

**FORM ADV PART 2A**

**Item 1 Cover Page**

**Date of Descriptive Materials: October 27, 2023**

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**CRD No.: 127161 SEC File No.: 801-67774**

**Greenwich Investment Management, Inc. is a Registered Investment Adviser whose principal officers are:**

**Board of Directors:**

**L. George Rieger**

**Heather S. Sevillano**

**Jin Hu**

In this descriptive material, we refer to Greenwich Investment Management, Inc. as “GIM.” This descriptive material provides information about the qualifications and business practices of GIM. If you have any questions about the contents of this descriptive material, please contact one of the Directors named above at (203) 930-7200. You should also visit GIM’s website at [www.GreenwichInvestmentMgt.com](http://www.GreenwichInvestmentMgt.com).

The information in this descriptive material has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about GIM is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

GIM has registered with the Securities and Exchange Commission as an Investment Adviser. Such registration does not imply that GIM or any of its employees have qualifications, skills or training in the business of advising persons on their financial affairs.

**Item 2 Material Changes**

GIM will disclose material changes to this document in Item 2 – Material Changes.

Anytime a material change is made to this document, GIM will notify Clients and furnish all Clients with a copy of this document at no charge. Please contact GIM directly if any clarification is needed on any point contained herein.

Please see important information about market conditions impacting our business. Please refer to Item 4.

GIM's Board of Directors elected Jin Hu to the board. Peter L'H. Courtney and Julie Muraco resigned from GIM's Board of Directors. Please refer to ADV Part 2B Team Supplement.

Additionally, GIM have made other changes, some of which clarify or enhance existing disclosures, but GIM do not consider these other changes to be material.

At any time, you may view the current Firm's descriptive material, online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for GIM,

- Click Investment Adviser Search in the left navigation menu and enter.
- Select the option for Firm and enter 127161 (our firm's CRD number) in the field labeled "Firm Name or CRD / SEC#."
- Click on "Search" and the Investment Adviser Firm Summary along with the latest Form ADV Part 1 filed will be displayed.
- Results include links to Form ADV Part 1 and Part 2A.

You may also request a copy of this firm's descriptive material, at any time, by contacting us at [service@greenwichinvestmentmgt.com](mailto:service@greenwichinvestmentmgt.com) or 203-930-7200.

**Item 3 Table of Contents**

<b>Item 1 Cover Page.....</b>	<b>1</b>
<b>Item 2 Material Changes.....</b>	<b>2</b>
<b>Item 3 Table of Contents .....</b>	<b>3</b>
<b>Item 4 The Advisory Business.....</b>	<b>4</b>
<b>Item 5 Fees; Compensation &amp; Methods of Compensation.....</b>	<b>11</b>
<b>Item 6 Performance-Based Fees &amp; Side-by-Side Management.....</b>	<b>13</b>
<b>Item 7 Types of Clients.....</b>	<b>13</b>
<b>Item 8 Methods of Analysis, Investment Strategies &amp; Risk of Loss.....</b>	<b>13</b>
<b>Item 9 Disciplinary Information.....</b>	<b>17</b>
<b>Item 10 Other Financial Industry Activities or Affiliations .....</b>	<b>17</b>
<b>Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>18</b>
<b>Item 12 Brokerage Practices, Research &amp; Other Soft Dollar Benefits .....</b>	<b>19</b>
<b>Item 13 Review of Accounts.....</b>	<b>22</b>
<b>Item 14 Client Referrals &amp; Other Compensation.....</b>	<b>22</b>
<b>Item 15 Custody .....</b>	<b>23</b>
<b>Item 16 Investment Discretion.....</b>	<b>24</b>
<b>Item 17 Voting Client Securities.....</b>	<b>24</b>
<b>Item 18 Financial Information.....</b>	<b>25</b>

#### **Item 4 The Advisory Business**

GIM was incorporated on December 1, 1999. The firm entered a period of rapid expansion when L. George Rieger joined GIM on January 1, 2007. L. George Rieger owns 85 percent of GIM, and Peter L'H. Courtney owns 15 percent.

##### **THE ADVISORY SERVICE OF GIM**

GIM advises persons and institutions to allocate their savings to financial assets whose characteristics are explained in this descriptive material. GIM describes such persons or institutions as clients of GIM. GIM's only source of revenue is the fees that GIM charges clients for investment counsel. In this descriptive material, we describe the relationship between GIM and clients as the Client-Counsel Relationship. GIM assigns to clients a team that consists of the primary or senior adviser, the associate adviser, and a client liaison for administrative client services.

The GIM client may select client's senior advisor. The senior and associate advisors have the responsibility to develop with the client the **Statement of Investment Objectives (SIO)**. Each SIO is unique to the client's needs, requirements and important characteristics. The SIO includes an overview of the investment strategy to be employed and types of assets that will be used to meet client objectives. The Client-Counsel Relationship commences with a thorough review of client's financial and personal circumstances. The purpose of the review is to quantify how a client's financial assets will meet the needs and objectives of the individual or institution. GIM tailors its investment advice, account investment strategy and risk tolerance as described in the completed SIO. Clients may direct, influence, suggest, restrict and otherwise control assets in client's portfolio. Such restrictions may affect the composition and performance of the client's portfolio. The performance of client portfolios will not be uniform because of differences in strategy and tactics that reflect client preferences.

Client service is an important part of the GIM culture. GIM's goal is to make accessible to every client the investment and administrative personnel and resources of the firm. Clients are able to communicate with GIM personnel directly, and through the GIM website. Periodically, clients have in person meetings with GIM advisors.

##### **THE SCOPE OF GIM INVESTMENT SERVICE**

GIM is not an asset allocator. GIM specializes in the analysis and management of financial assets that offer what GIM considers a generous level of current income. The income that clients receive is either dividends or interest. Dividends come from the ownership of common stock. Interest comes from ownership of fixed income securities such as bonds.

Bonds may account for 0 percent to 100 percent of client's assets. Equities may account for 0 percent to 100 percent of client's assets. The SIO as defined above describes the allocation of client assets between bonds and equities (for more information on concentration risk and fixed income assets managed by GIM, please refer to Item 8).

As discussed above, GIM emphasis is current income as the primary objective for GIM Clients. There are two kinds of current income. One is taxable to the client (investor) and consists of interest, dividends or

distributions from partnerships. The other is income that is exempt from federal income taxes.

The lawful avoidance of federal income taxes is the objective of many GIM clients. Such clients typically select tax-exempt bonds as the dominant asset in client's portfolio. Many clients of GIM have all of their portfolio invested in bonds whose income is federally tax exempt.

## THE UNIVERSE OF POTENTIAL INVESTMENTS

GIM purchases and manages money denominated instruments that trade on established stock and bond exchanges in the United States. Historically, GIM has not purchased assets in any foreign country other than Canada and has not purchased exchange-traded funds, open-end mutual funds (except money market funds), derivatives, auction rate securities or commodities. During 2021, GIM purchased shares in a Canadian bank and in a German biotechnology company.

GIM client portfolios may include both Equity and Fixed Income assets. Additional information on GIM's investment strategies, methods of analysis and the risk of loss on investment can be found in Item 8 of this descriptive material.

## DEFINITION OF "RETURN"

GIM defines return as the literal return of money from an investment to its owner. Return defined by GIM consists of dividends from common stocks and interest from bonds, or fixed income securities.

GIM does not define "return" as the increase or decrease in the market value or price of a security. In the GIM strategy, capital appreciation and capital depreciation are not a return. The sale of an asset at either a profit or a loss is a capital transaction and does not constitute income.

The financial community uses the phrase "total return" to describe the combination of cash income and change in market value. GIM believes that the phrase "total return" combines two distinct events. "Total return" may mislead investors to believe that an increase or decrease in market value of an asset is a return.

Believing that rising market value is a return may lead an investor to spend the "money in the newspaper." GIM designs its investment strategies, policies, and tactics to generate money in the bank. The money received as cash distributions is money in the bank. Unrealized decrease in market value is not money withdrawn from a bank.

## CALCULATION OF PERFORMANCE

GIM's portfolio management software, calculates performance in accordance with accepted standards. Client may request a detailed description of performance calculation.

The most important fact of performance calculation is that monthly compounding links total return (market value change, plus income). The compounding of performance gives credit to the manager for earning income even if client elects to spend it.

**FIXED INCOME MANAGEMENT BY GIM**

GIM specializes in the analysis, acquisition and ownership of a particular type of fixed income security, Private Activity Bonds (PAB). PABs are issued by a state or the agency of a state. The word “agency” includes any entity that has the authority to issue bonds for purposes that benefit the state and the public at large. State agencies include entities such as marine and airport authorities, transportation authorities, authorities that sponsor health, education, senior living, charter schools and detention centers. Such projects and bonds typically depend on revenue derived from use of Property Plant and Equipment (PP&E). In the marketplace, these bonds are referred to as “Revenue Bonds.” The bonds issued by such authorities and agencies may have no rating by any of the three nationally recognized agencies such as Moody’s, Standard & Poor’s Corp. or Fitch. GIM has focused its resources on the analysis, ownership and management of such agency bonds that have no rating.

Bonds favored by GIM finance the construction of PP&E. The PP&E is the collateral for the obligation to repay indebtedness and is secured by first mortgage and other forms of liens. The face value of bonds outstanding may account for 100 percent or more of a project’s PP&E or appraised value. In most cases at inception, the property itself is valued at less than the debt outstanding. Over time, debt amortizes, and the value of the collateral may be greater than the debt outstanding.

In 2021 and 2022, GIM experienced rising defaults by projects that serve the “senior citizen” market. Such projects typically have Independent Living Units (ILU), Assisted Living Units (ALU) and Memory Care (MC). The COVID pandemic materially contributed to severely adverse operating conditions for the projects. The COVID pandemic overtaxed management and exacerbated adverse conditions at the property level. Senior care projects generally continue to suffer from both staff shortages and increased cost of staff. Senior care managements across the country have had difficulty passing increased costs through to residents. The impact on GIM bonds is decreased debt service coverage and increased defaults.

In 2021 and 2022, GIM experienced defaults in the following projects that remain in client portfolios as of the date of the filing of this ADV.

Security	Cusip
Aurora Christian Schs Proj (Il) Upper Ill Riv Vy Auth Rev	91588tbu8
Austin Village Sen Liv Proj Ser B Tax Pub Fin Auth	74443ubu6
Austin Village Senior Liv Proj Ser A Public Fin Auth	74443ubt9
Avondale Senior Living Ser A SC Jobs EDA	837031zp1
Avondale Senior Living Taxable Ser B SC Jobs EDA	837031zq9
Beach House At Wiregrass Ranch Fl Cap Trust Agency	140532bp6
Beach House At Wiregrass Ranch Taxable Fl Capital Trust Agency	140532bq4
Fountains Of Hope Proj Ser 2017 Capital Trust Agency	14052wda2
Fountains Of Hope Proj Taxable Ser 2017 Capital Trust Agency	14052wdb0
Harvest Gold Silica Proj Amt Arizona Indl Dev Auth Rev	04052abb1
Harvest Gold Silica Proj Taxable Arizona Indl Dev Auth Rev	04052abc9
Harvest Gold Silica Proj Taxable Arizona Indl Dev Auth Rev	04052abf2
Harvest Gold Silica Proj Taxable Arizona Indl Dev Auth Rev	04052abg0

McClellan Assisted Living Fac Lp Proj Ser A	579501aa5
Meredith Bay Colony A Club New Hampshire St Business Sr Hsg -Ser A	64468kba3
Meredith Bay Colony Club New Hampshire St Business Sr Hsg -Ser B	64468kbb1
River Park Independent Living Proj Ser A Sc Jobs Eda Econ Dev Rev	837031yt4
River Park Independent Living Proj Ser B Taxable Sc Jeda Econ Dev Rev	837031yu1
Sawgrass Grand Senior Living Capital Trust Agency Fl Sr Living Rev	140542en7
Woodbridge Clinton Senior Living Sc Jobs Economic Dev Auth Rev	837031xp3
Woodbridge Clinton Senior Living Taxable Sc Jobs Economic Dev Auth Rev	837031xql

The number and collective size of the challenged projects has surpassed GIM's remedial resources, both personnel and liquidity. A defaulted project imposes two immediate costs on GIM. The first is legal counsel. The second is the possible injection of GIM liquidity into the project to stabilize operations. An example is the Sarasota, Florida Fountains Of Hope Proj Ser 2017 Capital Trust Agency project. Through March 2023, GIM and related entities have invested, loaned, or otherwise provided financial support of approximately \$1.45 million to keep the project operationally supported.

Another project that has been a drain on GIM resources is Arizona Industrial Development Authority Revenue Bonds (Harvest Gold Silica Project-Congress, Arizona) Series 2019 (AZ) (Cusips: 04052abb1, 04052abc9, 04052abf2, 04052abg0). GIM as Bond Holder Representative is in litigation with the underwriters. We seek the rescission of the transaction through our law firm in Denver, Colorado. GIM pursues and funds a separate action through our counsel in Tallahassee, Florida for the appointment of a receiver to sell the silica for repayment of the bonds. GIM estimates that the total cost of the two lawsuits will be not less than \$1,500,000.

GIM intends to pursue all possible remedies to recover clients' investments in projects that have defaulted. The cost of our remedial efforts may exceed our resources. The possibility of substantial loss of principal exists as was demonstrated in the sale of the Capital Trust Agency Senior Living Revenue Bonds Sawgrass Grand Senior Living Project Series 2019 (FL) in Sunrise, Florida. The court appointed receiver for the project sold the assets after GIM was unable to inject \$12,000,000 for completion and opening of the senior care facility. GIM clients lost approximately 60 percent of total dollars invested after credit for interest paid through the date of the default on the bonds.

The negative developments described above have damaged the reputation of GIM and led to client attrition. GIM has experienced a decline in revenue that diminishes GIM's ability to remediate challenged projects. GIM will underwrite projects in the \$3-\$20,000,000 range and avoid completely senior care projects. In respect to the latter, GIM may make an exception when the new bond is to finance expansion of a successful project.

The subjects that we describe above are complex. GIM welcomes client inquiry and meetings during which we will provide details and background on challenged projects. However, we believe our financial position is sound and we have financial resources to meet commitments for the foreseeable future.

## SINGLE HANDED BOND TRANSACTIONS DEFINED

GIM may direct the purchase of entire bond issues into GIM client portfolios. GIM believes that its purchase of entire bond issues for allocation among client portfolios is unusual or atypical of traditional RIA's. We believe that single handed transactions are advantageous for the reasons discussed in this ADV and in client's SIO. Clients and prospective clients should be aware that the management of single handed bonds is a complex activity. There are potential benefits as well as potential risks.

The benefits and risks of ownership of single handed bonds require thorough explanation and careful consideration by prospective clients. GIM negotiates the purchase of the entire bond issue and allocates the bonds among client portfolios. At that moment what is the "market" for the bond? There may or may not be a market in the common use of the word. Certainly, there is no auction market such as exists for publicly traded common stocks. What we state here would apply to any PAB that is a new issue for the construction of a project. If the bonds issuance price is 100 (par), the presumed value of the bonds is 100. That presumed value holds whether one entity controls the entire issue, or five entities control the entire issue. Remember that we are describing Private Activity Bonds (PABs) not typical tax-exempt bonds offered to the general public in \$5,000 denominations. The GIM single handed bond is similar to bonds purchased by the tax-exempt high yield mutual funds. Prior to 2021, GIM single handed bonds typically were issued in \$25,000 denominations. The least dollar investment was \$25,000. In 2021, GIM purchased new issues in \$5,000 bond denominations. GIM expects new bond issues to be in \$5,000 denominations.

Greenwich Investment Management, Inc., is deemed a Bond Holder Representative (BHR) and shall serve as Bond Holder Representative by written designation by beneficial owners of a majority, in aggregate, principal amount of bonds. Rights of Bond Holder Representative may have negative impact on liquidity. Specifically, among other powers, the Bond Holder Representative has the right to approve certain modifications involving an extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of a bond issue. GIM has the authority and the obligation to represent our clients and enforce these security provisions as Bond Holder Representative.

It is important for clients to consider the illiquid nature of these bonds and their size denominations, as it could impact the ease of liquidating such investments. If a client terminates GIM's management with odd lot denominations or otherwise has holdings lower than the minimum denominations discussed in the bond offering documents, liquidity can be severely impaired. However, Municipal Securities Rulemaking Board (MSRB) allows for the sale of bonds below the stated minimum denominations. Upon a client portfolio liquidation request, GIM will use its best efforts to meet client liquidations. Please speak with your GIM representative for more information and refer to important information in the investment Offering Statement.

GIM financed projects, including but not limited to senior living facilities, charter and private schools may require as much as 24 months for construction to be completed. During construction, the only market for GIM bonds may be within the GIM client population. In this development phase of a project's life GIM

assumes that the value of the issued bonds is par. Interest rate fluctuations and changes in the surrounding circumstances may cause price fluctuations.

We invite all GIM clients to meet with your portfolio management team to discuss the concept and facts of PAB management at GIM.

#### CROSS TRADING OF PRIVATE ACTIVITY BONDS BY GIM

GIM developed a policy that we believe benefits existing and new clients, which is the cross transaction of GIM bonds within our client portfolios, resulting in the rebalancing of client portfolios and continuity of interests. GIM defines such a sale and purchase as a “client cross transaction.” GIM effects the transaction through an independent bond broker familiar with PABs.

We trade through SEC or FINRA regulated fixed-income trading firms known for their expertise or experience in PABs. Typically, professional bond traders with expertise in the specific PAB bond will execute transactions by independently identifying the market bid and ask in the public market. In instances where the transaction price of a bond may not be readily available, GIM may require the broker to seek bids for the bonds in the open market. The public market determines price discovery.

A client cross transaction occurs “at arm’s length,” independent of GIM’s influence. The transacting broker determines the market price for the transaction. The transacting broker executes the transaction at a price that is expected to fairly represent the interests of both the seller and the buyer. GIM maintains data files of prices for bond transactions. Those data files are available for inspection by GIM clients. Clients of GIM are invited to discuss any bond transaction with their GIM portfolio team.

During episodes of market volatility, price determination may be difficult to ascertain and may reflect economic and market dynamics. Independent brokers will analyze the comparative prices at recently traded transactions and will use available market data to fairly determine bond prices. In discretionary portfolios, GIM utilizes client cross transactions in the best interest of clients wanting to rebalance cash and fixed income portfolios. GIM’s goal is in the best interest of the clients single handed bond asset diversification across client portfolios. Principals of GIM and their family members are clients of GIM and are proponents of the investment strategy. As such, principals and their families participate in client cross transactions. Upon request, GIM will give to clients, records of principal bond transactions.

#### THE COST OF TRADING GIM PRIVATE ACTIVITY BONDS

GIM clients pay broker commissions for trading common stocks and bonds. GIM works to minimize trading expenses. GIM receives no compensation for transacting client trades from executing bond brokers. The following are rules of thumb. There may be exceptions. When GIM trades bonds for projects under construction the following applies. Typically, the price will be par (\$100), and the seller will pay the commission or spread. The seller will receive \$99.80, and the buyer will pay \$100. If the seller owns (example) \$100,000 of a 4% bond for 12 months and sells to another GIM client, the seller will have earned \$4,000 in interest and experience a capital loss of \$200. For bonds of seasoned projects, the price is determined by examining the pricing service’s price, the most recent financial statements from the borrower

and all other potentially relevant information. For seasoned projects' bonds the traded price will usually be the median price with the seller and buyer paying an equal commission. For instance, if the median price selected by the broker is \$103, the seller will receive \$102.75, and the buyer will pay \$103.25. In some cases, the entire cost of the transaction may be paid by the buyer or seller.

#### GIM BONDS NOT REGISTERED WITH THE SEC

Bonds issued by the 50 states and their agencies are not registered with the SEC. Such bonds and all GIM recommended bonds are the subject of an Official Statement (OS) issued by a state or an agency of the state.

GIM clients are welcome to inspect Official Statements and the due diligence files of GIM that relate to GIM bonds. Official Statements and other disclosures are available on the Electronic Municipal Market Analysis, website <https://emma.msrb.org/> which is a service offered by Municipal Securities Rulemaking Board (MSRB). Municipal bond transactions are available for view on EMMA.

#### COMMON STOCK (EQUITY) MANAGEMENT BY GIM

GIM may purchase common stocks for GIM clients. Common stocks may account for 0 percent to 100 percent of a client's assets. The SIO describes the allocation of client assets between bonds, equities and other assets as deemed suitable by GIM. (for more information on concentration risk and equity assets managed by GIM, please refer to Item 8).

#### UBS MANAGED ACCOUNTS CONSULTING (MAC) PROGRAM

The Managed Accounts Consulting (MAC) program is a Separately Managed Accounts (SMA) Program offered by UBS Financial Services Inc. (UBS). UBS MAC is a consulting program that allows UBS clients to select an SMA Manager (i.e., GIM) and receive performance reporting on the eligible assets in the client's MAC account.

For the MAC program accounts, the client's relationship and investment agreement are directly with the SMA Manager (GIM). UBS will act as the client's consultant, but the client delegates discretionary authority over the client's accounts directly to GIM in a separate agreement. GIM will obtain written agreements with the client granting GIM discretion in the investment and reinvestment of the client's account assets and authorizing GIM to purchase and sell securities for the client's account and to act for the client in all matters necessary or incidental to such purchases and sales pursuant to the GIM Client Agreement.

UBS provides certain brokerage and non-discretionary advisory services pursuant to a MAC Program Application and Agreement. Based on the combination of UBS' fees and GIM's fees, the overall fee for the MAC account may exceed 3% of the account value. The overall fee for the MAC Account may be higher than the total fee client would pay in other Programs. Clients should consider these options carefully as some may be more cost- efficient to the client.

**ASSETS MANAGED ON A DISCRETIONARY BASIS**

On December 31, 2022, GIM managed \$789,923,159 of securities on a discretionary basis. On December 31, 2022, GIM client portfolios held \$26,971,511 of securities on a non-discretionary basis.

**Item 5 Fees; Compensation & Methods of Compensation**

**MANAGEMENT FEES**

GIM manages client portfolios for which GIM charges its management fee based upon the following fee schedule:

<u><b>On Assets Under Management</b></u>				<u><b>The Annual Fee is</b></u>
From	\$0	to	\$2,000,000	100 Basis Points
From	\$2,000,001	to	\$5,000,000	90 Basis Points
From	\$5,000,001	to	\$10,000,000	80 Basis Points
From	\$10,000,001	to	\$20,000,000	75 Basis Points
From	\$20,000,001	to	\$30,000,000	60 Basis Points
Over	\$30,000,001			50 Basis Points

GIM will combine the market values of family portfolios to provide clients with the largest possible discount from the standard fee schedule. GIM does not tier its fees. All client assets will be charged a fee at the lowest tier possible.

If a reimbursement of management fees is required, the client will receive a credit of the overbilled amount as soon as possible after recognition.

GIM bills quarterly in arrears, except in the case when GIM is acting as subadvisor may accept the billing schedule of the advisor. GIM clients may permit the deduction of fees from client's custodial account following presentation of the invoice. Most clients permit the direct deduction, but clients may request to pay their management fees by check.

Each calendar quarter a base fee (the "Quarterly Base Fee") will be calculated based upon the Average Daily Balance of the Portfolio. The Quarterly Base Fee will be billed in arrears for each calendar quarter and payable within 30 days of receipt. Clients may verify the accuracy of the fee calculation as the custodian will not determine whether the fee is properly calculated. All investment advisory fees paid to GIM are reflected on the client's monthly (or quarterly) brokerage statements, which are independently prepared and provided to the client by the custodian. The valuation of clients' portfolios is determined and reported by independent pricing services. Please note that this balance may vary from your custodian statement due to settlement, dividends or other minor reporting issues related to the timing of a transaction. Fees are prorated for accounts opened or terminated during a quarter. Under certain circumstances, fees may be waived, discounted and or negotiated to non-standard rates.

The Investment Advisory Agreement between GIM and the client will continue in effect until terminated

by either party by written notice in accordance with the terms of the Investment Advisory Agreement. A terminating client will pay GIM management fees through the date of termination.

Clients may incur fees or charges from third parties. These fees and charges are separate and distinct from the fees paid to GIM and may include, but are not be limited to: mutual fund 12b-1 fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, brokerage commissions, directed brokerage fees, corporate action fees, non-standard asset fees, other transaction related fees, IRA and Qualified Retirement Plan fees, interest charged on margin borrowing, bank service fees, interest charged on debit balances, spreads imposed by brokers and dealers representing implicit transaction costs and transfer or foreign taxes.

GIM is not a broker-dealer. GIM purchases and sells securities through members of the major stock and bond exchanges. GIM clients pay a brokerage fee for transactions. GIM receives no direct compensation for the purchase or sale of any security (please refer to Item 12). GIM seeks to minimize custodian and transaction expenses. GIM uses block trading to consolidate an order for a security and such consolidation facilitates the purchase and allocation of the security to achieve best execution. Block trading minimizes logistical costs and in GIM's opinion reduces transaction expense. Not all client portfolios will qualify for block trading. Clients who select their own custodian (also considered "directed brokerage") will not qualify for block trading (for more information on directed brokerage and block trading, please refer to Item 12).

Clients may choose to borrow against their assets to fund personal expenditures and to increase their ownership of financial assets. Each client must sign a separate custodian margin agreement before margin is extended to that client account. The client's custodian may require a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk, that in a falling market, the pledged collateral will be insufficient to cover a margin call by their custodian. GIM's fees are based on total value of assets managed. The value includes the outstanding margin balance. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where GIM has an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin will incur interest charges in addition to all other fees and expenses associated with the security involved. GIM will negotiate to obtain the most favorable interest rate. GIM encourages clients who use margin to analyze exposure to margin calls, portfolio margin of safety, use of cash and cash budgeting to avoid losses that could permanently impair capital.

#### SUB ADVISORY RELATIONSHIPS

GIM acts as a sub-adviser for other registered investment advisers. In these relationships, GIM has entered into a sub-advisory agreement with another registered investment adviser to provide our services, at their direction, to their clients. The client relationship typically resides with that registered investment adviser, and not GIM. In a sub-advisory arrangement, our annual management fee shall be negotiated and may be charged on the average month end market value of assets under management at the end of the quarter, which will be paid to GIM in arrears. The primary advisor determines the methodology of calculating the advisory fees and clients should review their agreement with the primary advisor.

## UBS MANAGED ACCOUNTS CONSULTING (MAC) PROGRAM

The MAC Program sub-advisory relationship differs from our typical supervisory arrangement identified above in certain ways, as disclosed here. The annual fee is negotiable.

UBS' portion of MAC fee for fixed income accounts is 1.25%. Please note that GIM charges its advisory fee on cash balances in all UBS accounts, while GIM reserves the right not to charge on cash in its other (non-UBS) advisory accounts. Fees will be calculated by UBS and will be based on the account's asset value, payable in advance on quarterly installments ("Quarterly Fee"). The initial fee ("Initial Fee") will be based on the beginning asset value of the account on the day the account is approved by UBS. The Initial Fee will be prorated from the approval date through the end of the next full quarter. Thereafter, the Quarterly Fee will be based on the account asset value on the last business day of the previous calendar quarter.

Please note that for the MAC Program, accrued interest will be included when calculating the quarterly fee. Assets received into the account during any fee period will be charged a prorated fee ("Contribution Fee") based on the number of days remaining in the fee period. Adjustments will be made to the fee for any withdrawals, appreciation, or depreciation in the value of the securities held in the account during any fee period. Should this agreement be terminated by either party (GIM and UBS), a prorated refund of the Initial Fee or Quarterly Fee and any Contribution Fees will be made, if applicable. GIM understands that UBS may at any time, with prior notice to GIM, modify the method by which UBS determines the value of the client's account and the types of fees it charges clients.

### **Item 6 Performance-Based Fees & Side-by-Side Management**

GIM does not utilize a performance-based fee schedule. Side-by-side management is not applicable.

GIM associates pay the same fee as all clients and are entitled to all services of GIM. With few exceptions GIM associates own assets that are available to and owned by any GIM client. Our goal is to align our interests with clients' interests and thus avoid real or potential conflicts of interest.

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

GIM advises both taxable and tax-exempt entities. These include individuals, estates, trusts, foundations, endowments, corporations, pension and profit-sharing plans. The only current minimum requirements are for the UBS MAC, which requires a minimum investment of \$750,000 or by exception directed by UBS.

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

GIM does not make economic forecasts and does not predict interest rates. GIM monitors economic data and trends in interest rates through A. Gary Shilling, Ph.D.

### **GIM Equity Analysis and Resources**

GIM uses fundamental methods of equity analysis frequently described as "Graham & Dodd" analysis. Traditional fundamental analysis emphasizes study of income statements and balance sheets filed with the

SEC. Companies often post information about themselves that supplement the SEC filings on their websites. GIM endeavors to interview management and strives to conduct such interviews at companies' home offices.

GIM uses two databases that are essential to GIM's analytic process. One is the FactSet Database. The second is the William O'Neil Database. GIM will use client commission dollars to pay for those databases and if such commissions are insufficient, GIM will pay any balance owed (the practice known as "soft dollars" is discussed further in Item 12 of this Brochure).

### **Characteristics of Equities Favored By GIM**

The equities analyzed and selected by GIM will have some, but rarely all of the following characteristics:

- Price earnings ratio or price to cash flow of 15 times or less.
- Dividend yield equal to or greater than the yield on the 10-year Government bond.
- Dividend yield equal to or greater than 2 times the dividend yield of the S&P 500 index of common stocks.
- Calculation of equity's Implied Total Rate of Return (ITR) using a dividend discount model.
- Company has a clear, well-defined and apparently effective strategy for growth.
- Company's common stock not heavily or over owned by institutions.
- Company's financial profile evidences financial integrity. (Latter point GIM describes as the Quality of Earnings, or "Q of E" analysis.)
- The stock will usually have low volatility compared to most stocks, i.e., a low Beta.
- The common stock as described above may be difficult for GIM either to acquire or later to sell, i.e., such equities may be thinly traded.

### **Description of GIM Managed Equities**

GIM favors equities that have the above characteristics. The result is that GIM equity portfolios may be **non-diversified** as the term "diversified" is commonly used in the financial community. GIM's selection process may lead to clients owning assets (equities) in a few industries or sectors. High concentration in few industries or sectors, and concentration in few common stocks within those sectors may create extreme volatility in the equity portion of a client's portfolio. GIM's strategy and philosophy are suitable for clients who understand risk and are entrepreneurial, and tolerate volatility, and whose financial posture is strong.

### **Risk and Management of Risk in GIM Managed Equities**

GIM believes that we are able to manage and mitigate risk using the following techniques:

- GIM selected equities usually have low volatility (Beta).
- Equities with high yields may provide portfolios with defensive strength during a market downturn.
- The presence of income, i.e., cash flow into the equity portfolio creates the opportunity to **compound**.
- GIM believes that compound income is a potent force of wealth creation.

The fundamental risks of investing in equity securities include the following: market risk (the risk that an investment will decline in value); liquidity risk (the risk that you will be unable to sell an asset); economic risk (the risk of a general downturn in the economy); and tax risk (the risk that the value of investments will be adversely affected by changes in taxation). Our investment process may result in concentration risk. Concentration risk may result in portfolios that are overweighted in certain issuers, industry sectors, or industry groups. The concentration level in a single issuer could exceed 50% of the portfolio, especially in smaller accounts. As with any concentrated portfolios, these portfolios will be subject to greater volatility and risk with respect to the securities in the portfolios than more diversified portfolios. Concentrated portfolios will be more susceptible to loss due to adverse occurrences affecting a particular issuer, industry, or asset class.

GIM's strategy to control risk depends upon the existence, the maintenance, and the growth of cash flow in the equity portfolio.

### **GIM Managed Bond Analysis and Resources**

GIM uses traditional analysis of financial statements from borrowers to determine financial stability and to calculate debt service. GIM compares reported data to budgets prepared by the borrower. GIM personnel and other parties including GIM clients may conduct site visits. GIM endeavors to purchase bonds that generate high current income and deleverage over time.

GIM's due diligence includes some or all of the following:

- Site visits
- Borrowers Corporate structure and related entities
- Financial statements
- Operating history
- Project projections including operational and financial costs
- Contractual obligations
- Sources of collateral
- Additional sources of income
- Litigation history
- Management and internal controls
- Key employment contracts
- Competition
- Potential for expansion/growth
- Feasibility Study
- Other factors such as marketing plans, use of outside consultants, and equity contribution

### **Description of GIM Managed Bonds**

The sectors favored by GIM include the following: charter schools, senior living facilities, fixed base operations (FBOs), and other projects designated as PABs as designated by the Internal Revenue Service. Such projects and bonds typically depend on revenue derived from use of the Property, Plant & Equipment (PP&E). In the marketplace, these bonds are referred to as "Revenue Bonds," under the sub-classification of PABs.

The source of revenue for fixed based operations and retirement facilities is usually private funds such as sales and rentals to senior citizens, and fuel sales and hangar rentals for corporate aircraft. The source of revenue for charter schools is usually from state taxes.

## **Risk and Management of Risk in GIM Managed Bonds**

GIM believes that we are able to manage and mitigate risk through ongoing credit analysis and the financial protections provided by first mortgage liens or similar interest in the borrower's property. The value of a project is primarily dependent on its cash flow and its ability to cover debt service. The face value of bonds outstanding may account for 100 percent or more of a project's PP&E or appraised value. In most cases at inception, the property itself is valued at less than the debt outstanding. Over time, debt amortizes and the value of the collateral is expected to be greater than the debt outstanding.

The management of PABS requires legal knowledge and financial sophistication that exceed the resources of many prospective clients. Historically, GIM clients have been and are lawyers, accountants, business owners, financial executives, career investment executives and sophisticated institutions. Persons and prospective clients who do not have the background described above should consult their legal and financial advisors such as their accountants or financial planners about the advisability of hiring GIM to manage their financial assets.

The fundamental risks of investing in bonds include the following: market risk (the risk that an investment will decline in value); interest rate risk (bond prices move inversely to interest rate changes); liquidity risk (limited or no marketability); economic risk (the risk of a general downturn in the economy); tax risk (the risk that the value of investments will be adversely affected by changes in taxation); default risk (the risk that the borrower cannot repay principal and/or pay interest); and business risk (the risk of inadequate profits or losses due to uncertainties).

The primary market for GIM single-handed PABs is within the GIM client universe. PABs also trade in the secondary market. GIM single-handed bonds may be considered illiquid assets. The financial community uses the word "liquidity" to describe the salability of an asset. GIM single-handed bonds may not be saleable depending on market conditions.

The primary objective of GIM bonds for GIM clients is generous providers of cash in the form of tax-exempt income. Many GIM clients rely on portfolio cash flows for daily and strategic expenditures. The goal of GIM management is to generate sufficient income to fund personal expenditures. GIM works with clients and prospective clients to establish well-defined expenditure requirements, often referred to as a "budget."

Please note that there are circumstances not described in this ADV that could adversely affect the GIM investments and prevent GIM clients from realizing the client's investment objectives. The risks discussed herein, represent the typical risks involved. The explanation of certain risks is not exhaustive, but rather highlights some of the more significant risks involved in the firm's investment strategies. Risk may appear unexpectedly such as existential risks, geopolitical risks, macro and micro economic risks, and any unforeseen risks that may affect an individual investment.

Clients may request the entire list of bond projects by contacting our team at 203-930-7200 or emailing [service@greenwichinvestmentmgt.com](mailto:service@greenwichinvestmentmgt.com).

## **Performance Presentation Standards**

GIM claims compliance with the Global Investment Performance Standards (GIPS®). GIM is a registered investment adviser. To receive a list of composite descriptions and/or a presentation that complies with the GIPS® standards, contact us at the address and/or phone number on the front page of this brochure.

## **Item 9 Disciplinary Information**

GIM and its advisory personnel value the trust you place in us. We advise all clients, to perform the requisite due diligence on any adviser or service provider with which you partner. Background information is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for GIM, click Investment Adviser Search in the left navigation menu and enter, select the option for Firm and enter 127161 (*our firm's CRD number*) in the field labeled "Firm Name or CRD/SEC #." This will provide access to Form ADV Parts 1 and 2.

Neither GIM nor its personnel have any legal or disciplinary events we are required to report.

## **Item 10 Other Financial Industry Activities or Affiliations**

In late 2021, the GIM Board of Directors instructed our corporate counsel to create an operating company. This company, GIMOC will own and fund the operational business that comes under the control of GIM as bondholder representative. GIM may gain control of a bond project asset by foreclosing on the business after its default on its bonded indebtedness.

As example in Sarasota, Florida, GIM funded the construction of the senior care facility Capital Trust Agency First Mortgage Revenue Bonds (The Fountains Of Hope (FOH) Project), Series 2017A (FL). The developer defaulted on its obligations to bondholders. GIM has brought in new management to improve occupancy and market standing.

The structure of GIM does not lend itself to funding operating businesses. The use of GIMOC allows GIM to use the losses of projects such as FOH to offset the profits earned by GIM in our traditional business.

GIM's entry to owning projects that GIM clients funded with bond proceeds creates the following condition. The primary objective of ownership is profitability. Achieving profitability may conflict with GIM's obligation to clients to secure repayment of the bonds owned by clients.

The following example illustrates how the potential conflict of interest may develop. The FOH project currently owes to bondholders \$29,980,000 of principal and approximately \$5.7M of unpaid interest. GIM loaned the project \$375,000 to pay operating expenses. GIMOC has invested or otherwise provided financial support of \$1,072,043.32. When GIMOC takes ownership of FOH, GIMOC's position will be adverse to GIM clients. GIMOC will have the incentive to repay less than all money owed to bondholders including GIM clients. How could that outcome occur? GIMOC might put FOH on the market. The proceeds of sale might repay all or most of the money owed to GIM clients but provide no money to

GIMOC. GIMOC might present facts to convince GIM clients that they should accept less than their justified repayment to benefit GIMOC.

The GIM Fixed Income Unit has evaluated operating deficits at GIM fixed income projects and determined alternative solutions. A primary solution is the expeditious monetization of the project through disposition. We believe GIMOC investment in projects will improve clients' prospects for impaired asset recovery and result in partial or complete principal and interest restitution.

GIM will report on the financial status of each project in which GIMOC takes ownership. GIM will report to clients on a quarterly basis the following:

1. Total Bonded Debt
2. Total Amount Owned by GIM
3. Total Amount of Investments (Equity) by GIMOC
4. Quarterly and Trailing 12 Months Operating Cash Flow
5. Current Outlook for the project and GIM's description of Operations and the Surrounding Circumstances

We will and do invite clients to request information and comment from GIM on any project owned by GIMOC. We will make all books and records available to every client. Because of the potential conflict of interest, we will pursue complete transparency.

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

GIM has adopted the Investment Adviser Association Code of Ethics to govern the conduct of its personnel to ensure that all acts, practices and courses of business engaged in by access persons of GIM reflect high standards and comply with the requirements of the Investment Advisers Act of 1940. An access person is defined as an associate of GIM who manages client's assets, makes recommendations to clients and has access to internal analysis and documents.

As stated under Item 6, GIM personnel are clients of GIM, receive the same services that clients receive, pay the same fee schedule that clients pay and are entitled to the same services that clients receive. In addition, we allow our employees to rollover individual retirement accounts (IRA) into the GIM 401k Plan for which we do not charge our employees a management fee. GIM believes that there is no conflict of interest between GIM personnel and GIM clients.

GIM's Code of Ethics requires each access person to acknowledge that they have received a copy, have read, understand and comply with this Code of Ethics. The Code of Ethics requires personal trading reports from all access persons on a quarterly basis, in addition to signing the annual securities holding report. The Code of Ethics requires prompt reporting of any violations to the Chief Compliance Officer or GIM's compliance consultant.

For a copy of GIM's Code of Ethics, please call GIM at (203) 930-7200, Monday through Friday between the hours of 9:00 AM and 5:00 PM Eastern Standard Time. GIM's Code of Ethics is available, upon request, by writing to GIM at 50 Washington Street Suite 402W, Norwalk Connecticut 06854, Attn: Compliance

Department. GIM will furnish to clients a copy within a reasonable time at the client's current address of record.

GIM has established a brokerage account in which GIM has or will deposit a portion of GIM's working capital. GIM intends to purchase financial assets in that account to improve GIM's return on working capital. Such financial assets will be those in which GIM clients have positions. GIM's primary objective for this working capital account is current income. GIM will be obligated to sell such financial assets from time to time to meet GIM operating expenses. Such sales by GIM may and probably will take place when GIM retains those financial assets in client portfolios.

The GIM working capital account has different objectives than most GIM client portfolios. The record of the working capital account will be available to clients upon their request and GIM will answer any questions that clients may have about GIM's management of the working capital account. GIM recognizes: (a) such trading may conflict with the day to day requirements of GIM clients; and (b) the trading tactic may result in losses that impair GIM's working capital, which may have consequences for GIM's financial stability and its ability to advise clients.

GIM has engaged Renaissance Regulatory Services to conduct an annual review of our Compliance Program, which includes a review of, and for, conflicts or interest. GIM trading in its own account will also be subject to the Code of Ethics.

### **Donations to Charities**

From time to time, GIM may donate to charitable organizations that are affiliated with clients, are supported by clients, and/or are supported by an individual employed by one of our clients. Because GIM's contributions may result in the recommendation of GIM or its products, such contributions may raise a potential conflict of interest. As a result, GIM maintains records of all of its charitable contributions. No contribution will be made if the contribution implies that continued or future business with GIM depends on making such contribution.

### **Item 12 Brokerage Practices, Research & Other Soft Dollar Benefits**

Consistent with GIM's Best Execution policies and Section 28(e) of the Securities and Exchange Act of 1934, GIM may pay commissions to broker-dealers at a level, which may be higher than those charged by other firms. The difference in commission rates is known as "Soft Dollars." These higher commission rates may be paid if GIM determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by the executing broker viewed in terms of GIM's responsibilities to its clients. Soft Dollars may be provided directly by brokers (proprietary trading and analysis products), by third parties at the direction of brokers, or purchased with credits provided by brokers. Soft Dollars may be used to pay the cost of services that include; research data on industries and companies, economic surveys and analysis, and consultant services. Such products and services aid GIM in the performance of our management responsibilities for our clients.

GIM uses Soft Dollars to purchase research services such as FactSet database, the William O'Neil database,

the economic analysis of A. Gary Shilling Ph.D., analysis and common stock analysis from various firms. GIM uses Soft Dollars to pay for fixed income research. GIM believes that fixed income research is a valuable resource for all GIM clients. Such research benefits GIM clients who own municipal bonds more than clients who own only common stocks. Not all GIM clients who own equities own municipal bonds. GIM believes that the amount of Soft Dollars paid attributable to research and analysis on municipal securities is modest in relation to total Soft Dollar payments for services that benefit primarily equity portfolios.

Research services paid using soft dollars are outlined below.

<b>Vendors Paid by Soft Dollars</b>	<b>Yr 2022 Expenses Paid by Soft Dollars</b>
A. Gary Shilling, Ph.D.	\$3,750
Factset	\$46,934
William O'Neil	\$76,107

Research obtained with Soft Dollars is not always utilized by GIM for the specific account that generated the soft dollars. The value of research and brokerage services cannot be measured precisely, and commissions paid for such services generally cannot be allocated to clients in direct proportion to the value of services to the client. GIM does not attempt to allocate the relative costs or benefits of research among accounts because it believes that, in the aggregate, the research it receives benefits clients and assists GIM in fulfilling its overall duty to clients. Therefore, commissions in one account may in effect subsidize services that benefit another account, as noted above with respect to research and analysis on municipal bond trading.

**GIM invites clients to discuss with GIM personnel the use of research Soft Dollars.**

GIM selects broker-dealers based upon the reasonableness of commissions and mark-ups charged. GIM seeks to transact for clients in such a manner that the clients receive the highest quality transaction, under the circumstances. This is known as "Best Execution." In selecting broker-dealers, GIM need not solicit competitive bids and does not have an obligation to seek the lowest available transaction cost (e.g., commission cost).

GIM may consider a number of factors in utilizing broker-dealers for client brokerage transactions. Among the factors considered by GIM are:

- Transaction net costs
- Security price
- Clearance and settlement practices
- Ease of execution
- Integration with existing GIM systems
- Interface applications for monitoring client investments.
- Firm commitment to regulatory compliance
- Industry reputation
- General financial strength and stability
- Breadth of products and services
- Research capabilities

Clients may choose their custodian, which will be their directed broker. Directing clients negotiate their

own commission schedule and are aware that their commission costs may be higher than commissions paid by other GIM clients and that transaction efficiency may be less than that achieved by other GIM clients. In such cases, GIM may not obtain volume discounts. Commission charges will vary among clients and Best Execution may not be obtained.

GIM is not required or obligated to engage any broker or dealer to execute any transaction for a client if, in the sole and absolute discretion of GIM, the use of the services of such broker or dealer would violate any applicable law, regulation or stated position of the Securities and Exchange Commission or other regulatory body.

GIM uses a trading method known as block trading. Block trading allows GIM to consolidate an order for a security with a broker that, following execution of the order, allows GIM to allocate the security efficiently and precisely to client portfolios. As a matter of policy, GIM's trade allocation procedures must be fair and equitable to all clients. GIM will use average pricing to achieve fair and equitable executions. Ordinarily, the executing broker-dealer will provide an average price that will be allocated to all accounts participating in the aggregated trade. Because of prevailing market conditions, it may not be possible to execute all shares of an aggregated trade, in which case GIM will allocate the trade among participating accounts in an equitable manner. Block trading minimizes logistical costs and in GIM's opinion reduces transaction expense.

As a matter of policy, an adviser's allocation procedures must be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other client. GIM's policy prohibits any allocation of trades in a manner whereby GIM's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts.

GIM uses financial software services to allocate trades. A trade allocation may be pro-rata allocation, random, or other means to allocate and will use an average price when allocating. However, in certain circumstances, GIM may sell bonds back to obligor (borrower), usually in small denominations (less than \$100,000). Under such circumstances, GIM may use absolute and relative size positions held by each client as the criteria to determine for which client(s) GIM will sell the bond. The client(s) selected based on this criterion may be an affiliated person of GIM. The process of selection may recognize unique client circumstances and thus may be arbitrary. Under these circumstances, the allocation method shall be reviewed and approved by the CCO, or if in the case, where the affiliated person is the CCO, or a third-party compliance consultant. In the past, there have been few purchases of bonds by borrowers (obligors). Clients may request and will receive from GIM the details of such transactions. Client confidentiality will be continuously maintained.

GIM participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. GIM receives some benefits from TD Ameritrade through its participation in the Program. (Please see the disclosure under Item 14 below.)

### **Administrative Trade Errors**

From time-to-time, we may make an error in submitting a trade order on the client's behalf. Trading errors may include a number of situations, such as:

- The wrong security is bought or sold for a client;
- A security is bought instead of sold;
- A transaction is executed for the wrong account,
- Securities transactions are completed for a client that had a restriction on such security; or
- Securities are allocated to the wrong accounts.

When this occurs, GIM may place a correcting trade with the broker-dealer, which has custody of the client's account. If an investment gain results from the corrective action, the gain will remain in the client's account unless it is legally not permissible for the client to retain the gain, or GIM confer with the client and the client decides to forego the gain (e.g., due to tax reasons). If a loss occurs due to GIM's administrative trade error, GIM is responsible and will pay for the loss to ensure that the client is made whole.

Note: To limit the respective administrative expenses and burden of processing small trade errors, it should be noted some custodians (at their own discretion) may elect not to invoice us if the trade error involves a de-minimis dollar amount (usually less than \$100). Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

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

GIM functions under the Unit method of organization. The Portfolio Management Unit reviews client portfolios. The firm's personnel meet to review the investment posture of the common stock and fixed income holdings.

Clients meet with their GIM team periodically as requested by GIM clients. At such meetings, the client and the GIM team review the client's circumstances.

GIM sends quarterly reports to all clients that include cost and market value of securities positions and performance information. Such reports are provided in hard copy format or electronically through GIM's secure client portal.

### **Item 14 Client Referrals & Other Compensation**

As disclosed under Item 12 above, GIM participates in TD Ameritrade's Institutional customer program and GIM may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between GIM's participation in the program and the investment advice it gives to its clients, although GIM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services;

access to a trading desk serving GIM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to GIM by third party vendors.

TD Ameritrade will pay for certain business consulting and professional services received by GIM's related persons. Some of the products and services made available by TD Ameritrade through the program will benefit GIM but not benefit client accounts directly. These products or services can assist GIM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help GIM manage and further develop its business enterprise. The benefits received by GIM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade.

As part of its fiduciary duties to clients, GIM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by GIM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence GIM's choice of TD Ameritrade for custody and brokerage services.

GIM pays referral fees (non-commission) to independent solicitors for the referral of clients to GIM in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee is a portion of GIM's investment advisory fee and does not increase the total fee paid by the client for GIM's services. In no case will the portion of the management fee received by GIM be higher than our standard fee schedule. GIM maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by solicitors to GIM will be given full written disclosure describing the terms and fee arrangements between GIM and its solicitor(s). Prior to compensating any person for client referrals, GIM will ensure that the person is properly registered or exempt from the registration requirements. The solicitors shall be appropriately licensed as investment adviser representatives in accordance with applicable state law(s) when required.

### **Item 15 Custody**

GIM is not a custodian for clients' assets. The custodian is an agent of the client. Client directed custodians may charge for custody services. As of the date of filing, client custodians include, but are not limited to, Pershing Advisor Solutions, TD Ameritrade, Fiduciary Trust Co., Charles Schwab, Morgan Stanley, Fidelity, Fifth Third Bank, Stifel Nicolaus, Wells Fargo and UBS. GIM clients may direct GIM to use a particular custodian, which may have an effect on the broker used for the client's account (for example, the custodian may require trading be executed with the custodian's affiliated broker dealer). Please refer to Item 12 for further details on client directed brokerage.

As stated above, we do not hold custody of any client funds or securities, and client assets are held at a qualified custodian. However, we are deemed to have limited custody of some of our clients' funds or

securities when the clients authorize us to deduct our management fees directly from the client's account.

In addition, we are also deemed to have custody of clients' funds or securities when clients have Standing Letters Of Authorizations ("SLOAs") with their custodian to move money from a client's account to a third-party, and under that SLOA it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. The qualified custodian will send you, at least quarterly, your account statements. The account statements will reveal the funds and securities held with the qualified custodian, any transactions that occurred in your account, and the deduction of our fee. You should carefully review the account statements received from the qualified custodian and compare them with any statements that you receive from us. You should contact us at the address or phone number on the cover of this brochure with any questions about your statements. You should notify us if you do not receive the account statements, at least quarterly, from the qualified custodian.

### **Item 16 Investment Discretion**

GIM exercises authority to purchase and sell securities on behalf of clients. The nature of the discretionary authority is described in the SIO that we have discussed under Item 4. The SIO permits clients to limit the authority of GIM following the execution of the standard GIM advisory contract. Please see Item 12 for important information about client directed brokerage arrangements, which may impede GIM's ability to achieve best execution.

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

GIM has accepted responsibility to vote proxies on behalf of advisory clients. A client has the option to retain proxy voting privileges on behalf of their own account provided they have indicated as such on the Investment Advisory Agreement or in writing to GIM. Should a client choose this option, then that client will receive proxies or other solicitations directly from their custodian; however, the client may contact GIM with questions regarding solicitations by calling (203) 930-7200.

GIM's proxy voting procedures are designed to ensure that proxies are voted. Our voting guidelines have been designed to promote accountability of a company's management and board of directors to its shareholders; to align the interests of management with those of shareholders; and, to encourage companies to adopt best practices in terms of their corporate governance.

GIM has engaged a third-party proxy service provider to assist with the voting of proxies. The CCO and investment management unit have the responsibility for oversight of the third-party proxy service provider and for ensuring that proxies are voted in the best interest of clients.

In voting, GIM or the third party shall vote in a prudent and timely fashion and only after a careful evaluation of the issue(s) presented on the ballot. GIM has developed guidelines to vote the proxies.

Prior to voting, GIM or the third-party service provider verifies whether an actual or potential conflict of interest with GIM exists in connection with the subject proposal(s) to be voted upon. The determination

regarding the presence or absence of any actual or potential conflict of interest is documented. GIM retains the following information on behalf of each proxy voted: a copy of the proxy statement received; a record of the vote cast; a record memorializing the basis for the vote cast; and any other documentation, which was material to the decision voted. Clients may request a copy of how securities in their account were voted by contacting GIM at (203) 930-7200.

## CLASS ACTIONS AND OTHER LITIGATION MATTERS

Sometimes securities held in the accounts of clients will be the subject of class action lawsuits. GIM has engaged Chicago Clearing Corporation ("CCC") to provide a comprehensive review of our clients' possible claims to a settlement throughout the class action lawsuit process. CCC actively seeks out any open and eligible class action lawsuits. Additionally, CCC files, monitors and expedites the distribution of settlement proceeds in compliance with SEC guidelines on behalf of our clients. CCC's filing fee is contingent upon the successful completion and distribution of the settlement proceeds from a class action lawsuit. In recognition of CCC's services, CCC receives 15% of our clients' share of the settlement distribution. When GIM receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by clients, it will work to assist clients and Chicago Clearing Corporation in the gathering of required information and submission of claims. Clients are automatically included in this service but may Opt-Out by indicating as such on Exhibit I of the Investment Advisory Agreement. If a client Opts-Out, GIM and CCC will not monitor class action filings for that client.

We are subject to certain legal proceedings, from time to time, in the ordinary course of business. From time to time, GIM may be involved in litigation related to an investment. Any litigation to which the firm is involved may result in significant costs and expenses in connection with such litigation. We are subject to regulation, which may result in regulatory proceedings or investigations against us. While the outcome of any such future legal or regulatory proceedings cannot be predicted with certainty, we do not expect that any such future proceedings will have a material effect upon our financial condition or results of operations. In October, 2021, in the US District Court for the District of Arizona, Greenwich Investment Management, Inc., initiated legal proceedings as a Plaintiff against Defendants, the underwriters of the Harvest Gold Silica Proj Amt Arizona Indl Dev Auth Rev and related parties. This litigation is pending.

## Item 18 Financial Information

Neither GIM, nor its management have any adverse financial situations that would reasonably impair the ability of GIM to meet all obligations to its clients. Neither GIM, nor any of its advisory persons, are currently, nor at any time in the past ten years have been subject to a bankruptcy or financial compromise. GIM does not collect advance fees for services to be performed six months or more in advance. GIM charges fees for only the immediate quarter for which it will provide services. Please see Item 5. Fees and Compensation for additional information.