

March 1st, 2012



**330 Madison Avenue
31st Floor New York, NY 10017
T: 212-661-3636 F: 212-697-8123
www.griffinasset.com**

Griffin Asset Management is an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. Griffin Asset Management is an independent investment management firm that is not affiliated with any parent organization. Griffin Asset Management was formed on January 1st, 2006 as a result of the merger between its two predecessor firms Hovey, Youngman Associates, Inc. and Griffin Asset Management, LLC. Griffin Asset Management manages traditional and alternative investment strategies for individuals and institutions including, Value, Growth, Dividend Growth, Balanced, Fixed Income, Global Long-Short and Covered Call. Registration with the SEC does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Griffin Asset Management, Inc. If you have any questions about the contents of this brochure, please contact us at 212-661-3636 or email at info@griffinasset.com. The information in this brochure has not been approved or verified by the United States Securities Commission or by any state securities authority. Additional information about Griffin Asset Management, Inc. is also available on the SEC's website at www.advisorinfo.sec.gov.

March 1st, 2011

MATERIAL CHANGES:

The only material change at Griffin Asset Management, Inc. since our last filing on March 31st, 2011 was the launch of The Griffin Global Long-Short Fund LLC. This fund is a private investment company not registered with the SEC. It is only available to accredited investors. The fund is run along the same investment parameters as the GAM Global Long Short Strategy.

March 1st, 2011

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ADVISORY BUSINESS

Griffin Asset Management was founded in 1976, is based in midtown Manhattan and has seven investment professionals. The firm provides customized wealth management solutions for individuals, families and institutions that demand an exceptional investment experience, combined with a proven track record for performance and outstanding service.

Griffin's core investment strategies consist of Large-Cap Value, Dividend Growth & Growth accounts. Our two alternative investment strategies are the Global Long/Short Strategy and the Covered Call Strategy. All of our strategies are available in separate accounts to increase liquidity & transparency.

INVESTMENT PROFESSIONALS

Douglas M. Famigletti, CFA

Mr. Famigletti is the President and Chief Investment Officer of Griffin Asset Management. He is the co-manager of the firms Value and Covered Call Strategy's and the lead manager of the firms Global Long/Short Strategy. Mr. Famigletti is currently responsible for the management of approximately \$190 million in institutional and private client assets.

Mr. Famigletti started his investment career in 1996 with Massachusetts Financial Services (MFS). He then joined Griffin Asset Management LLC where he spent four years as an equity research analyst. In 2000 Mr. Famigletti joined Goldman Sachs' Institutional Sales Desk and was responsible for providing sales coverage for some of their largest clients. Mr. Famigletti returned to Griffin Asset Management LLC in 2004 and was instrumental in orchestrating the 2006 merger between Griffin Asset Management, LLC and Hovey, Youngman Associates, Inc. to form Griffin Asset Management, Inc.

Mr. Famigletti is a Chartered Financial Analyst (CFA), a member of the CFA Institute and the New York Society of Security Analysts. He earned a B.A. in Economics from Hamilton College where he was the captain of the Men's Ice Hockey team and played on the Men's Lacrosse Team.

Mr. Famigletti is a principal owner of the firm.

Thomas A. Famigletti

Mr. Famigletti is a Managing Director and Portfolio Manager of Griffin Asset Management. He is the co-manager of the firms Value and Covered Call Strategy's and is currently responsible for the management of over \$140 million in institutional and private client assets. In addition to being a portfolio manager, Mr. Famigletti focuses on equity and fixed income research with an emphasis on the Healthcare and Consumer Staples industries.

Over the last thirty five years, Thomas Famigletti has earned a reputation as a respected securities analyst and investment manager. He entered the investment business in the 1960's, starting his career in the Trust Department of First National City Bank (now Citigroup) as an analyst and Investment Officer managing trust assets.

Mr. Famigletti then joined European American Bank in 1972 where he started the investment management division. After ten years of managing institutional and private client assets at EAB, he joined Dreman Value Management to build their investment business. As one of three original partners at Dreman, he helped grow the assets under management from under \$50 million to over \$4 billion.

Mr. Famigletti partnered with a European banking conglomerate in 1996 to form Griffin Asset Management LLC. As Managing Director, Tom built a substantial and successful management firm.

Mr. Famigletti has a B.A. in Economics from Hofstra University and is a member of the New York Society of Security Analysts, and the Financial Analysts Federation.

Mr. Famigletti is a principal owner of the firm.

Peter Hofmann, CFA

Mr. Hofmann is a Managing Director and Portfolio Manager of Griffin Asset Management. He co-manages the firms Growth Strategy and is on the team that runs the firms Global Long/Short Strategy. He is currently responsible for the management of over \$40 million in institutional and private client assets. In addition to being a portfolio manager, Mr. Hofmann focuses on equity research with an emphasis on the Technology, Energy and Financial Services Industries.

Mr. Hofmann joined Griffin Asset Management in 1998 from Chase Manhattan Corporation where he was a Managing Director and senior portfolio manager responsible for investing \$875 million for his clients. Mr. Hofmann's prior experience includes work in institutional equity sales at Drexel Burnham Lambert and Oppenheimer & Co., Inc. Mr. Hofmann started his career as an analyst and portfolio manager at Manufacturers Hanover.

Mr. Hofmann is a Chartered Financial Analyst, a member of the New York Society of Security Analysts and the CFA Institute.

Mr. Hofmann earned an M.B.A. in Finance from Columbia University and a B.A. in Economics from Georgetown University.

Mr. Hofmann is a principal owner of the firm.

Diana Salter

Ms. Salter is the Chief Operating Officer of Griffin Asset Management. She co-manages the firm's Growth Strategy and is on the team that runs the firm's Global Long/Short Strategy. She is currently responsible for the management of over \$40 million in institutional and private client assets. In addition to being a portfolio manager, Mrs. Salter focuses on equity and fixed income research with an emphasis on the Technology, Consumer Discretionary and Consumer Staples Industries and Macro economic research focused on risk management.

With 35 years of investment experience, Ms. Salter joined Griffin in 2003 bringing her expertise in asset management of equity and debt portfolios. As a former Vice President and Senior Portfolio Manager in the Personal Asset Management division at JPMorgan Chase for seven years, Ms. Salter was responsible for the creation of a new Senior Portfolio Manager platform. She was recognized with a Corporate Award for her outstanding performance. Prior to joining Chase, Ms. Salter was a Senior Portfolio Manager with The Bank of New York for more than a decade.

Ms. Salter's career has included analytical work and previous experience with an independent investment advisory firm. She was the first woman to become a Registered Commodity Trading Advisor in the U.S.

Ms. Salter is a senior member of the New York Society of Security Analysts, the Market Technicians Association, and the Financial Women's Association of New York. She received her education from the University of California.

Ms. Salter is a principal owner of the firm.

Michael J. Cooney

Mr. Cooney is a Managing Director of Griffin Asset Management. He is the portfolio manager of the Griffin Asset Management Large Cap Value Strategy.

Mr. Cooney joined Griffin Asset Management in November of 2010 from Moody Aldrich Partners, a Boston based money manager, where he worked for 3 years as a Portfolio Specialist responsible for marketing and positioning the firm's 4 different Value Strategies.

Mr. Cooney began his Wall Street career in the mid 1980's spending over 2 decades in Investment Banking where he worked as an Institutional Equity Salesman and Branch Manager for firms including Bear Stearns, Deutsche Bank, UBS, and The Bank of Montreal.

Mike is a 1982 graduate of Cornell University where he was also a member of the school's Varsity Lacrosse team.

ADVISORY SERVICES

Griffin's core equity investment strategies consist of Large-Cap Value, Dividend Growth & Growth. Our two alternative investment strategies are the Global Long/Short Strategy and the Covered Call Strategy. All of our strategies are available in separate accounts to increase liquidity & transparency. Our advisory services are not limited to our five strategies. We work closely with clients to determine which of our active strategies will best fit their investment profile and many times it is a combination of two or more. In addition, many clients seek our expertise in managing their fixed income portfolios.

Griffin has one relationship where Griffin acts as a model portfolio advisor. The organization is PLACEMARK.

As of December 31st, 2011 Griffin Asset Management had assets under management of \$265,466,060 of which \$262,765,000 are discretionary.

ACTIVE STRATEGIES

Dividend Growth

The Dividend Growth Strategy's investment objective is capital appreciation and income.

- Invest in large & mid capitalization dividend paying stocks with a market capitalization starting at \$1 Billion and trade at a discount to the companies intrinsic value.
- Focus on companies with global sales in order to add diversification and increase exposure to faster growing markets while limiting risk.
- Identify companies with long-term competitive advantages using non-traditional valuation metrics like Free Cash Flow Yield and Dividend Growth

Despite the fact that dividends have accounted for 41% of total market returns since 1926, it is often statistically ignored. Dividends not only matter, they are an essential part of a total return strategy.

Growth

The Growth Strategy's investment objective is superior long-term capital appreciation.

- Invest in large, mid & small capitalization companies with above-average growth driven by differentiated products & services, superior management, or opportunities created by economic, political or corporate change.
- Large-Cap focus is on companies with proprietary products, strong positions in dynamic economies & the management expertise to lever these strengths into sustainable advantages and rapid profit growth.
- Emerging growth focus is on innovative companies that develop unique products offering improved features, lower costs or other advantages that generate significant growth.

The Strategy identifies high-quality growth investments by recognizing important trends before they are recognized. In addition, established growth companies sometimes fall out of favor for short-term reasons and present unusual buying opportunities.

Large-Cap Value

The Large-Cap Value Strategy's investment objective is long-term capital appreciation.

- Invest primarily in large capitalization stocks that are members of the S&P 500 and are best of breed companies in out of favor industries.
- Focus on mean reversion analysis to identify high quality companies that are in Industry groups that have performed poorly over the previous 12-24.
- A static number of 35 stocks, 9-18 months is the average holding period for each stock. Quantitatively driven and systematically managed providing an extremely high level of process persistence.

"Reversion to the Mean is the most powerful force in finance, figuring out 'when' is the hard part. Still, it almost always pays to buy fear and sell greed. The firm that cracks the code in finding a way to sell investment bikinis in January rather than late August will set a new paradigm".

-Steve Galbraith's #1 lesson learned during his four year tenure as Morgan Stanley's Chief Equity Strategist

Covered Call

The Covered Call Strategy's investment objective is long-term total return, enhanced income and reduced volatility.

- Invest primarily in high quality dividend paying large cap global equities and sell calls against 50%-100% of the stock position.
- Deploy bottom-up research with a strict stock selection process to protect the portfolio on the downside.
- Use proprietary valuation models with atypical metrics like Free Cash Flow Yield, EV/EBITDA and Price-to-Book to determine prices to pay for quality investments.
- Focus on dividend yields & growing dividends.

The Strategy will invest in stocks that meet a strict criteria for quality and valuation and will only buy stocks which have liquid calls & pay a dividend. Advantages of the strategy versus a traditional stock portfolio include increased income & decreased volatility.

Global Long/Short

Through a partnership with the leading real time research firm, HEDGEYE, the Global Long/Short Strategy's investment objective is absolute return.

- Buy and short large, mid & small capitalization companies domiciled in developed nations. Buy and short Exchange Traded Funds (ETF's).
- Deploy top-down, bottom-up and quantitative analysis to limit short-term risk and capture upside in all market environments.
- Top-down process uses proprietary multi-factor models when selecting securities. The models are updated real time and as the facts change so do the models.
- No leverage is used.

The Strategy has a number of key advantages versus similar products. The separate account nature of the Strategy provides the client with superior liquidity and transparency versus other long/short products. In addition, the use of NO leverage limits the risk. Partnering with HEDGEYE, the leading real time research firm, is the key to timely action in protecting our clients' portfolios on the down side.

FEES & COMPENSATION

The registrant, Griffin Asset Management, Inc. (Griffin), provides both discretionary and non-discretionary investment supervisory services to clients. Registrant manages investment advisory accounts in accordance with the client's stated investment objectives. Registrant will carry out its investment responsibilities consistent with these objectives, taking into account any specific constraints set by the client.

Discretionary investment advisory services incur a quarterly charge, billed in advance, based on market value at an annual rate as follows:

1. Griffin Dividend Growth Strategy: Private Clients: 1.25% on first \$2 million, 1.0% on next \$3 million and .75% on balance. Institutional Clients: .85% on accounts under \$5 million, .75% for accounts between \$5 million and \$25 million, .65% for accounts between \$25 million and \$50 million and .50% for accounts over \$50 million.
2. Griffin Growth Strategy: Private Clients: 1.25% on first \$2 million, 1.0% on next \$3 million and .75% on balance. Institutional Clients: .85% on accounts under \$5 million, .75% for accounts between \$5 million and \$25 million, .65% for accounts between \$25 million and \$50 million and .50% for accounts over \$50 million.
3. Griffin Large-Cap Value Strategy: Private Clients: .85% on first \$2 million, .75% on next \$3 million and .60% on balance. Institutional Clients: .50% on accounts under \$5 million, .45% for accounts between \$5 million and \$25 million, .30% for accounts between \$25 million and \$50 million and .35% for accounts over \$50 million.
4. Griffin Covered Call Strategy: Private Clients: 1.25% on first \$2 million, 1.0% on next \$3 million and .75% on balance. Institutional Clients: .85% on accounts under \$5 million, .75% for accounts between \$5 million and \$25 million, .65% for accounts between \$25 million and \$50 million and .50% for accounts over \$50 million.
5. Griffin Global Long/Short Strategy: 1.0% management fee and 10% performance fee for ALL clients.

All fees are negotiable.

The fees charged for accounts not involving discretionary investment supervisory services are negotiated based on services rendered.

For valuation purposes two sources are used. Common Stock, Preferred Stock, Exchange Traded Funds and Mutual Fund prices are downloaded daily at 6pm from Televista, A Telemet Orion data source. All other securities are priced from Interactive Data Services (IDC). All marketable securities are valued at the reported price obtained by the IDC sweep at 4:01:30 PM and will include prices based on third party transactions and NASDAQ corrections up to 5:15 PM. Securities for which no prices are available through IDC or Televista (including certain foreign securities) are priced manually at the last reported closing price for the period ended. Securities which have not been registered under the Securities Act of 1933, as amended, and for which no public market exists are valued at the most recent known or published price at which they were sold.

Clients should note that when assets are invested in mutual funds, including money market funds and Exchange Traded Funds (ETF's), they are, in effect, paying two investment advisory fees in that they are paying a management fee to the fund advisor on the portion of their assets that are invested in the mutual fund in addition to the quarterly

fee on the market value of assets under Griffin's management which includes the portion invested in such funds.

The registrant does not provide custodial or brokerage services, however, we will be pleased to recommend qualified custodians or brokers with whom we have good relationships. These services, which can carry a custodial or brokerage fee, are the clients' responsibility and related expenses are borne directly by the client. Please refer to section 9 for more detail on the firm's brokerage practices.

Clients may pay either in arrears or in advance. If a client pays in advance they have the right to obtain a refund if the advisory contract is terminated before the end of the billing cycle. This refund can be obtained by speaking directly with an advisor of the firm.

Griffin does not provide any publications or reports on a subscription basis or for a fee.

Investment advisory contracts may be terminated by either party at any time without penalty and prepaid fees are generally refunded on a pro-rata basis in the event of termination.

The registrant provides investment advice with regard to all forms of investment that may be currently owned or which in its considered opinion believes might be suitable for the client. However, in some areas clients are advised to seek additional expertise including legal and tax advice.

Client fees are either deducted from their assets or billed directly and this decision is based on the client preference. Client's pay fees quarterly.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Griffin Global Long/Short Strategy has a 10% performance fee where Griffin collects 10% of all returns during a given calendar year. There is a natural conflict of interest when running fee based portfolios side-by-side with fee plus performance based portfolios. This conflict is addressed internally by the Griffin Global Long-Short Strategy having separate account documents where clients of the strategy are receiving a model portfolio based on a license agreement with HEDGEYE RISK MANAGEMENT, a real time independent research firm. This strategy is invested in a very different fashion than our fee only strategies.

TYPES OF CLIENTS

Griffin provides customized wealth management solutions for individuals, families, trusts and institutions. The minimum relationship size for all of our investment strategies is \$500,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

DIVIDEND GROWTH STRATEGY:

The GAM Dividend Growth Strategy uses a fundamental approach to finding high quality companies and then overlays this with quantitative analysis to determine a price to pay. The cornerstone of the strategy is dividends with an emphasis on dividend growth and strong cash earnings. Equity investment strategies carry a high degree of volatility risk and potentially absolute loss of capital. The GAM Dividend Growth Strategy has a historic volatility relative to the S&P 500 of 72% but past performance is no guarantee of future results.

Growth Strategy

The GAM Growth Strategy uses a fundamental approach to finding high quality growth companies with innovative products. The cornerstone of the strategy is finding companies with exceptional growth potential. Equity investment strategies carry a high degree of volatility risk and potentially absolute loss of capital. The GAM Growth Strategy has a historic record of strong risk adjusted returns but past performance is no guarantee of future results.

Large-Cap Value Strategy

The GAM Large-Cap Value Strategy uses a quantitative approach to investing. The Strategy can best be described as “Buying the best house in a bad neighborhood” and benefiting from Mean Reversion. Equity investment strategies carry a high degree of volatility risk and potentially absolute loss of capital. The GAM Large-Cap Value Strategy has a historic record of strong risk adjusted returns but past performance is no guarantee of future results.

Covered Call Strategy

The GAM Covered Call Strategy uses a fundamental approach to finding high quality companies and then overlays this with quantitative analysis to determine a price to pay. The Strategy writes covered calls on 50%-100% of outstanding stock positions. The Strategy uses a thorough process to vet stocks for downside risk and looks to add income and reduce volatility by writing covered calls. Equity investment strategies carry a high degree of volatility risk and potentially absolute loss of capital. The GAM Covered Call Strategy has a historic record of strong risk adjusted returns but past performance is no guarantee of future results.

Global Long-Short Strategy

The GAM Global Long-Short Strategy uses a quantitative and fundamental approach to investing. The Strategy is based on a license agreement with HEDGEYE RISK MANAGEMENT and replicates their virtual portfolio. The Strategy manages risk on a daily basis which results in high turnover and therefore increases brokerage commissions. The Strategies frequent trading can effect performance results and increase a client’s taxable income. The GAM Global Long-Short Strategy engages in short selling and high frequency trading which can lead to a loss of capital. The Strategy has a record of protecting client assets during down markets but past performance is no guarantee of future results.

DISCIPLINARY INFORMATION

None

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

None

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

SEC rules require the Company to appoint a Chief Compliance Officer. The Chief Compliance Officer for the Company is Thomas A. Famigletti.

Griffin Asset Management, Inc.
Corporate Code of Business Conduct and Ethics

Introduction:

Griffin Asset Management, Inc. has a long-standing commitment to conduct its business in compliance with all applicable laws and regulations and in accordance with the highest ethical principles. Among our guiding principles are honesty, integrity and quality in all that we do. This Corporate Code of Business Conduct and Ethics (the "Code") containing these principles has been adopted by the Company's Board of Directors and pertains to and has been provided to all officers, directors, consultants and all full and part-time employees ("Employees") in order to assist them in meeting our legal and ethical obligations. (Throughout the Code, the term "Company" is used to refer to the enterprise as a whole, to each person within it, and to any person who represents the Company).

The Code sets forth standards of conduct for all Employees of the Company. The Code of Ethics is based on the principle that all Employees of the Company have a fiduciary duty to place the interests of the Company's clients above their own. This Code is embodied in the Griffin Compliance Manual which covers a wide range of the Company's policies, business practices, and procedures, as revised from time to time. All Employees are required to read, know and abide by all applicable Company policies.

Upon hire, new employees are briefed on the Code of Ethics, provided with a copy of it, and required to acknowledge in writing that they have read it and will abide by it. Employees are required to review the Code of Ethics annually and to acknowledge that they have done so in writing.

Among other requirements, the Code of Ethics requires that employees disclose personal securities transactions in any account in which they have a beneficial interest, adhere to the Code's rules for buying and selling securities, and maintain records of their personal accounts at the Company. This latter requirement facilitates the monitoring of employee compliance with the Code of Ethics by providing the Compliance Officer with the means to review the personal account activity of employees on an ongoing basis.

Employees who are Access Employees must receive permission from the Company's Compliance Officer before making a personal transaction in most securities. Employee transactions are restricted when they create an actual or apparent conflict of interest with trades of the Company's clients. This requirement does not apply to transactions in open-end mutual funds, certificates of deposit, short-term government obligations and certain other types of securities for which the potential for conflicts of interest is minimal.

Monitoring and Enforcement:

The Company's Compliance Officer has primary responsibility for monitoring employee trading activity to ensure that employees are complying with the Code of Ethics.

When there is reason to believe that an employee has violated the Code of Ethics, the Compliance Officer will investigate the matter. Depending on the severity of the infraction, sanctions may include a warning, a fine, a personal trading ban, termination of employment, or referral to civil or criminal authorities.

The Code does not cover every issue that may arise, but it sets out basic principles to guide all Employees of the Company. All of our Employees must conduct themselves accordingly and seek to avoid even the appearance of

improper behavior. If a law conflicts with a policy in the Code, the Employee must comply with the law and notify the Company's Compliance Officer and/or the President of the Company; however, if a local custom or policy conflicts with the Code, the Employee must comply with the Code. It is the responsibility of each Employee to carefully read, understand and comply with the Code and, as needed, to seek clarification on any point. If any aspect of the Code is unclear, or there are questions or dilemmas that are not addressed, the Employee must ask his or her supervisor or the Company's Compliance Officer for guidance as to how to handle the situation. Because the Code discusses both legal and ethical responsibilities, non-compliance with certain aspects of the Code could result not only in disciplinary action including dismissal, but may also subject the individual offender and the Company to civil and/or criminal liability.

In our industry, integrity and ethical behavior are all the more important because of the trust our clients must place in us. In building strong client relationships over the years, the Company has both earned and benefited from the trust of its clients. The linchpins of that trust are our ethical standards and behavior. We must always do business in a manner that protects and promotes the interests of our clients. Truly ethical business practices are the product of more than a fear of legal ramifications or an appreciation of the competitive value of a good reputation. Ethical business practices entail a clear understanding of right and wrong, and a motivation on the part of our employees to act at all times in a manner of which they and the Company can be proud. This means adhering to not only the letter but also the spirit of all applicable laws and regulations. The Company thus defines standards of excellence and success to include adherence to a strong set of ethical principles at every step.

Compliance with Laws, Rules and Regulations:

Obedying the law, both in letter and in spirit, is the foundation of the Company's ethical standards. All Employees are expected to respect and comply with all local, state, and federal laws and requirements as a condition for continued employment or service. It is each individual's responsibility to know and understand the laws applicable to his or her job responsibilities (including insider trading laws), to comply with both the letter and the spirit of those laws, and to act with the highest ethical standards of professional business conduct in their dealings with, or on behalf of, the Company and its clients and vendors. Furthermore, Employees must endeavor to avoid not only actual misconduct but also even the appearance of impropriety. In the case of any questionable conduct, they must consider how they and the Company would be perceived if the conduct were publicized. The Company does not tolerate unethical financial or business practices by Employees even when they do not violate the law. Each Employee must consult with his or her immediate supervisor or the Compliance Officer with any questions concerning any legal or ethical requirements.

Conflicts of Interest:

The Company expects that each Employee will use good judgment, high ethical standards and honesty in all business dealings. Observing these principles should prevent any conflict of interest. Personal conflicts of interest exist any time Employees face a choice between their personal interests (financial or otherwise) and the interests of the Company and its clients. Conflicts of interest may call into question the Company's integrity. It is therefore crucial that service to the Company not be subordinated to personal gain and advantage and that all Employees be accountable for acting in the client's and the Company's best interest. Any Employee in a position where his or her objectivity may be questioned because of an individual interest or family or personal relationship must notify and seek guidance from his or her immediate supervisor or the Company's Compliance Officer. Similarly, any Employee aware of a material transaction or relationship that could reasonably be expected to give rise to a personal conflict of interest must discuss the matter promptly with the Company's Compliance Officer.

A conflict situation can also arise when an Employee has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest of this nature arise when an Employee, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Conflicts of interest may not always be clear cut, so if the Employee has a question, they must consult with the Company's Compliance Officer.

Reporting Violations; Protection against Retaliation:

It is the responsibility of any Employee who engages in or becomes aware of any conduct or activity, conflict or potential conflict that may violate the Code or an applicable law or regulation to promptly report the matter by notifying his or her immediate supervisor or the Compliance Officer. An Employee may make a report anonymously, but must in any event provide enough information to enable the Company to properly address the matter. No Employee will be subject to retaliation of any kind (or threat of retaliation) for reporting in good faith any ethical concerns, suspected securities law violations or other suspected misconduct.

Insider Trading:

Employees who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the Company should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. The full text of the Company's Insider Trading Policy may be found within the complete Compliance Manual.

Corporate Opportunities:

Employees are prohibited from taking advantage personally of opportunities discovered through the use of corporate property, information or position (other than those received in the ordinary course of doing business and approved by the Company). Employees owe a duty to the Company to advance its legitimate interests when opportunities arise. No Employee may use corporate property, information, or position for improper personal gain, and no Employee may compete with the Company directly or indirectly.

Outside Affiliations, Employment or Activities:

Employment and participation in other activities outside of the Company could interfere with an individual's duties as an Employee of the Company. Service by any Employee as a director, trustee or officer (paid, unpaid, elected, appointed or otherwise) of any business (other than the Company) or any charitable, civic, religious, political or educational organization must be disclosed to the Company's Compliance Officer if there is any question of possible conflict of interest or if any conflict of interest could be construed. Moreover, service by any employee on a board or in an advisory position with other Companies in the financial services industry, will not be permissible.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage over customers, suppliers, competitors, or employees. No gift or entertainment should ever be directly or indirectly offered, given, provided or accepted by any Employee, any family member of an Employee, or any agent (acting in its capacity as such) to or from any customer, supplier or competitor of the Company unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot reasonably be construed as a bribe or payoff, and (5) does not violate any laws or regulations. Employees should discuss with his or her supervisor any gifts or proposed gifts which they are not certain are appropriate.

Political Involvement:

The Company's policy is to comply with all applicable laws or regulations governing corporate political contributions. Political donations for any candidate for federal office may not be made on behalf of the Company by any Employee. Even in jurisdictions where corporate political contributions are legal, no Employee is authorized to make any contribution on behalf of the Company unless it has been reviewed and approved by the Company's President.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be

accepted by government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

Safeguarding Company and Client Property Protection and Proper Use of Company Assets:

Employees are not permitted to take or make unauthorized use of, steal, or knowingly misappropriate the property of the Company or any of the Company's clients for the individual's own unauthorized use, the unauthorized use of another or for any improper or illegal purpose. Employees are not permitted to remove, sell, loan, convey or dispose of any record, voucher, money or thing of value belonging to the Company or the Company's clients without the consent of the Company's President. No Employee may destroy Company property, except in accordance with Company policies or with proper authorization. Participation in unlawful activities or possession of illegal items or substances, whether or not on Company property or business, may subject the Employee to disciplinary action, including the possibility of dismissal.

Employees are obligated to protect the Company's assets, including its proprietary information. Proprietary information includes intellectual property such as trade practices, systems, marketing or strategic plans, fees and revenues, databases, records, salary information and other knowledge considered proprietary by the Company. This includes, but is not limited to, information stored on any computer system as well as proprietary software developed by or for the Company. Unauthorized use, disclosure, or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

Confidential Information:

In compliance with Regulation S-P: Privacy of Consumer Financial Information: In order to properly provide our investment management services we may obtain non-public personal information directly from our clients or from their transactions with us or others. We restrict access to non-public personal information about our clients to those employees who need to know that information to provide our investment management services to our clients. Except as specifically requested by a client, we do not disclose any non-public personal information about our clients or former clients to anyone, except as required by law. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard our clients' non-public information. Confidential information includes all non-public information that might be of unauthorized use to a third party, or which might be harmful to the Company or its clients if disclosed. The obligation to preserve confidential information continues even after employment ends. This includes, but is not limited to, information stored in any client or corporate files or on any computer system.

Any Employee who possesses confidential information has an important responsibility to keep that information confidential within the Company, and to disclose such information internally only on a "need to know" basis. Employees must be discreet with this information and avoid communicating Company or client matters in ways that are susceptible to interception or use by third parties.

Equal Employment Opportunity and Fair Dealing:

The Company is committed to a work environment where individuals are treated with dignity and respect. Equal employment opportunity is an essential part of this commitment. The Company does not discriminate, and will not tolerate discrimination (including harassment), against any employee or applicant for employment on any basis prohibited under applicable law. Examples include derogatory comments based on racial, ethnic, or gender characteristics and unwelcome sexual advances.

The Company expects its employees to aggressively further the interests of the Company. It also expects them to do so fairly, ethically and in a manner that fully complies with all applicable laws and regulations. To that end, no employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair dealing or practice.

Full, Fair, Accurate, Timely, and Understandable Disclosure:

It is crucial that all books of account, financial statements and records of the Company reflect the underlying transactions and any disposition of assets in a full, fair, accurate and timely manner.

All employees who are involved in the Company's disclosure process are required to know and understand the disclosure requirements applicable to the Company that are within the scope of their responsibilities, and must endeavor to ensure that information in documents that the Company files with or submits to the SEC, or otherwise discloses to the public, is presented in a full, fair, accurate, timely and understandable manner. Additionally, each individual involved in the preparation of the Company's financial statements must prepare those statements in accordance with Generally Accepted Accounting Principles, consistently applied, and any other applicable accounting standards and rules so that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company.

Furthermore, it is critically important that financial statements and related disclosures be free of material errors. Employees are prohibited from knowingly making or causing others to make a materially misleading, incomplete or false statement to an accountant or an attorney in connection with an audit or any filing with any governmental or regulatory entity. In that connection, no Employee, or any person acting under Employee's direction, shall directly or indirectly take any action to coerce, manipulate, mislead or fraudulently influence any of the Company's internal auditors or independent auditors if he or she knows (or should know) that his or her actions, if successful, could result in rendering the Company's financial statements materially misleading.

Business records and communications often become public, and employees should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained according to the Company's record retention policies.

Amendments:

While this Code of Ethics may be revised from time to time, it is each Employee's responsibility to maintain an ongoing familiarity with this Code of Ethics.

Reporting any Illegal or Unethical Behavior:

Employees are encouraged to talk to supervisors, the Compliance Officer or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. Employees are required to report any violations of laws, rules, regulations or the Code to the Compliance Officer or the President. Employees are expected to cooperate in internal investigations of misconduct.

Compliance Procedures:

All Employees must work to ensure prompt and consistent action against violations of the Code. However, in some situations it is difficult to know right from wrong. Since one cannot anticipate every situation that will arise, it is important that Employees have a way to approach a new question or problem, bearing in mind the following:

Employees must make sure that they have all the facts. In order to reach the right solutions, one must be as fully informed as possible.

Employees must ask themselves: What specifically are they being asked to do? Does it seem unethical or improper? This will enable the Employee to focus on the specific question they are faced with, and the alternatives they have. Then, one must use one's judgment and common sense.

Employees must clarify their responsibility and role. In most situations, there is shared responsibility. Are other

employees informed? It may help to get other employees involved and discuss the problem.

The problem should be discussed with the employee's supervisor. This is the basic guidance for all situations. In many cases, the supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision making process. Remember that it is the supervisor's responsibility to help solve problems.

Employees must seek help from Company resources. Any questions concerning the application or interpretation of this Code or the policies referenced herein should be directed to the Company's Compliance Officer or the President. In the rare case where it may not be appropriate to discuss an issue with the supervisor, the Company's Compliance Officer or the President or where one does not feel comfortable approaching any of them with a question, it may be discussed with the Company's Legal Counsel, Jerry W. Slater, by calling (231) 882-4944. If one prefers to write, their concerns should be addressed to: Jerry W. Slater, Esq., 4886 Arbutus Lane, Beulah, MI 49617.

Employees can report ethical violations in confidence and without fear of retribution. If the Employee's situation requires that their identity be kept secret, their anonymity will be protected. The Company does not permit retaliation or retribution of any kind against Employees for good faith reports of ethical violations.

Employees should always ask first, and then act: If they are unsure of what to do in any situation, they should seek guidance before they act.

This Code sets forth guidelines which all Employees are required to follow and any failure to comply with this Code may result in the termination of employment or service.

The Board of Directors, in discharging its governance responsibilities, reserves the right to amend, alter, or terminate this Code or its policies at any time for any reason.

A copy of this Code of Ethics is available to any client or prospective client free upon request.

It is the policy of Griffin to avoid any possible conflict of interest whenever Griffin, an employee, or a related person owns, buys or sells securities owned by, or bought or sold for clients. In the event of any purchase or sale transacted on the same day for an employee and/or client(s) in a security having the same CUSIP number, the client(s) will receive the most advantageous price, unless a client directs a trade subsequent to the completion of a prior transaction that may have included securities of an employee or related person, in which case the client may or may not receive a less advantageous price. In such an event, the Portfolio Manager receiving a client-directed order will note the time the directed order was received on the corresponding blotter page. A further exception would occur if a Portfolio Manager determines that it is in the best interest of a client to execute a trade on behalf of the client subsequent to the completion of a transaction in the same security by an employee or related person. In such an event, the Portfolio Manager will notify the Compliance Officer and the trader of the transaction. However, in an attempt to prevent this from occurring, all employees are required to inform the Portfolio Managers of their trading intentions in advance so that every effort is made to place the client's best interest before that of the employee. In an inadvertent circumstance where the client has not received the better price, the employee or related person will compensate the client for the difference. Reports of securities transactions for all client(s) accounts are reviewed on a daily basis by the Compliance Officer who also reviews all transactions of Griffin, its employees, or related persons in order to detect and eliminate any conflicts that may exist.

BROKERAGE PRACTICES

With respect to all discretionary investment supervisory accounts, the registrant, through its Principals and senior officers retains the authority to determine without obtaining specific client consent which securities are to be bought or sold, the amount of these securities, the price, the broker or dealer to be used and the commission rates paid without limitation except as otherwise so specified by the client in advance.

In the absence of specific instructions from a client, the registrant, while mindful of "Best Execution"

requirements, selects brokers to execute the purchase or sale of securities for various clients on the basis of general research services including corporate and industry overviews, economic comments and forecasts, indications of market expectations and investigations of possible areas of future interest as well as access to various financial publications.

Commissions are either directed by the client or utilized to pay for execution and proprietary research.

In addition, due to the need for continuous computerized analytical capabilities in managing and monitoring accounts, brokers may provide certain specialized services in the form of on-line research and support in return for commissions. The foregoing services may comprise the use of software which may be provided to the registrant as part of the services. The registrant considers the above necessary to guide it in its investment decisions and in seeking the best information for the benefit of all clients, even if such clients do not directly benefit from each research service product. In the past year the Company used Sungard and Viewpoint Securities as its primary brokers to provide payment for Reuters Research and they received approximately 35% of all commissions paid. The choice of a primary broker and/or the percentage of commissions allocated is subject to change year to year.

The registrant's selection of a broker due to research services is based on its evaluation of the quality and pertinence of that research which is often a subjective determination.

Commission rates are negotiated on the basis of services rendered as described above and overall reasonableness depending on the nature of the security being bought or sold, its liquidity, the size of the transaction and the market in which the transaction is executed and may be in excess of that which another broker might have charged for effecting the same transaction. In every case, however, an attempt is made to execute all transactions at the best possible price.

When possible, we make an attempt to aggregate orders to reduce the cost of commissions on transactions, but the Company makes no specific guarantee to clients with respect to aggregating orders in every instance. No advisory account will be favored by the Company over any other account and each client who participates in an aggregate order will participate at the average share price, with all transaction costs shared on a pro rata basis. Where clients have designated specific brokers or when they have custodied their account(s) at a particular broker, it may not be possible to aggregate their orders with other accounts managed by the Company. In such cases, a client may pay higher commissions than the Company might otherwise have been able to negotiate. The client, in such cases, may also receive less favorable execution.

All brokerage transactions, executions and commissions are reviewed formally on a quarterly basis by the Company's Commissions Committee. The Commissions Committee is composed of all Principals, senior members of the Company and portfolio managers.

REVIEW OF ACCOUNTS

A Principal or senior manager of the firm oversees every portfolio. In addition, no portfolio manager is solely responsible for more than 100 account relationships. Generally, portfolios are reviewed daily by the portfolio manager. The Investment Policy Committee reviews all portfolio relationships annually. Reviews are conducted at least annually with clients to ascertain conformity with client objectives and guidelines. Weekly meetings of the Investment Policy Committee are held to review the entire firm's investments. The Investment Policy Committee includes all portfolio managers and the Principals of the firm.

CLIENT REFERRALS & OTHER COMPENSATION

Griffin has licensed research from HEGDEYE RISK MANAGEMENT, LLC. The firm manages the Global Long-Short Strategy based on this research and in consideration of the Strategies license agreement with HEGDEYE RISK MANAGEMENT, LLC, they share 50% of the management fee and performance fee. All clients of the GAM Global Long-Short Strategy sign a different Investment Agreement than the firm's standard Investment Agreement. This agreement outlines the relationship between Griffin Asset Management and HEGDEYE RISK MANAGEMENT, LLC and discloses the fee sharing arrangement.

CUSTODY

All client assets are held at a third party custodian or broker. Clients may choose to receive a monthly or quarterly statement from their broker or custodian. Griffin Asset Management also provides all clients a monthly or quarterly statement based on client instructions. Griffin includes the following comments on each statement "To safeguard client assets, the SEC urges clients to compare these investment advisor statements from Griffin Asset Management with those of your custodian"

INVESTMENT DISCRETION

Griffin has discretionary authority for over 99% of client's assets where Griffin retains a limited power of attorney to manage securities on behalf of our clients. Client's have the right to limit our discretion.

VOTING CLIENT SECURITIES

The Company, unless otherwise requested by the client, will vote proxies of portfolio securities. The voting of proxies will be in the best economic interests of each particular client.

Absent conflicts of interest, the Company will generally vote in favor of routine corporate housekeeping proposals such as the election of directors and selection of auditors. The Company will generally vote against proposals that cause board members to become entrenched or cause unequal voting rights.

In reviewing proxy proposals, the Company will further consider the opinion of management, the effect on management, the effect on shareholder value, and the issuer's business practices.

A copy of our complete Proxy Voting Policy and Procedures is available to any client or prospective client free upon request.