

## **Item 1 Cover Page**

### **Part 2A of Form ADV Firm Disclosure Brochure**

## **GR Financial Group, LLC**

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October 31, 2024

This Firm Brochure provides information about the qualifications and business practices of GR Financial Group, LLC. If you have any questions about the contents of this Brochure, please contact us at 520-577-4711 or [info@gr-financialgroup.com](mailto:info@gr-financialgroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about GR Financial Group, LLC is available on the SEC’s website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 172370.

## Item 2 Material Changes

This Firm Brochure is our disclosure document prepared according to the SEC's requirements and rules. The Brochure has been updated to make the following material changes:

*Item 4 – Advisory Services* – updated to: (i) reflect the change to the ownership structure, and (ii) add that we also can recommend investments in digital asset ETFs as part of the firm's newly offered Alpha Advantage strategy.

*Item 5 – Fees and Compensation* – updated to outline the performance-based fees charged for clients that invest in the Alpha Advantage strategy.

*Item 6 – Performance-Based Fees and Side-By-Side Management* - updated to include information on our performance-based fee, including the associated conflicts and how GR Financial addresses the conflicts.

*Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss* – updated: (i) the information on methods of analysis to include our analysis of macroeconomic indicators, and (ii) to include information on the Alpha Advantage strategy and risks associated with investing in digital assets.

*Item 14 – Client Referrals and Other Compensation* – updated to include information on the sponsorship by mutual fund companies of certain educational seminars the firm offers to prospects and clients.

In addition to the above updates, GR Financial made various non-material updates. GR Financial Group, LLC encourages each client to read this Brochure carefully and to call with any questions you may have. Our previous version of Form ADV Part 2A was dated March 29, 2024.

Pursuant to SEC Rules, GR Financial Group, LLC will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of our fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as we experience material changes in the future, we will send you a summary of our "Material Changes", along with an offer to provide the Brochure under separate cover. For more information about GR Financial Group, LLC, please contact us at (520) 577-4711.

Additional information about GR Financial Group, LLC and its investment adviser representatives is available on the SEC's website at [adviserinfo.sec.gov](https://adviserinfo.sec.gov).

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## Item 4 Advisory Business

GR Financial Group, LLC (“GR Financial”) is a SEC-registered investment adviser with its principal place of business located in Tucson, AZ. GR Financial began conducting business in 2014.

On January 1, 2023, certain corporate transactions occurred to allow for our management structure to undergo a strategic transition. After the transition, GR Financial’s Managing Member and Owner, Scott D. Genzman, transitioned to Senior Vice President and stepped down as President of the firm.

On October 31, 2024, Mr. Scott Genzman sold his ownership interest in GR Financial to the firm’s other officers and has transitioned to a part time role. While he remains an active member of the firm’s advisory team, he is no longer an Executive Officer of GR Financial.

As of October 31, 2024, the firm’s principal shareholders (*i.e.*, those individuals and/or entities controlling 25% or more of GR Financial) are as follows:

- Lynsey M. Richter, President/Owner
- Ben Genzman, Vice President/Owner
- Ryan Genzman, Vice President/Owner

GR Financial Group, LLC offers the following advisory services to our clients:

- **Individual Portfolio Management**
- **Financial Planning**
- **Complimentary Educational Seminars**

### **Individual Portfolio Management**

Investment management services are provided on a discretionary basis, which means the firm makes investment decisions and implements trades in clients’ accounts without first obtaining permission from clients.

Our firm provides continuous discretionary advice to clients regarding the investment of their managed assets based on the individual needs of each client. During our initial meetings and data-gathering process, we determine the client’s individual goals and objectives, time horizons, risk tolerance, and liquidity needs, which are compiled and shared with the client. As appropriate, we also review and discuss a client’s prior investment history, as well as family composition and background. The firm provides continuous advice on a discretionary basis and from time-to-time offers complimentary educational seminars.

Account supervision is guided by the client’s stated objectives (*i.e.*, maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

In general, our investment recommendations and portfolios are largely built around various open-end mutual funds and exchange traded funds (“ETFs”); however, clients should be aware that we will also utilize multiple asset classes such as equities, fixed income, money market, digital assets<sup>1</sup>, and

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<sup>1</sup> Investments in digital assets ETFs will only be utilized in our Alpha Advantage strategy. Please refer to Items 5, 6, and 8 for further details.

commodity and sector specific investment products (such as but not limited to bitcoin, gold, and energy ETFs), based on technical triggers of the marketplace and GR Financial's rotation strategies. This can cause a client's managed account(s) assets to shift heavily into one of these particular asset classes at any given time (including a money market fund) resulting in a more concentrated position. At times, it is possible for clients' accounts to hold an all-cash position despite the style of management or risk objective (e.g., growth) of a client's portfolio. Holdings in client accounts may also differ based on various fundamental and technical triggers and GR Financial's analysis. Please refer to Item 8 for additional information.

Because some types of investments involve varying degrees of risk, they will only be implemented/recommended when consistent with a client's stated investment objectives, tolerance for risk, liquidity, and suitability. Prior to rendering Individual Portfolio Management services to a client, GR Financial and the client will enter into an investment advisory agreement. Please refer to Item 5 below for information on agreement termination.

### **Financial Planning**

We provide a complimentary general financial plan based upon an analysis of the individual client's needs. Our firm's financial planning analysis is designed to provide clients with a summary of their financial needs and an analysis of steps they may wish to consider within their investment portfolio and financial situation in order to help achieve specified financial goals and objectives. We begin this process by reviewing a client's current, and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients receive a report which provides the client with a financial plan designed to assist in achieving their financial goals and objectives.

Generally, our financial planning process addresses some or all of the following areas, depending on client needs:

- *PERSONAL*: We review family records, budgeting, personal liability, estate information and financial goals.
- *INVESTMENTS*: We analyze investment alternatives and their effect on the client's portfolio.
- *INSURANCE*: We review existing policies to ensure proper coverage for life, health, disability, long-term care, and liability.
- *RETIREMENT*: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- *DEATH & DISABILITY*: We review cash needs at death, income needs of surviving dependents, estate planning, and disability income.

The client has full discretion to accept or reject our firm's recommendations outlined in the client's financial plan. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with their attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. GR Financial will not be held responsible for the clients' implementation of advice through third parties (such as attorneys, accountants, and/or insurance agents), or advice received from third parties in connection with a financial plan.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **Amount of Managed Assets**

GR Financial Group, LLC actively manages as of December 31, 2023, \$ 814,799,726 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Individual Portfolio Management**

#### **Asset Based Advisory Fees**

With the exception of client assets invested in our Alpha Advantage strategy, our advisory fee for providing Individual Portfolio Management services is based upon a percentage of each client's assets under management, which will be deducted directly from the client's account(s) in accordance with the following tiered fee schedule:

Client AUM	Annual Advisory Fees
\$1 - \$99,999	1.5%
\$100,000 - \$499,999	1.25%
\$500,000 - \$999,999	1.0%
\$1,000,000 - \$1,999,999	.90%
\$2,000,000 - \$2,999,999	.80%
\$3,000,000 - \$3,999,999	.70%
\$4,000,000 - \$4,999,999	.60%
\$5,000,000 Plus	.50%

GR Financial bills its Advisory Fee monthly in advance. When calculating the Advisory Fee, GR Financial will aggregate all investment management accounts managed by the Firm, which belong to certain familial relations of each client. This typically is referred to as "householding". For purposes of calculating assets under management only, the value of a client's account(s) will be aggregated with the account values of the client's spouse or partner and minor children (collectively, a "household"), which could make such accounts eligible for a lower annual Advisory Fee (*i.e.*, a breakpoint). Clients are required to notify GR Financial of any such "household" relationships. Under this tiered fee billing, in the event that a client's assets fall within a *new tier* (which may result in a higher or lower fee), the client will be billed in accordance with that new tier, which will be reflected in the client's monthly statement. On a periodic basis, GR Financial will review any account that has triggered an increase in a client's Advisory Fee based on decreased asset size and determine what caused asset levels to fall. Dependent upon the rationale, GR Financial can elect, in its sole discretion, not to raise a client's Advisory Fee. No less than annually, GR Financial will review each client's Advisory Fee to see if any adjustments are required based on advisory services provided to a client.

The Advisory Fee for the first month a client's assets are under management with GR Financial will be prorated. Thereafter, the Advisory Fee is payable on the first business day of the calendar month and are based on each account's asset value, calculated by each client's qualified custodian, as of the last business day of the prior calendar month. As a result, a client's monthly Advisory Fee percentage may go up or down based on asset size. The monthly Advisory Fee amount due is calculated by applying the monthly fee percentage (annual fee percentage divided by 12) to the previous month-end account(s) value(s).

The account value includes cash, cash equivalents, and accrued interest and dividends.

In addition to the Advisory Fees outlined above, GR Financial charges an annual \$35 technology fee. This fee is billed annually in September.

When entering into an investment advisory agreement, clients authorize GR Financial to instruct their custodian to deduct Advisory Fees and the technology fee from their managed account(s). At the beginning of every month, GR Financial submits a statement/invoice to the clients' custodian(s), which reflects the amount of the Advisory Fee to be deducted from each client's account(s). The amount deducted each month will be reflected in each client's custodian statement. Every September, GR Financial submits a statement/invoice to the clients' custodian(s), which reflects the amount of the annual technology fee to be deducted from each client's account(s). This amount will also be listed on each client's custodian statement but is generally reflected as an advisory fee paid vs. a technology fee.

***Limited Negotiability of Asset-Based Advisory Fees:*** Although GR Financial has established the Advisory Fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances, and needs are considered in determining the fee schedule. These factors include, among other considerations: the complexity of the client assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports to be generated. The specific annual fee schedule is identified in the signed investment advisory agreement the client enters into with GR Financial. In addition, GR Financial has the discretion to waive its Advisory Fee for certain clients, such as for friends and family of the Firm. Notably, GR Financial has clients that have different fee schedules than the one reflected above and friends and family clients that are not charged an advisory fee.

GR Financial Group generally requires a minimum initial investment of \$250,000 to open an account but does reserve the right to accept or decline a potential client for any reason in its sole discretion.

#### *Performance-Based Fees*

The Firm's performance fee program ("Performance Fee Program") is only available for clients invested in the Alpha Advantage strategy, which is only available to clients who are interested and meet suitability and qualification requirements, including but not limited to meeting the definition of a "qualified client"<sup>2</sup> under Rule 205-3 of the Investment Advisers Act of 1940 ("Advisers Act").

The Alpha Advantage strategy involves participation in a variety of securities investments and transactions that are typically more volatile and frequent than GR Financial's other non-performance fee-based portfolio management strategies. Therefore, GR Financial will only recommend this strategy to a qualified client when the Firm has determined that it is appropriate and in line with the client's investment objectives and risk tolerance.

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<sup>2</sup> The term *qualified client* means: (i) A natural person who, or a company that, immediately after entering into an advisory contract has at least \$1,100,000 under the management of the investment adviser; or (ii) A natural person who, or a company that, the investment adviser reasonably believes prior to entering into the contract, either has a net worth of more than \$2,200,000, exclusive of primary residence and net of any debt secured by Client's residence taken out in the last 60 days except for purchase of the residence, or is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into; or (iii) A natural person who immediately prior to entering into the contract is either an executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser or an employee of the investment adviser (other than a clerical worker) who participates in the investment activities of such investment adviser, and has performed investment activities for at least 12 months.

The Firm maintains discretion for selecting the investments in the Alpha Advantage strategy, without needing client approval. The minimum initial investment for an account in the Alpha Advantage strategy is \$50,000.

The Performance Fee charged by GR Financial is 20% of a participating account's profits calculated at the end of each calendar year and is based on daily time-weighted rate of return ("TWRR") and a high-water mark, which is reset each year based on the account's year end calculated balance (i.e., beginning balance x TWRR).

Hypothetical Example (provided for illustrative purposes only):

**Year 1**

Account balance at beginning of calendar year: \$100,000

Annual performance return of account based on TWRR: +20%

Account calculated balance at the end of the calendar year: \$120,000 ( $\$100,000 \times 1.2$ )

GR Financial's Performance Fee charged: \$4,000 ( $\$120,000 - \$100,000 = \$20,000$ .  $\$20,000 \times .20 = \$4,000$ )

Calculated High Watermark = \$116,000 ( $\$120,000 - \$4,000$ )

**Year 2**

Starting account balance: \$116,000 (calculated high watermark amount)

Annual performance return of account based on TWRR: -10%

Account calculated balance at the end of calendar year: \$104,400 ( $\$116,000 \times .90$ )

GR Financial's Performance Fee charged: \$0 since high watermark amount was not exceeded

Calculated High Watermark = \$116,000 (remains same since no fee was charged)

**Year 3**

Starting portfolio balance: \$104,400

Annual performance return of account based on TWRR: +30%

Account calculated balance at the of calendar year: \$135,720 ( $\$104,400 \times 1.3$ )

GR Fee: \$3,944 ( $\$135,720 - \$116,000 = \$19,720$ .  $\$19,720 \times .20\% = \$3,944$ )

Calculated High Watermark = \$131,776 ( $\$135,720 - \$3,944$ )

For qualified clients that invest in the Alpha Advantage strategy during a calendar year, the Performance Fee will be calculated at the end of that calendar year, based on the first day the account was invested to the end of the calendar year.

When a Performance Fee is due, it will be automatically deducted from a client's Performance Fee Program account. Accounts in the Performance Fee Program are only subject to a Performance Fee and are not also charged an asset-based management fee.

The Performance Fee is non-negotiable; however, GR Financial has the discretion to waive or lower its Performance Fee for certain clients, such as for friends and family of the Firm.

There are conflicts of interest surrounding performance fees, which are outlined in Item 6 below and should be read fully.

**Conflicts of Interest and General Information Regarding Compensation**

*Commission Compensation:* Mr. Scott Genzman, Investment Adviser Representative of GR Financial is also licensed as a registered representative with Mutual Securities, Inc., a registered broker-dealer and



member of the Financial Industry Regulatory Authority (“FINRA”). In this role, Scott Genzman has in the past, and may in the future, recommend certain investments (i.e., variable annuities) to clients based on their needs and, if implemented, he will receive separate and typical compensation (i.e., commissions, or other sales-related forms of compensation).

Mr. Scott Genzman, Mr. Ben Genzman, Mr. Ryan Genzman, and Mrs. Lynsey Richter are licensed independent insurance agents. In this role, from time to time, they recommend certain insurance products to clients based on their needs and, if implemented, will receive separate and typical compensation (i.e., commissions, or other sales-related forms of compensation).

The receipt of additional compensation presents a conflict of interest to the extent that the compensation they will receive creates an incentive for them to make a recommendation to a client that may not be suitable. Importantly, GR Financial and all our supervised persons have a fiduciary duty to only make recommendations to clients that are believed to be suitable and, in each client’s best interest.

In addition, clients are not under any obligation to implement any such recommendations and have full discretion to accept or reject any provided. Should a client choose to implement any recommendation, the client retains the right to select any broker-dealer, investment adviser, and/or insurance company for implementation.

Clients should note that fees and commissions for comparable services vary, and lower fees may be available from other sources.

Please refer to Item 10 “Other Financial Industry Activities and Affiliations” for additional information.

*Other Non-Cash Compensation:* In addition, GR Financial Group, LLC sometimes receives sponsorship(s) from various Mutual Fund companies. The monetary sponsorship is given for educational seminars and conferences offered by GR Financial. Thus, a conflict of interest exists with respect to recommendations to buy or sell such funds that offer sponsorship. Please refer to Item 14 “Client Referrals and Other Compensation” for additional information.

*Termination of the Advisory Relationship:* Clients or GR Financial may terminate the investment advisory agreement by providing the other party with written notice at least thirty (30) days prior to the effective date of termination in accordance with the terms of the investment advisory agreement. Upon termination of the investment advisory agreement, GR Financial will prorate its Advisory Fees to the termination effective date and, if applicable, will refund to the client (or the client’s Account) any prepaid unearned portion of its Advisory Fees.

*Mutual Fund and ETF Fees:* GR Financial invests clients’ assets in mutual funds and ETFs. Each mutual fund charges fees to shareholders, which are described in their respective prospectus and usually include a management fee, administrative and operations fees, and depending on the share class, certain distribution (e.g., 12b-1 fees) and/or redemption fees. These fees are typically referred to as a fund’s “expense ratio” and the fees are deducted at the mutual fund level when calculating the fund’s net asset value (“NAV”) and have a direct bearing on the fund’s performance. Certain mutual funds also charge an up-front or bank-end sales charge. Also, open-end mutual funds usually offer different share classes of the same fund and one share class can have a higher expense ratio than another share class. GR Financial strives to purchase the most economical mutual fund share class that is available at time of purchase. Please refer to Item 8 “Methods of Analysis, Investment Strategies, and Risk of Loss” for additional information.

ETFs do not have distribution or redemption fees but can charge operational fees. Both mutual fund and ETF transactions are subject to transaction costs, unless otherwise waived by the broker-dealer executing the trade.

All fees paid to GR Financial for investment advisory services are separate, distinct, and in addition to the fees and expenses charged by mutual funds and/or ETFs (Exchange Traded Funds) to their shareholders and GR Financial does not receive any portion of such fees. The mutual fund and ETF fees and expenses are described in each fund's prospectus. Clients receive a copy of each fund's prospectus upon purchase from their custodian and it is important for clients to review.

Clients could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

*Additional Fees and Expenses:* In addition to our Advisory Fees and any mutual fund and ETF fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, custodian fees, brokerage fees and any transaction charges, retirement plan administration fees, IRA fees, margin interest, and wire transfer and electronic fund fees. Please refer to Item 12 "Brokerage Practices" of this Form ADV for additional information.

All the fees charged to a client's account lower the overall performance of the account. The third-party fees and expenses described herein are separate from and in addition to the Advisory Fees charged by the Firm. GR Financial does not receive or share in any of these third-party fees. However, as outlined in "Commission Compensation" above, Mr. Scott Genzman receives certain compensation as a registered representative of Mutual Securities, and he and others receive compensation as independent insurance agents.

Clients should carefully review all third-party fees, together with the fees charged by GR Financial to fully understand the total amount of fees that can be charged to their managed account(s) and evaluate the cost of the advisory services being provided.

*Wrap Fee Programs:* We do not participate in or sponsor any Wrap Fee Programs.

*Advisory Fees in General:* Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

For clients who participate in the Performance Fee Program, the Performance Fee is calculated as described in Item 5 above.

Clients should understand that certain conflicts of interest exist when participating in the Performance Fee Program. These include the fact that performance fee arrangements create an incentive for GR Financial to recommend and/or make investments for clients that are riskier or more speculative than might be the case in the absence of a fee based on performance. In addition, charging performance-based fees creates an incentive for GR Financial to trade more frequently and/or allocate more favorable

investments to performance fee accounts vs. non-performance fee accounts.

Importantly, as a fiduciary to clients, GR Financial must put the interests of clients ahead of its own. Therefore, the Firm will only recommend and/or make investments for all clients that are believed to be suitable and, in each client's best interest. Also, to mitigate these conflicts of interest, GR Financial has adopted certain policies and procedures regarding portfolio management and trading, and have also implemented the following:

- (i) GR Financial's portfolio management process is designed to help ensure the fair allocation of investment opportunities among clients of every type and the consistency of portfolios with clients' investment objectives.
- (ii) Every effort is made to aggregate trade orders, with each participating account receiving the same average share price for executed trades.

GR Financial believes it is important to note that the fees charged by us may be higher or lower than fees charged by other advisers for comparable services. Therefore, clients should carefully review and consider all fees charged by GR Financial, along with applicable third-party fees (see Item 5 above) to fully understand the total amount of fees to be paid and to evaluate the services being provided.

Please also refer to Item 8 below for a discussion on the risks pertaining to the types of securities utilized by GR Financial.

## Item 7 Types of Clients

GR Financial provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Corporations or other businesses

When GR Financial provides investment advice to our clients, we are deemed a fiduciary under certain federal regulations, and within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code of 1986 (the "Code") as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with our clients' interests. However, as a fiduciary, GR Financial and our supervised persons are required to always act in our clients' best interests, which means we must, at a minimum take the following steps:

- Meet a professional standard of loyalty and care when making investment recommendations.
- Always put our clients' interests ahead of our own when making recommendations and providing services.
- Disclose all conflicts of interest and how the Firm addresses such conflicts.
- Adopt and follow policies and procedures designed to help ensure that we give advice and provide services that remain in each client's best interest.
- Charge an advisory fee that is reasonable for our services.
- Not provide, or withhold, any information that could render our advice and/or services misleading.

In addition, when recommending to a client a rollover of their retirement account (e.g., 401K to an IRA), GR Financial will perform an analysis to determine whether such a recommendation is in the client's best interest based on applicable facts and circumstances at the time of the recommendation. If it is believed to be in a client's best interest, then we will provide a document to the client outlining the reasons we believe that the rollover would be in their best interest.

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

### **Methods of Analysis**

As a registered investment adviser, GR Financial owes fiduciary duties of care and loyalty to its clients. Among other things, the company has an obligation to provide investment advice that is in the best interests of our clients, based on the clients' investment objectives. This includes advice about the type of account a client maintains. GR Financial develops model portfolio investment recommendations based on an individual's investment objective and risk tolerance using third-party services, including but not limited to Morningstar Direct, and Schwab -Think or Swim.

*Asset Allocation.* Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals. GR Financial will re-balance portfolios on an as needed basis.

*Sector Analysis.* In this type of technical analysis, we measure the movements of a particular sector or sectors in an attempt to predict its market strength against the overall market to help determine our allocation focus.

*Fundamental Analysis.* We attempt to measure the intrinsic value of a security by looking at economic and financial factors, the overall economy, as well as industry conditions. 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 stock.

*Mutual Fund Analysis.* We look at the experience and track record of the portfolio manager of a mutual fund in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We look at the underlying assets in a mutual fund and we monitor the funds periodically to determine if they are continuing to follow their stated investment strategy and costs. While the cost associated with an investment is one of many important factors to consider in making a fiduciary best-interest determination, it is not the only factor. Accordingly, GR Financial takes steps to consider the overall qualitative characteristics of the fund, including costs. Being attentive to the costs of investment selections includes considering the expense ratios of the mutual funds we purchase and hold for our clients.

In particular, it is important for GR Financial to consider operating costs and management fees when selecting among share classes in a fund family. Where the underlying investment strategies, risk profiles and return histories of different share classes are the same, GR Financial would select the class with the lowest expense ratio unless the lower-cost shares are not available or there is a reason why

purchasing such shares would not be in the client's best interest. By way of example, investing in higher-fee share classes may be justified in the following situations:

- The client or GR Financial does not meet investment thresholds or otherwise satisfy the fund's criteria for investing in the lower-cost share class.
- The lower-cost share class is not available for purchase on the custodial platform or is not disclosed to GR Financial in the platform's applicable directory as available for purchase.
- Obtaining access to the lower-cost share class would subject the purchasing client or all GR Financial clients to higher custody transaction or other fees.
- The lowest-cost share class has other characteristics or restrictions that are not compatible with the client's best interests as discussed with and disclosed to client.

It is the policy of GR Financial not to invest client assets in mutual funds that have 12b-1 fees. However, if a client transfers an existing mutual fund position with a 12b-1 fee, we will, in consultation with the client, make our best effort to exchange that position into one without a 12b-1 fee, if it is in the client's best interest as discussed with client.

Finally, the fiduciary duty of care entails a duty to advise and monitor each client's account over the full course of the advisory relationship. Sometimes, fund families introduce new share classes with lower expense ratios after GR Financial Group, LLC has already invested in the fund. Because keeping clients invested in the higher-cost share class may meaningfully diminish investment performance over time, GR Financial shall monitor share-class developments on an annual basis and determine whether it is possible to transfer existing shares to the lower-fee class. GR Financial shall also review share class issues when mutual funds are transferred into a GR Financial account from an outside source. If a conversion into a lower share class is possible, GR Financial then must determine whether it is in the client's best interest to do so. In some cases, the fund or Fidelity (see Item 12 below) may prohibit or impose unacceptable restrictions on transfers, or it may not be possible to affect a tax-free exchange. In some circumstances, GR Financial may decide to sell the fund altogether.

*ETF (Exchange Traded Fund) Analysis.* We look at the experience and track record of the manager of the ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in an ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of investing in mutual funds and/or ETFs analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

*Stock Analysis:* We attempt to measure the intrinsic value of a security by looking at economic and financial factors surrounding the company to determine if the security is underpriced or overpriced.

*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 company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

*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 how long the trend may last and when that trend might reverse.

*Macroeconomic Indicators.* We integrate a comprehensive analysis of macroeconomic indicators to inform our investment strategies. Key metrics such as inflation rates, monetary policy changes, and global economic trends provide a broader context for our asset allocation decisions, enhancing our ability to navigate market volatility.

*Risks for All Forms of Analysis.* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other 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**

We use the following strategies in managing client accounts, provided that such strategy(ies) is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. Please note, GR Financial does not provide any guarantee that our strategies will meet their objectives or be profitable.

GR Financial believes that there are times for long-term purchases, and times for short-term purchases depending on current market conditions and does not emphasize one over the other. With the exception of the Alpha Advantage strategy, we focus on asset allocation based on four main portfolio strategies, which are Aggressive, Moderately Aggressive, Moderate, and Moderately Conservative. The Alpha Advantage strategy, is an aggressive strategy due to the composition of the portfolio, which includes but is not limited to investments in ETFs and mutual funds that invest in digital assets, commodities, various sectors, and technology stocks. The Alpha Advantage strategy also can invest directly in various equities, fixed income, and/or cash equivalents.

For all our strategies, we monitor asset classes and rotate percentages in each based on technical triggers. This can result in a client's managed account to shift heavily into one particular asset class at any given time, including into cash equivalents (i.e., a money market fund), which results in a more concentrated position. Based on that, it is possible for clients' accounts to hold an all-cash position despite the strategy or risk objective (e.g., aggressive) selected for a client's portfolio.

*Long-term Purchases.* We primarily purchase Mutual Funds and/or ETFs with the idea of holding them in a client's account for a year or longer. Typically, we employ this strategy when:

- we have conviction that the underlying fund and fund company will continue to have consistent growth opportunity.
- we want core exposure to the particular asset class over time; regardless of the current projections 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 advantage 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 a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the funds we purchase or the overall market we purchase.

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

*Margin Transactions.* On a limited basis, while we haven't done this in the past, we may determine in the future to purchase stocks for a client's portfolio with money borrowed from the client's brokerage account (i.e., on margin). This allows the purchase of more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings.

Clients should be aware that there are additional risks that need to be considered when trading securities on margin. The risks associated with margin include, but are not limited to, the following:

- Clients can lose more assets than you deposit in the margin account. A decline in the value of securities that are purchased on margin can require you to provide additional funds to the brokerage firm that has made the loan to avoid the forced sale of those securities or other securities in a client's account.
- The lending brokerage firm can force the sale of securities in a client's account. If the equity in a client's account falls below the maintenance margin requirements under the law—or the lending brokerage firm's higher "house" requirements—the brokerage firm can sell the securities in a client's account to cover the margin deficiency. A client will also be responsible for any short fall in their account after such a sale.

*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.

Some additional investment risks applicable to investing in securities a client should be aware of include, but are not limited to the following:

Market Risk: The price of a stock, bond, mutual fund, or other security can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

Foreign Risk: Investments in overseas markets (international securities) pose special risks, including currency fluctuation and political risks, and such investments can be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets. Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk

Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Mutual Funds and ETF Risk: An investment in a mutual fund or ETF involves risk, including the loss of principal. In addition, mutual fund and ETF shareholders are subject to, among others, the risks associated with the fund's underlying portfolio securities. These risks are outlined in each fund's prospectus, which should be read fully by investors.

Commodities Risk: Commodities have various associated risks depending on the type of commodity. These risks can include but are not limited to price volatility, use of leverage, inflation changes, and political, and regulatory changes.

Digital Asset Risk: There are a number of different types of risks associated with digital assets. These include but are not limited to lack of regulation, complexities of the various digital asset products, imbedded conflicts of interest, legal risk, operational risk, storage risk, cybersecurity risk, market risk, volatility risk, liquidity risk, counterparty risk, valuation risk, and fraud risk.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Concentration Risk: Having too much exposure to one type of investment or sector increases the potential for loss due to various factors, including but not limited to liquidity constraints, company financial issues, and market movement.

GR Financial does not represent, guarantee, or imply that the strategies or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. Investing in securities involves risk of loss that clients should be prepared to bear.

## 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 nor our management personnel have no reportable disciplinary events to disclose.



## Item 10 Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by GR Financial and our management persons and/or employees (“supervised persons”) creates a conflict of interest that can impair the objectivity of our Firm and these individuals when making advisory recommendations. GR Financial endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser. To that end, we take the following steps to address this conflict:

- We provide a “Customer or Client Relationship Summary” or Form CRS to every client who opens an account with us. Form CRS is a 2-page document that discloses additional facts about the services we provide.
- We disclose to clients, mainly by delivery of this Brochure, Form ADV Part 2Bs, and our Form CRS, the existence of all material conflicts of interest, including the potential for our Firm and our supervised persons to earn compensation from advisory clients in addition to our Firm’s advisory fees.
- We disclose to clients that they are not obligated to purchase any investment or insurance products recommended by the Firm or our supervised persons. .
- We collect, maintain and document accurate, complete, and relevant client background information, including the client’s financial goals, objectives and risk tolerance.
- Our Firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client’s needs and circumstances, based on the information provided by the client.
- We require that our supervised persons seek prior approval of any outside employment activity so that we can ensure that any conflicts of interest in such activities are properly addressed.
- We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our Firm.
- We educate our supervised persons regarding the responsibilities of a fiduciary, including, but not limited to the need for having a reasonable and independent basis for the investment advice provided to clients and only providing advice that is deemed suitable and, in a client’s best interest.

### **Broker-Dealer and Insurance Agent Affiliations**

As outlined in Item 5 of this Brochure, Scott Genzman of GR Financial Group, LLC is separately licensed as a registered representative of Mutual Securities Inc., an unaffiliated broker-dealer, and he, along with Ben Genzman, Ryan Genzman, and Lynsey Richter are independent licensed insurance agents.

In the separate capacities listed above, Scott Genzman, Ben Genzman, Ryan Genzman, and Lynsey Richter can receive separate, yet customary, compensation. The compensation includes commissions paid to Scott Genzman as a registered representative of Mutual Securities when he recommends a certain type of investment product (i.e., variable annuities) to a GR Financial client and the client purchases the product. As insurance agents, Scott Genzman, Ben Genzman, Ryan Genzman, and Lynsey Richter receive commissions when they recommend an insurance product to a GR Financial client and the client purchases the product.

The above-described roles and additional compensation create a conflict of interest since these individuals have a financial incentive to make such recommendations. Please refer to Item 5 “Fees and

Additional Compensation” for information on how we address this conflict. In addition, these outside business activities and information on the compensation received are outlined in their respective Form ADV Part 2B – Disclosure Supplements, which are provided to new clients and a copy can be obtained by contacting us.

## 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. GR Financial and our supervised persons 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.

GR Financial 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 supervised persons 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@gr-financialgroup.com](mailto:info@gr-financialgroup.com), or by calling us at (520) 577-4711.

Our Code of Ethics is designed to help ensure that the personal securities transactions, activities, and interests of our supervised persons will not interfere with (i) making decisions in the best interest of advisory clients, and (ii) implementing such decisions while, at the same time, allowing supervised persons to invest for their own accounts.

Our supervised persons sometimes buy or sell for their personal account’s securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

As outlined in our Code, supervised persons must obtain written approval prior to placing certain transactions in their personal accounts.

We may aggregate the trades of a supervised person with client transactions in the same security where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive the same average share price received by the clients participating in the aggregated transaction. In the instances where there is a partial fill of an aggregated order, we will allocate all shares pro-rata, with each participating account receiving shares and paying the average price. Our supervised persons’ personal accounts will usually be *included* in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established

policies and procedures, as outlined in the Firm's Code of Ethics, along with certain internal controls to help ensure our Firm and our supervised persons comply with their regulatory obligations and we provide our clients and potential clients with full and fair disclosure of material conflicts of interest. Some of these policies, procedures, and controls include the following:

1. No supervised person of GR Financial may put his or her own interest above the interest of an advisory client, and prior written approval is required for certain transactions in personal accounts.
2. No supervised person of GR Financial may buy or sell securities for their personal account portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public (i.e., no trading on inside information).
3. Our Firm requires prior approval for any IPO or private placement investments by supervised persons of the Firm.
4. Supervised persons are required to report holdings and transactions in reportable securities. These holdings and transactions are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
5. We have established procedures for the maintenance of all required books and records.
6. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
7. All of our supervised persons must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our Firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any supervised person who violates any of the above restrictions may be subject to sanctions, that can include termination depending on the facts and circumstances of the violation.

As disclosed in the preceding section of this Brochure (Item 10), a GR Financial supervised person is separately registered as *a registered representative of an unaffiliated broker-dealer*, and certain supervised persons are *licensed as independent insurance agents*. Please refer to Items 5 & 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 Brokerage Practices

### A. Selection Criteria

When performing Individual Portfolio Management Services, GR Financial generally recommends that client transactions be executed through National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity"). GR Financial is not affiliated with Fidelity.

Fidelity provides GR Financial with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like GR Financial in conducting business and in serving the best interest of their clients but that may benefit GR Financial.

GR Financial has a fiduciary duty to seek to obtain "best execution" on portfolio trades. One way to view best execution is as a duty to establish and maintain brokerage arrangements that are likely to assist an adviser in maximizing the value of client assets. The SEC has explained that maximizing

value is not just a question of low cost, but one of qualitative execution. This entails consideration of a range of factors, including execution capability, commission rate, financial responsibility, responsiveness to the adviser and the value of any research provided.

Where mutual fund investments are concerned, best execution requires an evaluation of the circumstances under which we buy and sell funds for our clients. The threshold question is whether to buy mutual fund shares directly from the fund families or whether to access the universe of funds through a broker-dealer platform. Because GR Financial has decided that the latter option results in better qualitative executions, we then must decide which broker-dealer platform to use. Choosing a platform entails a consideration of a range of factors, such as:

- Universe of available funds
- Access to lowest share classes in each fund
- Fees and expenses, including custody fees, transaction charges, administrative charges, etc.
- Responsiveness of the platform sponsor to GR Financial Group, LLC
- Financial responsibility of the platform sponsor
- Reliability of the platform
- Cybersecurity of the platform
- Availability of ancillary research
- Other ancillary brokerage services provided

Based on such an analysis, GR Financial has determined that the mutual fund platform provided by Fidelity can assist GR Financial in satisfying its best execution obligations. Although changing platforms is a disruptive process and not to be undertaken lightly, GR Financial will continue to periodically and systematically evaluate Fidelity's execution performance in executing transactions for our clients.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables GR Financial to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates charged to investment advisers on their institutional platform are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

For clients in need of brokerage or custodial services, we will recommend the use of Fidelity, where appropriate to client needs. As previously disclosed, the recommendation of this broker creates a conflict of interest because of the incidental benefits we receive as a result of this relationship. For example, as part of the arrangement, Fidelity also makes available to GR Financial, at no additional charge to the Firm, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by GR Financial (within specified parameters).

GR Financial reserves the right to decline acceptance of any client account for which the client directs the use of a broker other than Fidelity. It should be understood that if GR Financial accepts a direction from a client to use a specific broker, then GR Financial will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client by their directed broker and those charged to other GR Financial clients using Fidelity.

The broker-dealer custodian recommended by the Firm may not provide the lowest commission rate available taking into consideration factors outlined above.

## **B. Benefits Provided by Fidelity to GR Financial Group, LLC**

As mentioned above, Fidelity also makes available to GR Financial, at no additional charge to the Firm, certain research and brokerage services, including research services obtained by Fidelity and directly from independent research companies, as selected by GR Financial Group, LLC (within specified parameters). For other incidental benefits obtained by Fidelity, *see* Item 12A above.

As a result of receiving such services for no additional cost, GR Financial Group has an incentive to continue to recommend, use, and/or expand the use of Fidelity's custodial service. GR Financial examined this conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interest of GR Financial's clients and satisfies our obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where GR Financial determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

Accordingly, although GR Financial will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by GR Financial will generally be used to service all of GR Financial's 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.

## **C. Order Aggregation /Allocation**

GR Financial Group, LLC typically tries to aggregate client trades when trading in the same security, whenever possible and deemed in the best interest of participating clients. Trade aggregation, or "bunching of orders," may result in better execution and/or better realized prices for GR Financial's clients' transactions since participating clients will receive the same average share price when the bunched order is executed. If a aggregated trade is only partially filled, then GR Financial will usually allocate pro rata.

Because GR Financial Investment Management Services utilize various types of investments and securities, it may not always be possible to bunch orders.

In certain cases, the GR Financial Group, LLC may not be able to purchase or sell the same security for all clients that could transact in the security, which is generally based on various factors such as the type of security, size of the account, cash availability, account restrictions, timing of when monies are received and rebalancing needs.

As referenced in Item 11 of this Brochure, GR Financial or our supervised persons may have an interest or position in certain securities which also are invested in for clients. When possible, if GR Financial or a supervised person wish to transact in the same securities on the same day as client accounts, such transactions can be included in aggregated trades being placed for clients but must also adhere to GR

Financial's Code of Ethics policies. All participants of the aggregated order will receive the average executed price of the block trade. In the event that a block trade is only partially filled, GR Financial will allocate to all the participating accounts on a pro rata basis, unless it is deemed to be in GR Financial's clients' best interest to exclude supervised persons' accounts from the allocation.

## Item 13 Review of Accounts

### **Individual Portfolio Management**

**Reviews:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least *quarterly*. Accounts are reviewed by the advisors trading for these accounts in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, the market, political or economic environment and by any outliers or exceptions noted. Clients are encouraged to notify GR Financial and its advisors of any changes in their personal financial situation that might affect their investment needs, objectives, risk tolerance, tax status, time horizon or other material information we may rely upon during the course of providing our services.

**Reports:** GR Financial Group, LLC does not typically provide reports in addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer and custodian. However, should a client request and/or receive a performance or account report from GR Financial, the client is urged to compare these reports to the reports received from their custodian.

**Regular Reports:** Written account statements are generated no less than quarterly and are sent directly to clients from their custodian. These reports list the account positions, activity in the account over the covered period, and other related information, including any Advisory Fees deducted from the account. In addition, clients may receive other supporting reports from mutual funds based on their investments held within their accounts and their applicable internal reporting requirements.

### **Financial Planning**

**Reviews:** While reviews will occur at different stages depending on the nature and terms of the specific engagement, typically no formal routine financial planning reviews are conducted for our clients.

**Reports:** Financial Planning clients will receive a financial plan.

## Item 14 Client Referrals and Other Compensation

It is GR Financial Group, LLC's policy not to engage solicitors/promoters or to pay related or non-related persons to refer potential clients to our Firm.

GR Financial Group, LLC does not accept nor allow our supervised 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.

### **Other Compensation**

As more fully explained in Item 12 above, GR Financial receives certain benefits because of its relationship and recommendation of Fidelity to our clients. Based on the placement of client assets with Fidelity, we receive investment research products and/or services which assist GR Financial in our investment decision-making process. The receipt of such services is perceived to serve as an economic

benefit to the Firm, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving most the favorable execution. To mitigate this potential conflict of interest, and as part of GR Financial's fiduciary duty to our clients, we endeavor at all times to put the interest of the clients ahead of our own.

As referenced in Items 5 & 10 above, Mr. Scott Genzman is a registered representative of Mutual Securities, and he, along with Ben Genzman, Ryan Genzman, and Lynsey Richter, are independent registered insurance agents. As such they receive customary compensation when performing these activities, which creates a conflict of interest. Please refer to Items 5 and 10 of this Brochure for additional information on how the conflicts are addressed by the Firm.

Additionally, as noted in Item 5, some of the educational seminars that we offer to prospects and clients are sponsored by mutual fund companies. For 2024 (as of the date of this Brochure), the mutual fund companies that have provided sponsorship are:

PIMCO  
Eaton Vance  
Fidelity

When a GR Financial seminar is sponsored by a mutual fund company, one or more representatives from the mutual fund company will attend, and in some cases present at, the seminar. While we believe this attendance to be beneficial for our clients, their sponsorship of a GR Financial seminar provides us with an indirect benefit and incentivizes us to recommend and invest clients' assets in the associated mutual funds, which create conflicts of interest. Importantly, the sponsorships are not directly or indirectly tied to any amount of assets that GR Financial's clients have or will invest in any of the mutual funds issued by the mutual fund companies. In addition, our research of mutual funds we utilize in our investment strategies, does not at any time take into consideration any sponsorship provided by the mutual fund companies to GR Financial. Please refer to Item 8 above for information on our research and investment analysis and methodologies.

## Item 15 Custody

Pursuant to Rule 206(4)-2 of the Advisers Act, GR Financial is deemed to have "constructive custody" of client assets because the Firm has the authority and ability to debit our Advisory Fees directly from the accounts of clients receiving our investment management services.

As part of our billing process, the client's custodian is advised in writing of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client an account statement showing, among other things, all activity within the account during the reporting period, including the amount of Advisory Fees paid to GR Financial.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their billing.

We are also deemed to have constructive custody because certain clients can/will sign a Standing Letter of Authorization ("SLOA") that gives GR Financial the authority to transfer account assets to a third-party as directed by the client in the SLOA. Custody is defined as any legal or actual ability by the

Firm to withdraw client funds or securities. Firms with deemed custody must take the following steps:

1. Ensure clients' managed assets are maintained by a qualified custodian.
2. Have a reasonable belief, after due inquiry, that the qualified custodian will deliver an account statement directly to the client at least quarterly.
3. Confirm that account statements from the custodian contain all transactions that took place in the client's account during the period covered and reflect the deduction of advisory fees.
4. Obtain a surprise audit by an independent accountant on the clients' accounts for which the advisory firm is deemed to have custody.

However, the rules governing the direct debit of client fees and SLOAs exempt GR Financial from the surprise audit rules if certain conditions are met (in addition to steps 1 - 3). Those conditions are as follows:

1. When debiting fees from client accounts, we must receive written authorization from clients permitting advisory fees to be deducted from the client's account; and
2. In the case of SLOAs, we must:
  - a. confirm that the name and address of the third party is included in the SLOA;
  - b. document that the third-party receiving the transfer is not related to the Firm; and
  - c. ensure that certain requirements are being performed by the qualified custodian.

When exercising our discretionary authority, GR Financial can only implement our investment management recommendations after the client has arranged for and furnished us with all information and authorization regarding his/her accounts held at their designated qualified custodian.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains their assets. Clients are urged to carefully review all custodial statements and compare them to any account reports or statements provided by GR Financial. Please refer to Item 12 of this Brochure for additional important disclosure information relating to Spectrum's practices and relationships with custodians.

## Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services. A discretionary account is when 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 one or more of the following without contacting the client:

- determine the security to buy or sell
- determine the amount of the security to buy or sell
- determine when to buy or sell a security

Clients give us discretionary authority when they sign a discretionary agreement with our Firm and may limit this authority by giving us written instructions, for example, with guidelines or restrictions for their account(s).



## Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients, unless otherwise specified in our investment advisory agreement or if an ERISA plan designates the investment adviser to vote proxies on behalf of the ERISA plan. Currently, GR Financial does not provide advisory services to ERISA plans.

Therefore, although our Firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing the custodian(s) of their managed assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We do not offer any consulting assistance regarding proxy issues to clients.

## Item 18 Financial Information

GR Financial does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance of services and therefore is not required to provide, and has not provided, a balance sheet or financial statement. GR Financial does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.