

Part 2A of Form ADV: *Firm Brochure*

Grant Capital Partners, LLC

1482 E. Valley Road, Suite 716
Santa Barbara, CA 93108

Telephone: 805-695-7345

Email: slisenby@grantcapitalpartners.com

Web Address: www.grantcapitalpartners.com

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This brochure provides information about the qualifications and business practices of Grant Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 805-695-7345 or slisenby@grantcapitalpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Grant Capital Partners, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 153513.

Item 2 Material Changes

There have been no material changes since our last Form ADV Part 2A was filed on with the SEC on 3/24/2011.

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Item 4 Advisory Business

Grant Capital Partners, LLC is a SEC-registered investment adviser with its principal place of business located in CA. Grant Capital Partners, LLC began conducting business in 2008.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Grant Investment Partners, LLC.

Grant Capital Partners, LLC offers the following advisory services to our clients:

PORTFOLIO MANAGEMENT

We have organized and serve as a general partner and discretionary investment adviser for a number of pooled investment vehicles (also referred to as private investment funds). We may decide in the future to sponsor or manage additional pooled investment vehicles. We intend to restrict the number of investors and will offer the interests in a vehicle only through non-public transactions in order to ensure that each vehicle maintains its exclusion from "investment company" status under the Investment Company Act of 1940, as amended. Adviser also manages limited partnership or similar investment vehicles established for specific individual or institutional clients.

We will generally accept subscriptions for interests in a pooled investment vehicle only from both "accredited investors" and "qualified purchasers", as set forth in Section 2(a)(51) under the Investment Company Act of 1940 as amended. In addition, we will require investors to make representations concerning their sophistication as investors and ability to bear risk of loss of their entire investment. We may waive all or part of any admission standard within our sole discretion. Qualified prospective investors should carefully read the applicable vehicle's offering memorandum and charter documents. Prospective investors should consult with their own counsel and advisers as to all matters concerning an investment in a vehicle.

The minimum subscription that will generally be accepted is described in the charter documents for each vehicle which is delivered to each potential investor in the vehicle prior to such investor's making an investment. The minimum subscription for separately managed accounts is generally negotiable and subject to leverage expectations. We may, in our sole discretion, waive the minimum subscription requirement for any investor.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., asset class, instruments, maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Corporate debt securities (other than commercial paper)
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles

- Futures contracts on intangibles
- Options on futures contracts on tangibles and intangibles

We are authorized to enter into any type of investment transaction that we deem appropriate for our clients, pursuant to the terms of the account agreement. We also offer advice on futures, OTC foreign exchange products and interest rate derivatives. We do not currently advise clients on any type of investments other than those identified in this section.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 1/1/2012, we were actively managing \$917,831,601 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

FEES

The investment management fee for the pooled investment vehicles we manage generally will not exceed 2% of each vehicle's assets under management and will typically be paid monthly in arrears. Prospective investors in a pooled investment vehicle that we manage should refer to the vehicle's offering memorandum for a more complete description of our fees.

We also receive an incentive fee with respect to the various pooled investment vehicles, which generally does not exceed 20% of each vehicle's net profit above the vehicle's previous "high water mark". To the extent that the amount of account appreciation is less than the high water mark, there is a loss carryforward allocation that must be recouped before Grant Capital Partners, LLC is entitled to a performance-based fee. Performance fees are calculated by the administrator using standard GAAP methodology. Profit and loss from Euro class hedging is not included in performance fee calculations.

The investment management fee and incentive fee are described in the charter documents for each pooled investment vehicle. These documents are delivered to each potential investor in the vehicle prior to such investor's making an investment. In certain cases, we may waive the investment management fee or the incentive fee for select investors in a vehicle.

In measuring the Managed Account client's assets for the calculation of performance-based fees, Grant Capital Partners, LLC includes: for securities for which market quotations are readily available, the realized capital losses and unrealized capital losses of securities over the period and, if the unrealized capital appreciation of the securities over this period is included, the unrealized capital depreciation of securities over the period. As such, we may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account.

The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with us.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE

PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

GENERAL INFORMATION

Termination of the Advisory Relationship: Investors in a pooled investment vehicle may be limited in their ability to terminate their participation in the vehicle. Such limits are set out in the vehicle's offering memorandum and charter documents, which should be read carefully.

Additional Fees and Expenses: In addition to our advisory fees, the funds will also pay the fees and expenses charged by custodians, imposed by broker dealers, and charged by vendors of data and research required to execute the investment process. A full description of such fees is found in each fund's offering documents.

Advisory Fees in General: The expenses of the pooled investment vehicles we manage, including our investment management fee and incentive fee, may be higher than those charged by other advisers to pooled investment vehicles. The incentive fee may also create an incentive for us to cause the vehicles to make investments that are riskier than it would otherwise make.

Item 6 Performance-Based Fees and Side-By-Side Management

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from the client. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, a Fund investor must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000 under management immediately after entering into a management agreement with us.

We do not manage accounts that do not pay a performance-based fee.

Item 7 Types of Clients

Grant Capital Partners, LLC provides advisory services to pooled investment vehicles.

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service as well as the offering documents for each investment vehicle.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long

the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the security or asset is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a security or asset. This presents a risk in that a security or asset may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular security or asset against the overall market in an attempt to predict the price movement of the security or asset.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the securities we purchase and sell, the publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

Theme Development

The Chief Investment Officer and the Investment Committee seek to identify a limited number of investment themes that have established themselves in the market and appear likely to persist. The team evaluates fundamental factors, market developments, technical patterns and trends, and the input from a broad based information network consisting of consultants, strategists, fund managers, business leaders, market makers and their economists.

Market Screening

Portfolio managers apply a proprietary quantitative screening process designed to highlight interesting and/or trending asset prices from a universe of approximately 125 macro markets. The screening methodology is based upon analysis of spot and forward prices, implied volatilities and their skew, sentiment measures, correlations and trend factors. Qualitative assessments are made of market psychology, positioning and the potential for re-pricing.

Trade Construction

Portfolio managers construct individual macro trades, a large proportion of which are structured options. They seek to profit from a directional movement in the underlying market with returns enhanced and/or risks reduced by such factors as implied volatility and its skew, shifts in volatility curves, entry and exit points and changes in interest rate differentials. The emphasis on structured options allows the investment team to profit in both rising and

declining volatility environments while maintaining both fixed downside risk and upside profit potential.

Risk Allocation

The CIO allocates risk across the investment team, leveraging the asset class and derivative structuring expertise of the portfolio managers. The desired level of risk concentration is achieved by matching conviction levels with the risk/reward opportunities to be found in a particular market.

Portfolio Optimization

The CIO leads ongoing portfolio reviews focused on optimizing the size of positions. The risk-to-reward ratio for new and open trades is evaluated on a rolling basis. This ensures that when portfolio risk is concentrated or highly correlated it is deliberate and well understood.

Review & Analysis

The CIO leads the investment team in reviewing closed positions to ensure that a consistent and rigorous approach has been applied throughout the life of the trade. The process promotes transparency and accountability, drives self reflection and team improvement.

Portfolio Risk

The portfolio VaR is currently targeted to be in a range of 1.00%-2.00% of AUM (1 day 95% confidence interval). Selected 5 day stress test scenarios are not to exceed a 10% net asset value drawdown: Black Monday; Asian Crisis; Gulf War; Sept 11th; Russian Devaluation. Capital at Risk (CaR) is calculated as a worst-case scenario, in which every position in the portfolio experiences maximum loss. CaR is evaluated in relation to VaR and used to calculate and manage downside. The Chief Risk Officer and investment team search for unintended correlations and risks using quantitative models and qualitative assessments.

Risk Reduction Triggers

To protect both realized and unrealized profit, the fund operates two “speed bumps” designed to trigger a reduction in risk in the event of a drawdown. They are initially set at 95% and 90% of NAV. At the first speed bump the fund’s 4% VaR limit is cut by 50%. At the second speed bump the VaR limit is cut by an additional 50% so that at a 10% fund drawdown, the VaR limit is set at 1%. VaR limit reinstatement requires both CIO and Investment Committee approval.

Liquidity Risk

Investment themes are expressed using spot foreign exchange, exchange traded futures, swaps, exchange-traded funds, credit indices, options and fixed-risk structured options. Single name equities and non-government bonds are not permitted. The investment team seeks to use the liquid and fixed-risk aspects of the underlying instruments to reduce the risk of large portfolio losses while maintaining the potential for substantial profit.

Counterparty Risk

Two tier-1 prime brokers (Credit Suisse and Deutsche Bank) and (at the time of this writing) twenty-seven dealing counterparties serve to minimize transaction costs, maximize trading liquidity, and reduce overall business risk. Typically 5-15% of fund assets are posted as margin with the balance held in US Treasury Bills in segregated prime brokerage accounts or in fund name at JP Morgan.

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. When utilizing this strategy, we purchase securities with the idea of holding them in the client's account for up to one year. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically one to three months). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. When utilizing this strategy, we purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales. . We engage in short selling based on our determination that a security or asset will go down in price. If we are correct and the security or asset has gone down since the sale, the client account realizes the profit.

Short selling results in some unique risks:

1. *Losses can be infinite.* A short sale loses when a security or asset rises, and is not limited

(at least, theoretically) in how high it can go. For example, if you short 100 shares of a security or asset at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.

2. *Short squeezes can wring out profits.* As security or asset prices increase, short seller losses also increase as sellers rush to buy the security or asset to cover their positions. This increase in demand, in turn, further drives the prices up.
3. *Timing.* Even if we are correct in determining that the price of a security or asset will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
4. *Inflation.* History has shown that over the long term, most security or assets appreciate. Even if a security or asset barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the security or asset.

Margin transactions. We will purchase security or assets for your portfolio with money borrowed from your brokerage account. This allows you to purchase more security or asset than you would be able to with your available cash, and allows us to purchase security or asset without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell a security or asset) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the security or asset will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the security or asset will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the security or asset prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

We have no material affiliations with other firms in the financial services industry.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Grant Capital Partners, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Grant Capital Partners, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to info@grantcapitalpartners.com, or by calling us at 805-695-7340.

Grant Capital Partners, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Grant Capital Partners, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Grant Capital Partners, LLC is also the General Partner of Liquidmacro Fund, LP, and Investment Advisor of the Liquid Macrofund, Ltd. and Liquidmacro Master Fund, Ltd. (the Funds). As such, Grant Capital Partners, LLC has primary responsibility for investment management and administrative matters, such as accounting tax and periodic reporting, pertaining to the Funds. Grant Capital Partners, LLC and our members, officers and employees will devote to the Fund as much time as we deem necessary and appropriate to manage the Fund's business. Grant Capital Partners, LLC and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Funds and/or may involve substantial time and resources of our firm and our affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the business of the Funds, but could be allocated between the business of the Funds and other of our business activities and those of our affiliates.

The Fund is not registered under the Investment Company Act of 1940. Grant Capital Partners, LLC manages the Funds on a discretionary basis in accordance with the terms and conditions of the Funds' offering and organizational documents.

Item 12 Brokerage Practices

We require that we be provided with written authority to determine the broker-dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions, typically through the Investment Management Agreement

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Execution Quality. We will generally seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transactions, we may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Adviser will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction.

Soft Dollars. In addition to execution quality, Adviser may consider the value of various research services or products, beyond execution, that a broker-dealer provides to Adviser or its clients. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with “soft dollars.” Because many of those services could benefit us, we may have a conflict of interest in allocating client brokerage business.

For these purposes, “research” means advice, analysis and reports used to provide lawful and appropriate assistance to Adviser in making investment decisions for its clients. The types of research we may acquire include reports on or other information about particular companies or industries; economic data such as unemployment reports, inflation rates or

gross domestic product figures; recommendations as to specific securities; financial publications relating to the value, availability or advisability of investing in securities, and issuers, industries, securities, economic factors and trends, portfolio strategy and the performance of the accounts; and portfolio evaluation services and financial database software and services. The types of brokerage services we may use include execution clearing and settlement service, exchange of messages among brokers, custodians and institutions; and communication services related to the execution, clearing and settlement of securities transactions and other incidental services.

We will make decisions involving “soft dollars” in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, we will generally determine, considering all appropriate factors (including those described here), that commissions paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, we may consider not only the particular transaction and not only the value of brokerage and research services and products to a particular client, but also the value of those services in our performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. Additionally, in some cases, a client's transaction may be executed by a broker in recognition of services or products that are not used in managing that client's account. Broker-dealers are not excluded from a client's business simply because they have not provided research services or products.

When a broker-dealer provides research or other products or services in expectation of brokerage business, it generally suggests the level of business it would like to receive as compensation. In making our brokerage selections, we consider those suggestions as part of our evaluation of the factors described above. Actual transactional business received by a particular broker or dealer during any period may be less than the suggested level, but may - and we expect that it often will - exceed that level. This may be in part because the total brokerage business generated by clients may exceed the aggregate amounts requested by all brokers and dealers from which we receive services and products, and in part because the brokers and dealers that provide such services and products may also provide superior execution and may therefore be the most appropriate broker-dealers for particular transactions regardless of whether or not they provided such services or products. In other cases, a broker or dealer may establish “credits” based on brokerage commissions paid in the past, which may be used to pay or reimburse us for specified expenses.

Brokers and dealers will not be excluded from consideration of receiving brokerage business simply because they have not provided research or other services or products, although we may not be willing to pay the same commission to such broker as we might have been willing to pay had the broker provided research products and services.

We monitor transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers we use, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers and dealers in light of all the factors described above.

We are not receiving any soft dollar products or services as this time.

Aggregation of Orders. We perform investment management services for various clients. There may be occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts we

manage, some of which may have similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

Cross Trades. We may periodically seek to rebalance client investment accounts or portfolios by effecting cross-trades between or among client investment accounts (i.e., causing one or more such client accounts to sell securities to one or more such client accounts). In effecting such cross-trades, we will seek to reduce the transaction costs to clients of such transactions. All such cross-trades will be consistent with the investment objectives and policies of each client account involved in the trades, and will be effected at a current independent market price of the securities involved in the trades.

Client accounts involved in such cross-trades will not pay any brokerage commissions or mark-ups in connection with the trades, but may pay customary transfer fees (i.e., aggregate ticket charges) that are assessed by the broker-dealers through which the trades are effected.

Item 13 Review of Accounts

REVIEWS: Investment accounts are continuously reviewed on an ongoing basis by Ian Malloch, Member, and the account Administrator. All positions are subject to profit and loss reassessment triggers and risk management guidelines, as applicable to the particular account. Account reviewers generally focus on each account's strategy, objective and performance as well as the overall market conditions.

REPORTS: Reports are generally distributed monthly or quarterly to investors in the pooled investment vehicles we manage. Such reports describe the activities and provide information on investments of the vehicle. In addition, annual reports containing audited financial statements of the vehicle are generally also prepared and distributed to investors.

Item 14 Client Referrals and Other Compensation

It is Grant Capital Partners, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Grant Capital Partners, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We do not have or maintain physical possession of any cash, securities, or other assets of the Funds. However, as Investment Manager and per the terms of our Investment Management Agreement with the Funds (IMA) we do have authority to issue instructions to the Custodians, Sub-Custodians, or other entities acting in the capacity of custodian as required to pay expenses, fees, and settle transactions effected at the direction of the Investment Manager pursuant to the terms of the IMA. Therefore, we are deemed to have "custody" of client accounts. To address this potential conflict, each Fund will send its investors an audited

financial statement within 120 days of that Fund's fiscal year end.

Item 16 Investment Discretion

We only provide discretionary asset management services, in which we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

The securities in which we invest do not have proxies to be voted, and so this Item does not apply to our advisory services.

Item 18 Financial Information

Grant Capital Partners, LLC has no material financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Grant Capital Partners, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.