

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: GRANITE GROUP ADVISORS, LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
187 Danbury Road	Wilton	CT	06897	(203) 210-7814

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services	90 %
<input checked="" type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services	10 %
<input type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above	%
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription	%
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	%
<input type="checkbox"/>	(6)	Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	%
<input type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities	%
<input type="checkbox"/>	(8)	Provides a timing service	%
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above	%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term?

Yes ☐ No ☒

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed Fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input checked="" type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes ☒ No ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked in box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?

Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

The Registrant monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of the Registrant's Principals. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Registrant and to keep the Registrant informed of any changes thereto. The Registrant shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Registrant provides investment advisory services will also receive a report from the Registrant that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a monthly basis.

In addition, Client has access to third-party performance and allocation analytics. Any reports provided by registrant or by a third party performance reporting service will contain appropriate disclosure encouraging clients to compare such communications with the periodic reports received by the qualified custodian.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | Yes | No |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?

Yes No
☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | |
|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes No
<input type="checkbox"/> <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes No
<input type="checkbox"/> <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>
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**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
GRANITE GROUP ADVISORS, LLC	801-62197	2.2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: GRANITE GROUP ADVISORS, LLC		IRS Empl. Ident. No.: 90-0116073										
Item of Form (identify)	Answer											
1D	<p>As discussed below in this disclosure statement, the Registrant may provide its clients (i.e. individuals, pension and profit sharing plans, trusts, and business entities) with investment related consulting (i.e., Employee Stock Option Evaluation and Monitoring Services) and discretionary investment management services. The Registrant does not provide financial planning, estate planning, or insurance planning services. To the extent specifically requested by a client, Registrant may provide limited consultation services to its investment management clients on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Registrant shall usually not receive any separate or additional fee.</p> <p>INVESTMENT MANAGEMENT</p> <p>The client can determine to engage the Registrant to provide discretionary investment management services on a fee-only basis. The Registrant's annual investment management fee shall be based upon a percentage (%) of the market value of the assets placed under the Registrant's management, as follows:</p> <p><u>Assets Under Management:</u></p> <table> <tr> <td>Greater than \$5 million and up to \$10 million</td> <td>.75%</td> </tr> <tr> <td>Greater than \$10 million and up to \$20 million</td> <td>.60%</td> </tr> <tr> <td>Greater than \$20 million and up to \$50 million</td> <td>.50%</td> </tr> <tr> <td>Greater than \$50 million and up to \$100 million</td> <td>.40%</td> </tr> <tr> <td>Greater than \$100 million</td> <td>.30%</td> </tr> </table> <p><u>Other</u> (private equity, concentrated stock, special situations, etc.): .50%</p> <p>Registrant may also provide a single fee covering different asset classes based upon the size and allocation of the portfolio.</p> <p>Independent equity managers' fees range between .45% and .95% and are in addition to the equity fees listed above. Independent fixed income managers' fee is between .20% and .25% and is in addition to the fixed income fees listed above. Hedge fund of fund fees are in addition to the fees charged by the funds. Registrant does not receive referral fees from any independent manager or private investment fund.</p> <p>Registrant's annual investment management fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires an account minimum of \$5,000,000.00 for investment management services and/or a minimum annual fee of \$37,500. New client agreements require a minimum fee charge of the standard fees a client would have paid for one full year even if the agreement is terminated earlier based on the greater of the month end market value when terminated or the initial portfolio size. However, Registrant, in its sole discretion, may waive its account minimum and/or annual fee, and charge a different investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). The Investment Advisory Agreement between the Registrant 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. Registrant's investment management fee shall be prorated and debited through the date of termination, and any remaining balance shall promptly be refunded to the client.</p> <p>In the event that the client requests that the Registrant recommend a broker-dealer/custodian for</p>		Greater than \$5 million and up to \$10 million	.75%	Greater than \$10 million and up to \$20 million	.60%	Greater than \$20 million and up to \$50 million	.50%	Greater than \$50 million and up to \$100 million	.40%	Greater than \$100 million	.30%
Greater than \$5 million and up to \$10 million	.75%											
Greater than \$10 million and up to \$20 million	.60%											
Greater than \$20 million and up to \$50 million	.50%											
Greater than \$50 million and up to \$100 million	.40%											
Greater than \$100 million	.30%											

execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at various custodians, including JP Morgan Securities and Fifth Third. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Currently, the Registrant recommends that clients primarily allocate investment management assets among various independent investment managers or programs and private investment partnerships (and on a limited basis among various individual debt, equity and/or fixed income securities, mutual funds, exchange-traded funds) on a discretionary basis, in accordance with the client's designated investment objective(s). As discussed above, unless the client directs otherwise, Registrant shall generally recommend that JP Morgan Securities serve as the brokerdealer/custodian for client investment management assets. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The *Investment Advisory Agreement* between the Registrant 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*.

Factors that the Registrant considers in recommending JP Morgan or Fifth Third (or any other brokerdealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are no-load mutual funds that trade at net asset value as determined at the daily market close.

INDEPENDENT MANAGERS

In order to provide an enhanced and/or specialized level of asset management services, Registrant shall generally recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] and/or investment programs (the "Independent Manager[s]"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the Independent Manager[s] may be set forth in separate written agreements between the client and Registrant and the client and the designated Independent Manager[s]. Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated Independent Manager[s]. Factors that Registrant shall consider in recommending Independent Manager[s] include the client's stated investment objective(s), management style,

	<p>performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager[s], together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are generally exclusive of, and in addition to, Registrant's ongoing investment advisory fee. Registrant does not receive referral fees from Independent Manager[s].</p> <p>MISCELLANEOUS</p> <p>In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. Moreover, all clients are advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.</p> <p>Neither the Registrant nor the client may assign the Investment Advisory Agreement without the prior consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.</p> <p>A copy of Registrant's written disclosure statement as set forth on Part II of Form ADV (or an equivalent brochure) shall be provided to each client prior to or contemporaneously with the execution of the Investment Advisory Agreement. The Investment Advisory Agreement between the Registrant 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, subject to the minimum fee charge. Registrant's investment management fee shall be prorated and debited through the date of termination, and any remaining balance shall promptly be refunded to the client.</p> <p>PENSION CONSULTING</p> <p>Registrant acts as a pension consultant for various pension plans. Registrant, in conjunction with the plan, assists the plan to determine the investment objectives and requirements that are appropriate for each plan and then recommends various prospective investment alternatives for the plan's review and consideration including, but not limited to, mutual funds, group annuity contracts, and/or separate account managers/programs (for approval by each plan sponsor) that best fulfill the investment objectives within each investment category.</p>
3K	<p>The Registrant may recommend that clients that are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the client's investment objectives. When the Registrant recommends that the client invest in private placement securities, the Registrant shall receive no additional compensation but shall continue to receive applicable investment advisory fees on the client's assets under management.</p>
3L	<p>Important Disclosure: Private investment funds generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.</p>
5	<p>All individuals that render investment advisory services on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.</p>

6	<p>LYLE B. HIMEBAUGH Born 1963 <i>Post-Secondary Education:</i> Washington College, B.A., Business / Economics, 1986 <i>Recent Business Background:</i> Granite Group Advisors, LLC, Managing Member, 7/2003 – Present Credit Suisse First Boston, LLC, Registered Representative, 11/1995 – 7/2003</p> <p>RICHARD C. ZIPKIS Born 1964 <i>Post-Secondary Education:</i> Boston University – 1987 B.A., Psychology <i>Recent Business Background:</i> Granite Group Advisors, LLC, Member, 02/2004– Present CSFB, Director, Chair of Money Management Selection Committee Member of Global Tactical Asset Allocation Committee Chief of Performance Analytics Head of Trust Advisory Board</p>
9	<p>SUMMARY OF REGISTRANT'S CODE OF ETHICS</p> <p>Registrant has adopted a Code of Ethics (the Code) for the purpose of establishing the standards of business conduct and fostering a culture of honesty and accountability and assisting employees to comply with the Advisers Act.</p> <p><i>Standards of Business Conduct and Conflicts of Interest</i> Employees are required to act fairly and in the best interest of the clients. The Code addresses conflicts of interest that may arise in the course of conducting Registrant s business and requires that all employees endeavor to avoid situations that present potential or actual conflicts. In addition, Registrant has adopted certain policies and procedures that are designed to monitor personal investing and related activities and to assist employees in preventing actual or potential conflicts of interest and complying with applicable laws.</p> <p><i>Treatment of Inside Information</i> The Code forbids employees from trading, encouraging others to trade or recommending securities or other financial instruments based on inside information unless such information has been first publicly disclosed and sufficient time has passed before acting upon it. Registrant maintains and updates a restricted list, which lists those securities or issuers in which employees may not invest for Clients or themselves.</p> <p><i>Restrictions on and Reporting of Personal Investing and Related Activities</i> To avoid potential conflicts that may arise as a result of personal investing activities, Registrant has established policies and procedures regarding personal securities reporting and transactions to detect and prevent conflicts of interest. Registrant requires all employees to report their personal securities holdings on an annual basis (as well initially upon hire) and personal securities transactions on a quarterly basis. These reports are reviewed in an effort to detect possible conflicts and abuse. In addition to the reporting obligations, employees may be subject to certain other trading restrictions as deemed necessary. Clients may obtain a copy of the Code by contacting Registrant at (914) 251-1608.</p>
9E	<p>The Registrant has implemented an investment policy relative to personal securities transactions. This investment policy serves to establish a standard of business conduct for all of Registrant’s Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In addition, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.</p>
10	<p>Please see response set forth at item 1D (above).</p>
12A & 12B	<p>Please see the previous responses set forth on this Schedule F to Item 1D. As indicated, the Registrant generally allocated client assets among independent managers, who have active discretionary authority over client assets. To the extent applicable, Registrant's general policies relative to the execution of client securities brokerage transactions are as follows:</p> <p><u>Execution of Brokerage Transactions (when applicable).</u> If requested, Registrant will arrange</p>

	<p>for the execution of securities brokerage transactions for the account through broker-dealers that Registrant reasonably believes will provide "best execution". In seeking "best execution", the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a brokerdealer's services including execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.</p> <p>Over-the-Counter (OTC) securities transactions for Registrant's clients are generally effected on an agency basis, which involve the services of two (2) separate broker-dealers: (1) a "dealer" or "principal" acting as market-maker; and (2) the executing broker-dealer that acts in an agency capacity for the client's account. Dealers executing principal transactions typically include a mark-up/down, which is included in the offer or bid price of the securities purchased or sold. In addition to the dealer mark-up/down, the client will also incur the transaction fee imposed by the executing broker-dealer. Registrant does not receive any portion of the dealer mark-up/down or the executing broker-dealer transaction fee.</p> <p>Transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "batch" such orders to obtain "best execution", to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Registrant's clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that Registrant determines to aggregate client orders for the purchase or sale of securities, including securities in which Registrant's principals) and/or associated persons) may invest, Registrant shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. Registrant shall not receive any additional compensation or remuneration as a result of the aggregation.</p> <p>The client may direct Registrant to use a particular broker-dealer (subject to Registrant's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and Registrant will not seek better execution services or prices from other brokerdealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.</p> <p>In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to Registrant, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through Registrant.</p>
Item 13A	<p>Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from a particular broker-dealer/custodian, including <i>JP Morgan</i>, without cost (and/or at a discount) support services and/or products, which assist Registrant to better monitor and service client accounts maintained at that broker-dealer/custodian.</p> <p>These support services and/or products may include computer software and related systems support, which allow the Registrant to better monitor client accounts maintained at <i>JP Morgan</i>. The Registrant may receive the software and related support without cost because the Registrant renders investment management services to clients that, in the aggregate, maintain a certain level of assets at <i>JP Morgan</i>.</p>

	<p>In addition, the Registrant may receive the following benefits from <i>JP Morgan</i> through its Global Clearing Services group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Global Clearing Services participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.</p> <p>Proxy Voting Policy.</p> <p>Except for client assets managed by unaffiliated investment managers that maintain proxy voting authority, it is the Registrant's general policy that clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.</p>
Item 13B	<p>If a client is introduced to Registrant by either an unaffiliated or an affiliated solicitor, Registrant may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Registrant's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Registrant by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Registrant's written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule F, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Registrant and the solicitor, including the compensation to be received by the solicitor from Registrant. Any affiliated solicitor of Registrant shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation.</p>