstances (gate), which would further reduce the restricted liquidity of Granville's investments at stated intervals under normal conditions. Investment managers in which Granville invests typically are permitted to distribute redemption proceeds in cash or in kind. Thus, upon the pooled investment vehicle's withdrawal of any portion or all of its interest from a fund, Granville's investment vehicle may receive securities that are illiquid or difficult to value. The expenses of a multi-manager structure (including payments of fees and expenses to the underlying investment managers) are typically a higher percentage of net assets than would be found in other investment entities.

Legal, tax, and regulatory changes could also occur and present risks that adversely affect the value of investments and the ability to pursue investment strategies. There is also a risk of errors and omissions in that the due diligence performed by Granville or third parties may not uncover all unforeseen risks, and the quality and reliability of the data and information upon which Granville bases an investment decision may be inaccurate. Granville's investment vehicles and underlying managers may incur substantial losses in the event of disrupted markets or other extraordinary events, including a major public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent

worldwide outbreak of Coronavirus (or COVID-19), terrorism, acts of war and the related market volatility. Granville's investment vehicles and underlying managers are also subject to the risk that certain emergency governmental powers are exercised that could result in an inability to close out financial contracts and/or make claims as a creditor and are also subject to the risk of adverse cybersecurity events and litigation risks. The private investment funds industry is facing increased political and regulatory scrutiny; there can be no assurance that Granville, its pooled investment vehicles, underlying managers or any of their respective affiliates will avoid regulatory examination and possibly enforcement actions.

Granville may temporarily invest directly in money market funds, pending investments with investment managers, which could present a risk of loss. The pooled investment vehicles also may borrow money from time to time, using the investment interests as collateral, to facilitate the orderly liquidation of investments and reinvestment of the proceeds, to finance the purchase of investments, to fund withdrawals, and to pay fees, expenses, and other obligations of the investment vehicle in the ordinary course of business. These borrowed funds could increase leverage and also result in an increased magnitude of loss.

Investors and prospective investors in Granville's pooled investment vehicles are provided with a confidential private offering memorandum or other offering documents of the respective investment vehicle that provide a detailed description of the material risks related to an investment in the pooled investment vehicle. Such investors are advised to review carefully all risk factors set forth in such documents. The above information regarding risks is a summary only and is qualified in its entirety by such documents.

Investing in securities involves risk of loss that Granville's clients should be prepared to bear.

## **Item 9 – Disciplinary Information**

As a registered investment adviser, Granville is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Granville or the integrity of Granville's management. Granville has no information applicable to this Item to disclose.

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

Granville serves as general partner of Granville Multi-Strategy Partners, L.P., Granville Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P. Granville serves as the investment manager of Granville Multi-Strategy Partners, L.P., Granville Multi-Strategy Global Partners, Ltd., and Granville Private Equity Partners, L.P. Granville serves as the general partner of GPEP Associates, L.P., which serves as the general partner of Granville Private Equity Partners, L.P. Certain officers of Granville have an interest in Granville Multi-Strategy Partners, L.P., Granville Multi-Strategy Global Partners, Ltd., Granville Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P.

When Granville recommends that a separately managed account client make an investment in a Granville managed investment fund client, this creates a potential conflict of interest in that Granville has an incentive to recommend the investment fund client to a separately managed account client (rather than an unaffiliated private fund) in order to increase the amount of capital managed by Granville and its affiliates and generate management fees and performance compensation for Granville or its affiliates. Such fees and compensation may (and in some cases do) materially benefit Granville's related persons who have a direct or indirect interest in such fees and compensation through ownership interests in Granville and its affiliates. Notwithstanding the foregoing, under Granville's Code of Business Conduct and Ethics Granville's personnel are prohibited from engaging in, or recommending, any securities transactions that place their own interests above those of Granville clients. Separately managed account clients of Granville considering an investment in one of Granville's investment fund clients should review the offering materials for such investment fund client for the specific risks and potential conflicts of interests associated with an investment in such investment fund client.

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

Granville has adopted a Code of Business Conduct and Ethics for all employees of the firm describing its high standard of corporate and individual conduct. The Code of Business Conduct and Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees of Granville must acknowledge the terms of

the Code of Business Conduct and Ethics upon employment, then annually, or when amended.

Granville has an interest in Granville Multi-Strategy Partners, L.P., Granville Multi-Strategy Global Partners, Ltd., Granville Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P. arising from its investment in each such entity and receives a pro-rata share of the capital appreciation based upon the relative value of its respective investment. In addition, as general partner of Granville Equity Partners, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P., and as investment manager of Granville Multi-Strategy Partners, L.P. and Granville Multi-Strategy Global Partners, Ltd., Granville is entitled to receive a performance-based allocation or incentive fee as described in Item 6 above. Granville has an indirect interest in Granville Private Equity Partners, L.P. through its interest in GPEP Associates, L.P. Certain officers of Granville have an interest in Granville Multi Strategy Partners, L.P., Granville Multi-Strategy Global Partners, Ltd., Granville Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P. The fact that Granville and its related persons, in their capacities as general partners of certain investment fund clients, and certain Granville personnel and other related persons have financial ownership interests in certain investment fund clients creates a potential conflict in that it could cause Granville to make different investment decisions than if such persons or entities did not have such interests. Granville may have an incentive to favor accounts in which such persons or entities have an interest with respect to the allocation of investment opportunities.

Granville will likely identify investment opportunities that would be suitable to more than one of its investment fund clients. In such cases, Granville will allocate investment opportunities in its discretion and will not be under any obligation to share any investment opportunity with a particular investment fund client. Accordingly, Granville may allocate an investment opportunity to one or more of the clients of Granville. In making such an allocation, Granville typically considers, among other things, investment objectives, available capital, risk tolerance, the size of the investment opportunity, legal, tax and regulatory matters, and the availability of other investment opportunities. The method of allocating investment opportunities may change over time.

While Granville does not trade in securities for its own account, personnel of Granville are permitted to do so, and may purchase and sell, and certain personnel currently do purchase and sell, the same securities purchased or sold on behalf of client accounts. Further, from time to time Granville recommends that certain of Granville's separately managed account clients invest in investment fund clients managed by Granville.

Granville has sought to address any potential conflicts of interest that may arise as a result of such interests and transactions through its Code of Business Conduct and Ethics. Under Granville's Code of Business Conduct and Ethics, Granville's personnel are prohibited from engaging in, or recommending, any securities transactions that place their own interests above those of Granville clients. As noted above, all employees of Granville must acknowledge the terms of the Code of Business Conduct and Ethics upon employment, then annually, or when amended. Each employee of Granville is required to adhere to Granville's personal trading rules. Pre-clearance from Granville's Chief Compliance Officer or his designee is also required for certain transactions in securities.

Granville clients or prospective clients may request a copy of the firm's Code of Business Conduct and Ethics by contacting Skip Purcell, Chief Compliance Officer, at 336-273-8544 or [info@granvillecapitalinc.com](mailto:info@granvillecapitalinc.com).

## **Item 12 – Brokerage Practices**

With the exception of Granville Multi-Strategy Global Partners, Ltd. which must invest substantially all of its investable assets in Granville Multi-Strategy Partners, L.P., Granville has full discretion for the fund of funds accounts to determine, without obtaining specific consent, the interests in investment funds to be bought or sold, or the amount of such interests to be bought or sold. Granville also has full discretion in the selection of broker-dealers, which would primarily be used for equity securities distributed in-kind from investment funds. For such transactions, Granville selects unaffiliated broker-dealers and places primary consideration on the broker-dealer's ability to provide best execution of transactions. Broker-dealers for other client accounts are determined on a case-by-case basis in accordance with the client's preference. Broker-dealers selected by Granville may charge commissions to Granville's clients that are higher than the commissions charged by other broker-dealers. Due to the nature of Granville's investment model, which generally involves the purchase of privately offered interests in investment funds, the opportunity for aggregating the purchase or sale of securities for client accounts is not available.

## **Item 13 – Review of Accounts**

Fund of funds accounts are updated and reviewed on a monthly basis. The Manager of Fund Operations receives from Granville's fund administrator client account reports detailing changes in the accounts due to performance, withdrawals, and subscriptions. Any changes in connection with performance, withdrawals, and subscriptions are reconciled

against Granville's records. Financial statements and performance reports are reviewed by Granville's Chairman, Chief Executive and Chief Investment Officer, Chief Operating and Chief Compliance Officer, Principal, and Vice-President. Other client accounts are reviewed in accordance with agreements negotiated on a case-by-case basis, but typically no less frequently than monthly. With the exception of Granville Private Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., and Granville Private Equity Partners III, L.P. which report quarterly, clients receive monthly capital account statements and performance reports, quarterly performance updates, and yearend financial and tax information.

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

Granville does not receive any economic benefit from a non-client for Granville's provision of investment advisory services to its clients, and Granville does not compensate any non-employee for client referrals.

#### **Item 15 – Custody**

In its capacity as the general partner of Granville Multi-Strategy Partners, L.P., Granville Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., Granville Private Equity Partners III, L.P., and comparable positions for Granville Multi-Strategy Global Partners, Ltd. and Granville Private Equity Partners, L.P., which gives Granville legal access to client funds or securities, Granville is deemed to have custody of client assets. In addition, for certain separately managed accounts where Granville has the ability to facilitate third-party money movements, Granville is deemed to have custody of client assets. Granville uses third party qualified custodians to safeguard client assets, unless an exception applies.

Under the Securities and Exchange Commission's rules for pooled investment vehicles, Granville is permitted to satisfy the requirements for use of a qualified custodian, advisory client notice, account statement delivery and examination requirements by having Granville Multi-Strategy Partners, L.P., Granville Equity Partners, L.P., and Granville Multi-Strategy Global Partners, Ltd. audited annually by an accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. Granville distributes audited financial statements to each investor in these three funds within 180 days of each fiscal year end.



Investors in Granville Private Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., Granville Private Equity Partners III, L.P., and certain separately managed accounts receive quarterly statements directly from the qualified custodians that hold and maintain the partnerships' or accounts' assets. Granville urges clients in Granville Private Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., Granville Private Equity Partners III, L.P., and certain separately managed accounts to carefully review such statements and compare such official custodial records to the account statements that Granville provides. Granville Private Equity Partners, L.P., Granville Investment Fund I, L.P., Granville Private Equity Partners II, L.P., Granville Private Equity Partners III, L.P., and certain separately managed accounts undergo an annual surprise examination by an independent public accountant.

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

Please refer to Item 4 for information regarding Granville's discretionary authority to manage securities accounts on behalf of clients.

For fund of funds accounts, Granville has full discretion to determine, without obtaining specific consent, the interests in investment funds to be bought or sold, and the amount of such interests to be bought or sold. Such discretionary authority is typically granted to Granville pursuant to the governing documents of the applicable fund of funds account.

For separately managed accounts with respect to which Granville has discretionary authority, Granville obtains a limited power of attorney to execute trades on behalf of clients.

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

As the investment adviser to fund of funds, Granville has a limited opportunity for proxy voting. Granville casts votes on fund matters, and in the limited cases where terminated managers have distributed securities directly to the funds, Granville may cast votes related to specific securities or money market funds awaiting investment. If Granville determines that a material conflict may exist between an investment fund client's interests and Granville's interest or between two or more investment fund clients' interests, Granville's Chief Executive Officer and the Chief Compliance Officer together will determine the appropriate course of action. Clients may obtain a copy of Granville's proxy voting policies and procedures upon request. Clients may also obtain information from Granville about how Granville voted any proxies on behalf of the fund accounts. Clients should direct their

requests to Terri Ross, Manager of Fund Operations, at 336-273-8544 or [info@granvillecapitalinc.com](mailto:info@granvillecapitalinc.com).

Granville does not vote proxies on behalf of any of its high-net-worth individual clients or separately managed accounts. These clients will receive their proxies or other solicitations directly from their custodian.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about their financial condition. Granville has no financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.