

**Part 2A of Form ADV: Firm Brochure  
Item 1: Cover Page  
May 2015**

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Chris Casanega  
Chief Compliance Officer**

**This brochure provides information about the qualifications and business practices of Sharper & Granite, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (310) 426-2909 or email ([questions@sharpergranite.com](mailto:questions@sharpergranite.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 Sharper & Granite, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Please note that the use of the term "registered investment adviser" and description of Sharper & Granite, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.**

## **Item 2: Material Changes to Our Part 2A of Form ADV: Firm Brochure**

Sharper & Granite, LLC ("SG") is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure.

Since our last annual amendment filed on March 11, 2015, the following changes have been made:

- 1) We have updated Items 12 and 14 to add more clarity to our brokerage practices.

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## Item 4: Advisory Business

We specialize in the following types of services: Asset Management and Financial Consulting. We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of California. Our firm has been in business as an investment adviser since 2003 and is wholly owned by Chris Casanega, Chief Compliance Officer.

### Description of the Types of Advisory Services We Offer

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#### **Asset Management:**

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of SG investment recommendations which are not limited to any specific investment products. SG research and philosophy lead it to favor low-cost, index-based, exchange-traded funds (ETFs) and no-load index mutual funds, which make up the majority of most client accounts. SG also makes recommendations in other types of ETFs and mutual funds, as well as stocks and bonds. Alternative investment ideas (e.g., private placements) also may be presented to clients who request exposure to such areas and whereby SG agrees with portfolio fit. In these cases, clients are required to review the alternative investment PPMs and other information and then sign-off on the investment decision on their own.

The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. These parameters are initially established through a consultation which includes discussion of time horizon, risk tolerance, liquidity requirements, high-level tax situation, and potentially family situation and prior investment experience. SG also reviews client assets not under SG management to produce a more tailored managed portfolio. All of the above is factored in the development of the client's Investment Policy Statement. The client's portfolio is then constructed and managed within that policy.

Additional basic advice which is investment advisory in nature (e.g., opinions relating to cash flow needs, retirement option evaluations, portfolio projections, etc.) may also be provided in so far as it links to the portfolio management objectives, but SG does not consider itself a financial planner or offer fee-based financial planning per se. Nor does SG provide tax preparation, accounting, insurance, mortgage, loan, legal, or any other services.

#### **Financial Consulting:**

Clients may also receive portfolio-related investment advice without any ongoing direct portfolio supervision. This may include advice on a targeted area of interest such as portfolio allocation, college savings portfolios, portfolio tax-efficiency improvements, or retirement option calculations and other one-time financial decisions.

## **Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing our Asset Management service. Additionally, we offer general investment advice to clients utilizing our Financial Consulting service.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Asset Management service. We do not manage assets through our other services.

## **Participation in Wrap Fee Programs**

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We do not offer wrap fee programs.

## **Regulatory Assets Under Management**

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As of March 19, 2015, we manage<sup>1</sup> \$101,300,000 on a discretionary basis and \$0 on a non-discretionary basis.

## **Item 5: Fees & Compensation**

### **How We Are Compensated for Our Advisory Services**

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#### **Asset Management:**

Standard fees are based on a percentage of assets under management in a given portfolio. Clients may have multiple portfolios.

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
< \$200,000	2.9%
\$200,000 - \$400,000	1.7%
\$400,001 - \$800,000	1.6%
\$800,001 - \$1,000,000	1.5%
\$1,000,001 - \$1,500,000	1.4%
\$1,500,001 - \$2,000,000	1.3%
\$2,000,001 - \$3,000,000	1.1%
\$3,000,001 - \$4,500,000	1.0%
> \$4,500,001	0.65%

Billing is quarterly in arrears and based on assets under management at the end of each SG fiscal quarter. Following each fiscal quarter, fees are deducted automatically for clients choosing this option. Clients may also request to be billed directly. Fees are negotiable, and fees for some clients are negotiated below standard SG rates for comparable services. “Fixed Income” or “Principal Preservation” portfolios, for example, may be offered at rates below standard SG rates. Furthermore,

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<sup>1</sup> Please note that our method for computing the amount of “client assets we manage” can be different from the method for computing “assets under management” required for Item 5.F in Part 1A of Form ADV. We have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute “client assets we manage,” we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our “as of” date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

certain legacy client agreements may have fee schedules different from that listed above. Related client accounts may be grouped by portfolio for the purpose of determining the annualized fee. Multiple portfolios with a client may be charged different rates, and will be specified if such is the case.

SG does not generally recommend alternative assets such as private equity investments, but will assist qualified clients who request particular investments. If the client prefers those assets to be tracked, priced and factored into their overall portfolio which we manage, the client may be billed on these assets as specified in their Management Agreement.

Fees during quarters of startup and termination are prorated, based on the day assets arrive or depart. Client agreements may be terminated at any time upon written notice of either SG or client with 60 days of notice. Client also has 30 days after signature to opt out of or request an amendment to the agreement. In that case, any management fees will be refunded immediately.

SG recognizes that no consistent standard exists for daily individual bond pricing. For consistency, SG will use asset prices provided by its data-reconciliation agent, Black Diamond, for reporting and billing at quarter end. Black Diamond uses accrued interest in its individual bond value calculation only.

As part of the automatic fee deduction process, the client is made aware of the following:

- a) Your independent custodian sends statements at least quarterly to you showing the market values for each security included in the account and all disbursements in your account including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms. We send our invoice directly to the custodian; and
- c) If we send a copy of our invoice to you, it will include a legend urging you to compare information provided in our statement with those from the qualified custodian.

### **Financial Consulting:**

SG charges consulting clients on an hourly basis. The firm's typical hourly rate is \$350 per hour. This rate is negotiable based on the complexity of the project.

### **Other Types of Fees & Expenses**

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Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the custodian firm through which the trades are executed. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

### **Termination & Refunds**

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We charge our advisory fees quarterly in arrears. If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel the advisory agreement. Upon receipt of your letter of termination, we will proceed to close out your account and charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

## Commissionable Securities Sales

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We do not sell securities for a commission in our advisory accounts.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

We do not accept performance-based fees.

### **Item 7: Types of Clients & Account Requirements**

SG services are generally provided to: individuals, high net worth individuals, trusts, pensions and profit sharing plans.

SG generally requires a minimum account balance of \$250,000 of assets under management; however, this amount is negotiable under certain circumstances.

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

Parameters and constraints on the portfolio construction are set by investment objectives, tax-situation, outside investments, account type(s) (e.g., taxable, IRA, etc.), income needs, and liquidity needs. Then, time horizon and risk profiles are used to build a portfolio we estimate will have strong risk/return characteristics within the above constraints.

SG investment strategies use a top-down, asset allocation approach. To execute these strategies, we most often utilize low-cost, tax-efficient, index-based investment vehicles (e.g., index-based ETFs and no-load index mutual funds) as building blocks to construct portfolios. Our security selection process for a given sector category (e.g., U.S. consumer staples) reviews several available ETFs and mutual funds in that category, and scores them objectively based on management fees, SG internal bid/ask trading spread tests, trade cost, intended holding time, accuracy representing intended sector, liquidity of components, time since inception, and issuing firm's financial standing and reputation.

SG does not tout stock picking, frequent trading, or market timing and discourages these strategies.

SG emphasizes diversification, keeping costs low, tax efficiency, and sticking to the textbook portfolio theories and investment principles set forth by various Nobel Laureates in economics including Markowitz, Modigliani, Miller, Sharpe, Fama and Merton. Statistical methods are used to estimate asset allocation on the risk/return efficient frontier<sup>1</sup>. Historical asset volatility characteristics are analyzed with particular interest in how asset classes correlate with each other. The well-established, textbook Capital Asset Pricing Model (CAPM) is used along with the asset class correlation characteristics in a linear programming<sup>2</sup> algorithm to estimate efficient frontier portfolios.

- (1) The risk/return efficient frontier may sound complex, but it is fundamental enough to be a centerpiece within business school textbooks on modern finance and portfolio theory. It represents theoretical points of maximum expected portfolio return for given levels of risk.
- (2) Linear programming is a mathematical method of determining the theoretically best outcome subject to a list of constraints. It is commonly used in several industries including energy,

transportation, telecommunications, and manufacturing in addition to business and economics.

All forms of securities investing involve risk of loss for which clients should be prepared. Clients should understand that there are no guarantees or insurances of principal preservation and that market fluctuations of any level may occur and impact portfolio value. Client understands that past performance is not a good predictor of future performance.

SG uses historical volatility data to support proprietary firm models. Future volatility patterns may be very different from historical ones. Our analysis is subject to risks involving reliance on rating agencies, the accuracy of publicly-available data sources, and our own interpretation and computations using that data.

SG uses primarily index-based ETFs and no-load index mutual funds. Specific risks in these products include general market risk. Furthermore, because ETFs are exchange-traded, they are subject to risk of being purchased at a premium to their net asset value (NAV). Other risks may be present as well. For example, sector-specific ETFs and mutual funds, as well as those based on small- and mid-capitalization stock indexes, may be more volatile than broadly diversified funds. International ETFs and mutual funds carry country and currency risks that do not apply to domestic funds. Index ETFs and mutual funds may be subject to index-sampling risk, which means that their actual contents (and performance) do not perfectly match their target index.

While SG generally discourages market timing, we may advise gradual movements of capital into the market, called dollar-cost averaging, for certain clients based on availability of investible capital. The timing of market entry based on client capital contributions or withdrawals may have significant positive or negative impact on returns.

Bonds may be a part of a diversified portfolio strategy, and ladder bond portfolios (or portfolio components) are common within SG accounts. Bond analysis flows from the client's financial situation and the above-stated client objectives, needs and constraints. Bonds are fundamentally subject to: interest rate risk (including inflation effects), credit risk, and liquidity risk. SG considers all of these risk factors along with its economic outlook when filtering for bonds. Bond selection criteria include credit rating and rating outlook, tenor, price, duration, yield-to-maturity, yield-to-worst, and tax status. We may advise/select either individual bonds or bond funds based on client asset level, interest rate outlook, and investment needs. Each of these options carries unique risks.

Cash or similar asset classes may form parts of portfolios and are subject to currency and inflation risk.

Alternative asset classes are rarely recommended. If a client requests a particular alternative investment (private equity, private fund, etc.), we may advise them on the best approach and will recommend only small portfolio proportions. We believe alternative assets carry unique risks and generally higher levels of risk than other portfolio components. At client request, we may build an alternative holding into the portfolio for a more holistic view and portfolio allocation management.

SG strives to keep costs low in part by limiting trading activity. However, clients should be aware that all trading incurs transaction costs. Trading activity is typically driven by rebalancing needs; new objectives, risk tolerance or time horizon from the client; dividend and interest deployment; adjustments for deposits or withdrawals; and adjustments to asset allocation target changes.



### **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

### **Item 10: Other Financial Industry Activities & Affiliations**

SG has no registrations (or pending registrations) to become a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or associated person of the foregoing entities. SG has no other material relationships or arrangements.

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

The SG Code of Ethics (COE) presents a high level of ethical standards of business conduct. Specifically, it confirms compliance with securities laws and regulations set forth by the SEC and state regulators. It declares that the firm will maintain its fiduciary duty to always seek to act in the best interest of the client and avoid conflicts of interest wherever possible. It states that SG will strive to build client trust through integrity, competence, and reliability. It ensures continuous and ongoing review of accounts and client communication wherever appropriate in addition to SG quarterly reports and monthly or quarterly custodial reports. It promises clear and straightforward billing. Our COE requires full client review and sign-off on any private placements and specifically prohibits initial public offering participation unless directed by the client. Our COE goes on to provide for constant maintenance of the firm's books, records, and minimum capital requirement. It also provides for quarterly internal audits of books and records along with other key SG policies and procedures. It prohibits custody of client assets (as defined by the SEC and state regulators).

Our COE is consistent with our Policies and Procedures document and our Security and Privacy document. All of these documents are available to clients and prospective clients upon request to SG Chief Compliance Officer, Chris Casanega.

SG personnel are permitted to hold similar securities to those bought/sold within client accounts. Records of holdings and transactions are maintained. However, our COE prohibits SG personnel trading a security based on reason of SG employment or effects of known SG client trades. The COE also prohibits SG personnel trading a security on the same day in which that particular security or similar security is being traded in a client account. This timing provision diminishes any potential conflict of interest. Potential for a conflict of interest is further diminished at SG in that the vast majority of securities held by our clients are large, index-based, highly liquid fund securities. Furthermore, trading volumes by our firm are unlikely to be significant enough to impact price movements of high-volume, highly liquid securities.

SG COE prohibits client participation in securities in which SG or SG personnel serve as a general partner or have a material financial interest. Any individual not following the COE may be subject to disciplinary action or termination. If any potential conflict of interest arises, the affected client(s) will be notified.

## Item 12: Brokerage Practices

Clients are free to select the broker of their choice, and in fact, SG works with multiple broker-dealers as a result of client choice, all within the regulations of the SEC, state agencies and per the rules and limited power of attorney (LPOA) agreements of the various brokers.

When asked by clients, SG endeavors to recommend brokers which will provide excellent services at low cost. We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Commission rates
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Compliance controls
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has an arrangement with TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. However, depending on the client situation, SG will may recommend different broker-dealers when appropriate or will work with the client's broker-dealer of preference.

The broker dealers through which we execute client transactions, including TD Ameritrade, as well as third party mutual fund companies whose products we utilize, may make certain research and brokerage services available at no additional cost to our firm all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which

we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

We make a best faith effort to determine whether transaction costs and commissions charged are reasonable in relation to the value of the brokerage and research services received by the different custodians, broker-dealers and mutual fund companies. 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's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

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Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

### **Client Brokerage Commissions**

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We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

### **Procedures to Direct Client Transactions in Return for Soft Dollars**

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We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

### **Directed Brokerage**

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Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Our firm recommends the use of TD Ameritrade, but does not require that clients establish accounts with TD Ameritrade.

## **Permissibility of Client-Directed Brokerage**

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We allow clients to direct brokerage. If SG is directed by the client to use a specific broker-dealer other than TD Ameritrade, we disclose that our ability to negotiate commissions (where applicable), obtain volume discounts, or obtain best execution may not be as favorable as might otherwise be obtained.

## **Special Considerations for ERISA Clients**

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A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## **Aggregation of Purchase or Sale**

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We perform investment management services for various clients. Constructing portfolios and rebalancing portfolios toward a target allocation are the primary drivers of trading activity on behalf of our clients. We rank these drivers as more important than the opportunity to aggregate simultaneous trades across clients. Because all client accounts are unique, only rarely might multiple clients require the same security trade on a given day. SG maintains a “Bunch Account” at its primary broker-dealer to enable aggregate trading and may bunch client trades when doing so is advantageous for clients or adds to the consistency of the trade. The firm’s primary broker, TD Ameritrade, offers no commission or volume discounts for aggregated trades. Thus, most often there is little advantage for clients in aggregating trades. TD Ameritrade offers a trading specialist service which may improve price execution on large trades. We will aggregate trades and utilize that service when we believe it may provide potential price improvement due to volume.

## **Item 13: Review of Accounts or Financial Plans**

Chris Casanega, Managing Director, will continuously monitor the underlying securities in client accounts on an ongoing basis and perform at least bi-weekly reviews of account holdings. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance, time horizon, and tax considerations. The difference between current asset allocation and target allocation is continually reviewed for rebalancing needs.

Unusual economic events, changes in investment objective, inflows/outflows, or changes in a client’s financial or personal situation may trigger more frequent reviews. Clients are encouraged to notify SG if changes occur to their personal financial situations.

In addition to monthly or quarterly statements and transaction confirmations that clients receive from their custodian, SG communicates to clients quarterly with a report which includes account value, holdings, performance relative to benchmarks, buy/sell activity, and deposit/withdrawal activity.

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

### **Referral Fees**

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

### **Other Compensation:**

As disclosed under Item 12 of this Brochure, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. However, our firm works with multiple custodians, broker-dealers, and mutual fund companies, and there is no direct link between our firm's use of these services, including TD Ameritrade, and the investment advice we give to our Clients. The benefits received by our firm or our personnel through the above mentioned relationships do not depend on the amount of brokerage transactions directed to them. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

## **Item 15: Custody**

Our firm will not take custody of client assets and takes every precaution to avoid custody as defined by the SEC and state regulations. All clients receive account statements monthly or quarterly from their broker-dealer custodian by paper mail or email alert. All clients are urged to carefully review and compare their quarterly SG reports of account holdings to the reports received from their custodian and to inform SG of any discrepancies immediately. Any third-party checks made out to clients received at SG are to be promptly returned to sender. SG will never hold physical position of client assets, such as securities certificates. SG will not pay bills or write checks on client's behalf. SG personnel will not serve as trustee or take full power of attorney for client accounts. SG personnel will not access client accounts in situations whereby the custodian does not have safeguards in place which prohibit authority to withdraw funds to third-parties or change addresses without client alert. SG personnel will not serve as general partner of a limited partnership or hold a comparable position for any pooled investment vehicle.

## **Item 16: Investment Discretion**

Clients choosing to grant discretionary authority execute an LPOA permitting SG to determine which securities (and quantity) to be bought or sold for their account(s).

Regarding this discretionary authority, clients may communicate special instructions or constraints (e.g., to avoid certain securities or asset classes, or to hold a minimum of a certain security), and SG honors those instructions. SG may also hold securities transferred in-kind that it would not typically hold for capital gains efficiency.

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

Advisory clients may elect to delegate their proxy voting authority to SG or to receive proxies from the custodian, in which case clients may consult with us if they want. Clients may contact SG at [info@sharpergranite.com](mailto:info@sharpergranite.com) within 30 days of the proxy vote to inquire as to how their securities were voted. To direct us to vote a proxy in a particular manner, clients should contact SG.

When we have discretion to vote proxies for our clients, we will vote those proxies in what we deem to be the client's best interest and per SG Policies and Procedures (available upon request). If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may request us to transmit copies of class action notices. We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held by our clients.

### **Item 18: Financial Information**

We are not required to provide financial information in this Brochure because:

- The firm bills in arrears, thus under no circumstances will SG earn fees more than six months in advance of services rendered.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.