



Item 1 Cover Page

Part 2A of Form ADV Firm Brochure

Gratus Capital, LLC

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This brochure provides information about the qualifications and business practices of Gratus Capital, LLC. If there are any questions about the contents of this brochure, please contact us at (404) 961-6000 or via email at info@gratuscapital.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 Gratus Capital, LLC, is available on the SEC's website at www.adviserinfo.sec.gov.

Please note that registration as an investment advisory firm does not imply a certain level of skill or training.

Item 2 Material Changes

This section discusses any material changes to our form ADV Part 2A brochure (the “Brochure”) since the time of our most recent annual updating amendment, which was in March 2023:

We have updated our Proxy Voting Policy. We are utilizing the Shareholder Value Template offered by ProxyEdge. The goal of our policy is to attempt to maximize shareholder value when voting client securities. A complete description is found in item 17, Voting Client Securities.

We have engaged Chicago Clearing Corporation to monitor and file class action litigation claims on behalf of Gratus clients. Clients may opt out at any time. A complete description of the service is found in Item 4, Advisory Business.

Our affiliate, Focus Treasury & Credit Solutions, LLC (“FTCS”) was acquired by UPTIQ, Inc. and has been renamed UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, “UPTIQ”). We have revised the information concerning FTCS to describe our new arrangement with UPTIQ. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

On August 31, 2023, funds affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”) and Stone Point Capital LLC (“Stone Point”) completed an acquisition of Focus Financial Partners Inc. (“Focus Inc.”). This transaction resulted in funds affiliated with CD&R collectively becoming majority owners of Focus Inc. and funds affiliated with Stone Point collectively becoming owners of Focus Inc. Because Gratus Capital, LLC is an indirect, wholly-owned subsidiary of Focus Inc., the CD&R and Stone Point funds are indirect owners of Gratus Capital, LLC. Items 4 and 10 have been revised to reflect this new ownership structure.

Our Brochure is available on request by contacting Christopher Casdia, Chief Compliance Officer, at (404) 961-6000 or ccasdia@gratuscapital.com. It is also available online at www.gratuscapital.com.

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Item 4 Advisory Business

About the Firm

Gratus Capital, LLC (CRD # 173627), an investment advisory firm located in Atlanta, Georgia, succeeded to the advisory business of its predecessor, Gratus Capital Management, LLC (SEC # 801-65765), as of October 1, 2014, and does business under the name Gratus Capital, LLC ("Gratus," "we" or the "Adviser"). The predecessor's advisory business was founded in 2006, and Gratus is continuing the advisory business of the prior adviser in virtually all respects.

Focus Financial Partners

Gratus is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Gratus is a wholly-owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is, directly and indirectly, a wholly-owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is conducted through the voting rights and the Board of Directors at Focus Inc. Focus Inc. is the managing member of and owns, directly and indirectly, approximately 99% of the economic interests in Focus LLC.

Focus Inc. is majority-owned, indirectly and collectively, by funds affiliated with Clayton, Dubilier & Rice, LLC ("CD&R"). Funds affiliated with Stone Point Capital LLC ("Stone Point") are indirect owners of Focus Inc. Because Gratus is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point funds are indirect owners of Gratus.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Pursuant to a management agreement between Gratus, Focus LLC, and GC Partners LLC (the "Management Company"), the Management Company has agreed to provide persons to serve as officers of Gratus who, in such capacity, are responsible for the management, supervision and oversight of Gratus. The primary members of the Management Company include Hank McLarty, Founder and CEO, Neil Campbell, President and Todd Jones, Chief Investment Officer.

Gratus offers investment management services and financial planning. These services are described further in this section.

Investment Management Services

Gratus provides investment management services on a discretionary and non-discretionary basis.

When offering these services, Gratus reviews the client's current holdings and gathers information about the client's financial situation including time horizon, tax status, net worth, cash flow and budget information, liquid assets and risk tolerance. For the targeted allocation portfolio, Gratus will develop a recommended

target asset allocation based on these factors and fulfill the target allocation using a custom combination of exchange traded funds, equities, mutual funds, and bonds. Once the client is fully invested in the target investment allocation, Gratus will review the portfolio on a regular basis with the client and rebalance back to the target allocation as needed.

If the client desires to retain control over investment decision making, Gratus will provide investment advice on a non-discretionary basis and the client will decide whether or not to implement that advice.

Gratus provides portfolio management to some accounts through tactical asset allocation, which is based on the relative valuation of asset classes and sub-classes, by using active money managers and investing primarily, but not exclusively, in mutual funds.

Gratus provides portfolio management to some accounts through the use of external managers, who serve as third-party asset managers.

We offer discretionary portfolio management services to clients who have a smaller amount than our typical account size available to invest through Schwab Intelligent Portfolios. Through this program, client assets are automatically invested and rebalanced in accordance with portfolios we have designed and have determined are appropriate for the client in light of the client's investment objectives, financial circumstances and risk tolerance. Schwab Intelligent Portfolios will offer investors access to institutional mutual fund pricing at drastically lower levels, no mutual fund transaction fees and enhanced account management via tax loss harvesting and better capital flow management.

We offer investment consulting services to other investment advisers. This service offering includes offering portfolio management, portfolio construction recommendations, and investment research, developing an investment process, periodically meeting with the investment committee and providing market update publications. Gratus receives a fee for providing this service to another firm(s).

Investment Types

In addition to equities and bonds, we invest in the following securities:

Options

We use option transactions in conjunction with our day-to-day management of clients' equity investments. We sell covered calls to generate premium income in exchange for the obligation to sell to a third party the stock we own at a certain price by a certain date. When option prices are volatile, we have also sold covered calls to generate income for clients and to manage our sector exposures.

We offer a Options Income Overlay where we write out-of-the-money puts on single stocks to collect income from the option premiums in exchange for our obligation to buy the stock from a third party if the stock reaches the strike price by a certain date.

We also offer Gratus Hedge Strategies where we use an options collar strategy to hedge the risk of concentrated stock positions in client portfolios.

Mutual Funds and Exchange-Traded Funds

- **Mutual Funds and Exchange-Traded Funds**

Occasionally, we recommend investments in no-load, open-end mutual funds or exchange traded funds (ETFs) instead of individual equity or fixed income securities. We consider this investment appropriate in certain instances for diversification without investing in a portfolio of individual securities.

Private Funds

Gratus is the Investment Manager of private investment funds in which clients and others are solicited to invest, but are limited to accredited investors, and for some funds, we require the investors to also be qualified clients or qualified purchasers. The private funds are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in a private fund does not constitute a complete investment program, and who fully understand and are willing to assume the risks involved in the private fund's investment program. Even where the investments of a private fund are successful, some do not produce a realized return for a period of years. The private funds' offering documents contain additional information that must be reviewed by any potential investor.

As of December 31, 2023, the total amount of client investments that Gratus managed was \$ 2,744,839,144 of which \$ 2,694,539,197 was on a discretionary basis and \$ 50,299,947 was on a non-discretionary basis.

Retirement Plan Rollovers – Potential Conflict of Interest

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan, and may engage in a combination of these options: (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an individual retirement account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Gratus recommends that a client roll over their retirement plan assets into an account to be managed by Gratus, such recommendation may create a potential conflict of interest if Gratus will earn new (or increase its current) compensation as a result of the rollover. Gratus mitigates this potential conflict by analyzing the former employer's plan comparing to the client's options taking multiple factors into account and making a recommendation in the best interest of the client. No client is under any obligation to roll over retirement plan assets to an account managed by Gratus.

Gratus is a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), with respect to investment management services and investment advice provided to ERISA plan clients, including ERISA plan participants. Gratus is also a fiduciary under the Internal Revenue Code (the "IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs and IRA owners (collectively, "Retirement Account Clients"). As such, Gratus is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a "PTE").

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights you possess.

Financial Planning and Wealth Advisory Services

Gratus offers financial planning services to clients. These services include assessing a client's present financial situation and assisting with defining personal financial planning goals and objectives. Focus areas can include, but are not limited to, cash flow planning, tax planning, retirement planning, estate planning, investment planning and education planning.

Clients have the option to execute or disregard any or all information, recommendation or advice given. Gratus will assist the client with implementation of agreed-upon recommendations, but the client is fully responsible for all decisions relating to implementation of the advice given.

Gratus does not prepare any accounting or legal documents for implementation of the financial plan. Any fees incurred for such professional services are the client's responsibility.

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of this service and other important information.

Class Action Claims Filing

Gratus has engaged a third-party service provider, Chicago Clearing Corporation ("CCC"), to monitor and file securities claims class action litigation paperwork with Claims Administrators on behalf of Gratus Clients. Gratus shares client information such as name, tax ID, and account number with CCC only as necessary to provide this service. Gratus does not receive any fees or remuneration in connection with this service. CCC will earn a fee of all claims they collect on behalf of Gratus Clients. This fee is retained by CCC out of the claims paid by the Claim Administrator. Clients may opt out of this service at any time. If a client opts out, Gratus has no obligation to advise or to take any action on behalf of a client in any legal proceedings, including bankruptcies or class actions, involving investments held in or formerly held in a client's account.

Item 5 Fees and Expenses

Fees for Investment Management Services

Gratus charges an annual management fee for its investment management services, which is specified in our agreement with clients. Fees are negotiable. The fee schedules for a new wealth management client is as follows:

Value of Portfolio	Quarterly Fee	Annual Fee
First \$2,000,000	0.250%	1.00%
Next \$3,000,000 or portion thereof	0.225%	0.90%
Next \$5,000,000 or portion thereof	0.200%	0.80%
Next \$20,000,000 or portion thereof	0.150%	0.60%
Next \$20,000,000 or portion thereof	0.125%	0.50%

Options Income Overlay

The minimum account value for the Options Income Overlay is \$2,000,000. Wealth Management Clients who are invested in the Options Income Overlay as an overlay to an existing managed account will pay a strategy fee of 100 basis points (1.00 %) based upon the notional value target, which is agreed to at the beginning of each 12-month period. If a client has a brokerage account that has managed assets subject to the tiered fee schedule above, the account will be charged the asset management fee for the managed assets in the account plus the Options Income Overlay fee.

Clients who are only invested in the Options Income Overlay will pay a strategy fee of 25 basis points (0.25 %) based on the account value plus 75 basis points (0.75 %) based upon the notional value target, which is agreed to at the beginning of each 12 month period.

On a quarterly basis, the fee for the quarter is calculated based on the value of the managed portfolio account as of the last day of the previous quarter. Some fees are reduced or waived for family or friends of the firm. A client's fees are debited directly from one of or some of the client's accounts. Some clients pay management fees by check. Cash and accrued interest and the value of any securities purchased on margin are included in the account value unless Gratus determines otherwise in its sole discretion or by client agreement. Margin balances created through client borrowing are excluded from the account value unless Gratus determines otherwise in its sole discretion or by client agreement.

In the event the client's managed portfolio account is opened after the beginning of a calendar quarter, Gratus' policy is to prorate the fee based upon the days remaining in the quarter, beginning no earlier than the execution date of the Investment Management Agreement. If the Investment Management Agreement

is terminated during a quarter, prepaid management fees are refunded according to the terms of the Investment Management Agreement.

This fee is exclusive of:

- (a) all commissions and other portfolio transaction charges and any charge relating to the custody of securities in the portfolio (see Item 12 for additional information regarding Brokerage Practices);
- (b) any advisory and other management fees and expenses described in the mutual fund prospectuses for mutual fund securities in the portfolio that are paid by such mutual funds but are ultimately borne by the investor; and
- (c) offering discounts, commissions and related fees in connection with underwritten public offerings of securities.
- (d) the separate fee charged for participation in the firm's options based Options Income Overlay.

Gratus does not share in any third-party transaction fees, charges or commissions.

Clients can contribute additional assets to managed portfolio accounts at any time. Fees on additional assets received into Managed Portfolio accounts are prorated based upon the number of days remaining in the current quarter. Fees on withdrawn assets are refunded on a prorated basis based on the number of days remaining in the quarter following the withdrawal of the assets.

As set forth in certain client investment management agreements, Gratus can amend a client fee schedule by providing the client 30 days written notice in advance of such change becoming effective.

Where Gratus provides portfolio management to accounts through the use of external managers who serve as third-party asset managers, some accounts incur an additional management fee payable to the external manager that is separate from the Gratus fee. In other instances where Gratus provides portfolio management to accounts through the use of external managers who serve as third-party asset managers, Gratus pays a portion of its fee to the external manager and no additional management fee is payable to the external manager.

Gratus Service Pledge

Gratus will refund up to twelve months of advisory fees paid by a client during the first year of the Investment Advisory relationship if the client is dissatisfied with the service they receive from a Gratus wealth advisor. The Gratus Service Pledge states:

1. Are we exceeding your expectations?
2. Are we providing consistent communication?
3. Are we progressing with your plan?

The Gratus Service Pledge is service related only. The Gratus Service Pledge is not related to a client's individual investment performance as it may vary depending on the client's investment allocation, overall market performance and other risk factors. Past investment performance may not be indicative of future

results. All investors should consider their individual investment objectives, risk tolerance and investing time horizon prior to making an investment.

Conflicts – Private Fund

Gratus receives fees for funds that we sponsor and manage, in the form of management fees paid by the funds, in the form of a share of the income from certain of the funds and in the form of a performance allocation from other of the funds. These fees are higher than the fees clients pay us to advise them on other assets. This is a potential conflict of interest, in that the potential to receive higher fees gives us an incentive to recommend that clients invest in our proprietary funds rather than in other assets that pay us lower fees. We have an additional conflict of interest when we recommend that our clients invest in the private funds we sponsor rather than recommending direct investment in the underlying funds held by those funds, as we typically charge lower fees for due diligence and monitoring of these direct investments than the fees we receive from our proprietary funds. We have addressed these potential conflicts of interest through disclosure, and by adopting investment guidelines regarding the allocation of client assets to private investment funds.

Some Gratus employees have investments in their own names in the private funds. This could incentivize Gratus to recommend that clients also invest in the private funds or to spend a disproportionate amount of their time on the private funds.

As a result of the foregoing, Gratus and its employees could have conflicts of interest in allocating their time and investment opportunities between the private funds and other accounts. We could also have conflicts of interest in allocating investment opportunities among private funds. In the event of any potential conflicts of interest, including with respect to investment opportunities, Gratus and its members will act in a manner that we in good faith believe to be fair and equitable and consistent with our duties to our clients and with our Code of Ethics.

Fees for our private funds and mutual fund are exclusive of brokerage commissions, custodial fees, transaction fees and other related costs and expenses. The private funds and mutual fund are also subject to administrative, tax preparation, consulting, legal, audit, and other types of professional expenses. Please refer to the applicable offering documents or offering materials for more information.

Some clients also pay IRA (or benefit plan) trustee fees and custodial fees if the client uses these services. Some clients pay brokerage costs, and the amount will depend on the brokerage firm executing the client transactions.

Where a client who has multiple accounts incurs by agreement a lower percentage fee in some accounts than in others, Gratus and its employees can have conflicts of interest in allocating assets to the client's account with a higher fee. Gratus addresses and mitigates this conflict by the differing tax status between accounts, where assets cannot be transferred between accounts with after-tax status and accounts with pre-tax status (e.g., retirement accounts).

Conflicts – Options Income Overlay

Gratus receives strategy fees for client assets allocated to the Options Income Overlay that are over and above the management fees clients pay. The additional compensation our firm receives from the Options Income Overlay fee gives us an incentive to recommend that clients allocate assets to the Options Income Overlay rather than other investments that pay us lower fees. We address and mitigate this conflict through disclosure of the conflict and incentive, and by adopting investment guidelines regarding the allocation of client assets to the Options Income Overlay.

Fees for Financial Planning & Advisory Services

The fees for Financial Planning & Advisory Services are based on the complexity of a client's financial situation and the time expected to complete the agreed upon project. Factors considered when determining the fee and the complexity of the engagement include, but are not limited to, the composition of the client's assets, liabilities, net worth and any special circumstances related to life changes, health or special estate needs. Fees are negotiable and typically range from \$2,500 to \$10,000 for twelve months of service and are payable in advance in either quarterly, semi-annual, or annual installments.

Focus Client Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Focus Financial Partners, LLC ("Focus") is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. Although the revenue paid to UPTIQ benefits UPTIQ Inc.'s investors, including Focus, our parent company, no Focus affiliate will receive any compensation from UPTIQ that is attributable to our clients' transactions. Further information on this conflict of interest is available in Item 10 of this Brochure.

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity. FRS does not receive any compensation from such third-party insurance brokers from serving our clients. Further information on this service is available in Item 10 of this Brochure.

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

Gratus does accept incentive compensation for some of the private funds it sponsors, but does not accept performance-based fees for managing similar assets alongside client accounts that do not pay performance-based fees.

The potential to earn performance-based compensation creates an incentive for us to make investments that are more risky than if we did not have the potential to earn performance-based compensation. In addition, the potential to earn performance-based compensation creates an incentive for us to recommend that our clients select these investments over those where we do not have the potential to earn performance-based compensation. Please refer to Item 5 for additional information regarding conflicts of interest related to compensation for client investments in certain private funds.

Item 7 Types of Clients

Gratus works with individuals, families, high net worth individuals, retirement accounts, ERISA plans, charities, limited partnerships, and other businesses. We are also the investment manager of five private funds.

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

Gratus usually invests in various individual equity (stocks), debt (bonds) and fixed income securities, open-end mutual funds, exchange traded funds, preferred stock, and options on a discretionary basis, consistent with a client's designated objectives. Gratus constructs globally-diversified, multiple-asset-class targeted allocation portfolios. Portfolio construction incorporates careful asset allocation, which involves the strategic placement of the client's investments in taxable, tax-deferred, or tax-free accounts to achieve the highest level of tax efficiency.

We employ both fundamental and technical analysis in our securities selection process and manage client assets in accordance with a variety of investment strategies we have designed to meet client needs.

Different types of investments involve varying degrees of risk. It should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal to any specific performance level(s).

Gratus also implements and/or recommends options transactions for some clients who have large concentrated stock positions. Generally, the purchase or sale, or the recommendation to purchase or sell, an option contract is with the intent of producing income or offsetting/"hedging" a potential market risk in the client's portfolio.

The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment can take the form of either selling or purchasing a security, depending upon the nature of the option contract.

As discussed above, our Options Income Overlay involves selling out-of-the-money put options in exchange for options premiums. The client will lose money if the underlying stock trades into the money and the put buyer exercises the right to sell the stock to the client at the strike price. In addition, the strategy could generate less income than the client expects if options premiums decline.

Accounts invested in the Options Income Overlay incur additional risks if they do not maintain sufficient cash. If stock is put to the account owner, the account will need to have sufficient cash to purchase the stock.

Our Options Income Overlay uses margin borrowing. Margin borrowing is a form of debt that requires the owner to make interest payments. Margin accounts are required to maintain a minimum amount of equity in their accounts. If the account owner gets a margin call, the account will need to have sufficient cash to meet it.

The investment program for Gratus' Trailhead Options Income LP involves writing out-of-the-money put and call options and purchasing U.S. Treasuries to collateralize margin used in the options strategies. Written options are subject to the risk of assignment, meaning that if the options owner exercises the owner's right to sell the underlying stock before or at the expiration, the options holder will be required buy (if a put) or sell (if a call) the underlying security at the strike price. An investor will lose money if the underlying security trades into the money and the option holder exercises its option at the strike price. We seek to mitigate this risk by collateralizing the options positions with the bond positions, though in period of extreme market stress, if we need to sell the bonds to raise cash, we might not get the price we expect for the bonds. It is also important to note that written options prices can be extremely volatile in certain market conditions.

An account that writes options and/or uses margin borrowing could be forced to liquidate or sell securities to raise cash. Forced sales of securities in large amounts have the potential to cause a downward spiral in the value of an account.

As discussed above, our Gratus Hedging Strategies involves establishing an "options collar" to mitigate the risk of a concentrated stock position. Establishing an options collar entails taking on two primary risks: the upside/downside risk of the underlying security and the risk of assignment. The upside/downside risk of the underlying security can be driven by overall market factors, sector factors, or individual, stock-specific factors. If the price of the underlying security trades above the higher strike price (the call) the call will be exercised, and the owner of the security (client) will be required to liquidate their shares. The owner of the security will experience a loss in the form of not participating in the upside of the stock above the strike price. If the price of the underlying security trades below the lower strike price (the put) the owner of the security will have the right to exercise the put and sell the underlying security.

Pertaining to assignment risk: if the call owner exercises his or her right to sell the underlying stock before or at the expiration, the call writer will lose money from being required to sell the underlying above the strike price. The risk of assignment increases if the underlying security is above (call) the strike price closer to the expiration of the options contract. Options market depth/liquidity can be limited and pricing can be inefficient. Listed options may not be available for all listed stocks over a desired time horizon based on exchange rules. When re-indexing or reestablishing a collar position, we will allow the existing collar to expire at the expiration date and attempt to initiate a new collar position on the next trading day. Between the expiration of the collar position and the next trading day, the underlying stock will be un-hedged and subject to volatility.

Gratus stresses avoidance of loss not only as a means of reducing risk but also as a means of increasing returns. Diversification is also utilized as a means of controlling risk. In addition, fixed income investments, both long and short-term, provide necessary current return and judicious alternatives to equities in ongoing market conditions.

Risks of Investing in Securities

Investing in securities involves risk of loss that clients should be prepared to bear. All investment programs have certain risks that are borne by the investor. Investment risks that investors face include the following:

Interest Rate Risk: Fluctuations in interest rates can cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund 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. For example, political, economic and social conditions can trigger market events.

Inflation Risk: When any type of inflation is present, a dollar's value today can vary compared to the value of a dollar next year, as purchasing power usually erodes at the same rate as inflation.

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.

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

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, which is 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.

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. For example, Treasury Bills are highly liquid, while real estate properties are not.

Cash Withdrawals Risk: The need to sell the portfolio's holdings in order to meet a client's cash withdrawal requests could cause a loss when selling securities if the requests are unusually large or frequent or occur in times of overall market turmoil or declining prices, or when the securities the portfolio manager wishes to sell or is required to sell are illiquid.

Financial Risk: Excessive borrowing to finance a business's operations increases the risk to 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 can result in bankruptcy and/or a declining market value.

Management Risk: The risk is whether the investment strategy process and risk analyses applied by Gratus will produce the desired results and that legislative or regulatory developments can affect the investment techniques available to Gratus and the individual portfolio manager in connection with managing the portfolio. There is no guarantee that the investment objective of the portfolio will be achieved.

Cryptocurrency Risk:

Cryptocurrency is a digital representation of value that functions as a medium of exchange, a unit of account, or a store of value, but it does not have legal tender status. Cryptocurrencies are sometimes exchanged for U.S. dollars or other world currencies, but they are not generally backed or supported by any government or central bank. They are more volatile than traditional currencies. Their value is speculative, given that they are not currently, widely accepted as a medium of exchange, is derived by market forces of supply and demand, and may be impacted by the continued willingness of market participants to exchange fiat currency for cryptocurrency. Cryptocurrencies are not covered by either FDIC or SIPC insurance. Bitcoin, Ethereum and other cryptocurrencies are very speculative investments and involve a high degree of risk. An investment in cryptocurrency is not suitable for all investors, and may not generally be appropriate, particularly with funds drawn from retirement savings, student loans, mortgages, emergency funds, or funds set aside for other purposes. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment, and a potential total loss of their investment. An investment in cryptocurrency should be made with capital allocated to speculative purposes. Fees and expenses associated with a cryptocurrency investment may be substantial.

Cryptocurrency exchanges and other trading venues on which cryptocurrencies trade are relatively new and, in most cases, largely unregulated and may therefore be more exposed to fraud and failure than established, regulated exchanges for securities, derivatives and other currencies. Investments that are related to cryptocurrencies could be subject to volatility experienced by the cryptocurrency exchanges and other cryptocurrency trading venues. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware, which may also affect the price of bitcoin and other cryptocurrencies and indirect investments in cryptocurrencies.

In addition to the risks above, clients should consider the following risks:

- History of volatility. The exchange rate of cryptocurrency historically has been very volatile and the exchange rate of a cryptocurrency could drastically decline. For example, the exchange rate of Bitcoin has dropped more than 50% in a single day. Cryptocurrency-related investments may be affected by such volatility.
- Government regulation. Cryptocurrencies largely lack regulatory protections. Federal, state or foreign governments may restrict the use and exchange of cryptocurrency. Legislative and regulatory changes or actions at the federal, state or international level may adversely affect the use, transfer, exchange, and value of cryptocurrency.
- Security concerns. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Cryptocurrency also may be stolen by hackers.
- New and developing. As a relatively recent invention, cryptocurrency and related investments do not have an established track record of operating history, performance, credibility and/or trust. Bitcoin and other cryptocurrencies are evolving. Cryptocurrencies use blockchain technology, which lacks standardization.

Private Funds

As discussed, Gratus is the Investment Manager of private investment funds in which clients and others are solicited to invest, but are limited to accredited investors, and for some funds, we require the investors to also be qualified clients or qualified purchasers. The private funds are suitable only for sophisticated investors who do not require immediate liquidity for their investments, for whom an investment in a private fund does not constitute a complete investment program, and who fully understand and are willing to assume the risks involved in the private fund's investment program. Even where the investments of a private fund are successful, some do not produce a realized return for a period of years. The private funds' offering documents contain a detailed description of risk factors that must be reviewed by any potential investor in the fund.

Cybersecurity Risk:

The computer systems, networks and devices used by Gratus and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, and security breaches. Despite the various protections utilized, these systems, networks, and devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches can cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences can result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs can be incurred by these entities in order to prevent or mitigate the risk of cybersecurity breaches in the future.

COVID-19 Risk:

The transmission of COVID and efforts to contain its spread have resulted in border closings and other travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities

markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies.

Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks.

Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Gratus or the integrity of management. Gratus has no information applicable to this item.

Item 10 Other Financial Industry Activities and Affiliations

Employee Activities

One of our firm's advisers, Scott Rutherford, is a CPA who offers tax review and return preparation through Rutherford Consulting Group, LLC. We have a potential conflict of interest in referring clients who need accounting advice to a CPA firm owned by one of our firm's advisers. We address this potential conflict through clear disclosure of the potential conflict to our clients. We will only refer clients when we believe that the services of Rutherford Consulting Group would be beneficial to them, and clients decide whether to use the services.

Focus Financial Partners

As noted above in response to Item 4, certain funds affiliated with CD&R collectively are indirect majority owners of Focus Inc., and certain funds affiliated with Stone Point are indirect owners of Focus Inc. Because Gratus Capital, LLC is an indirect, wholly-owned subsidiary of Focus Inc., CD&R and Stone Point investment vehicles are indirect owners of Gratus Capital, LLC.

Corporate Affiliations

As noted above in response to Item 4, Gratus is part of the Focus Financial Partners, LLC ("Focus LLC") partnership.

UPTIQ Credit and Cash Management Solutions We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ's cash management solutions. UPTIQ acts as an intermediary to facilitate our clients' access to these credit and cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC (“Focus”). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. Although the revenue paid to UPTIQ benefits UPTIQ Inc.’s investors, including Focus, no Focus affiliate will receive any compensation from UPTIQ that is attributable to our clients’ transactions.

For services provided by UPTIQ to clients of other Focus firms and when legally permissible, UPTIQ shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC (“FSH”). Such compensation to FSH is also revenue for FSH’s and our common parent company, Focus. This compensation to FSH does not come from credit or cash management solutions provided to any of our clients. However, the volume generated by our clients’ transactions allows Focus to negotiate better terms with UPTIQ, which benefits Focus. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ’s solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ’s services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage.

Credit Solutions

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients’ custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and

other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ to facilitate credit solutions for our clients.

Cash Management Solutions

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging the third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ to facilitate cash management solutions for our clients.

Focus Risk Solutions

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC ("Focus"). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity.

Neither we nor FRS receives any compensation from the Brokers or any other third parties for providing insurance solutions to our clients. For services provided by FRS to clients of other Focus firms, FRS receives a percentage of the upfront commission or a percentage of the ongoing premiums for policies successfully placed with insurance carriers on behalf of referred clients, and such compensation to FRS is also revenue for our common parent company, Focus Financial Partners, LLC. However, this compensation to FRS does not come from insurance solutions provided to any of our clients. The volume generated by our clients' transactions does benefit FRS and Focus in attracting, retaining, and negotiating with the Brokers and insurance carriers. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy.

The final rate may be higher or lower than the prevailing market rate. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

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

Gratus permits its employees (“Associated Persons”) to buy or sell for their own accounts the same securities recommended to clients. Associated Persons are also permitted to recommend securities to clients in which they have proprietary interests, such as limited partnerships. Associated Persons are required to report their investment holdings and disclose investment transactions at least quarterly to the Gratus CCO. Gratus reviews and monitors transactions and recommendations by Associated Persons for wrongdoing and conflicts of interest.

Associated Persons have received training pertaining to the misuse of material non-public information and insider trading. Associated Persons are also permitted to buy or sell a specific security for their own account based on personal investment considerations that the Adviser does not deem appropriate to buy or sell for clients. Under limited circumstances and with prior approval, Associated Persons can participate in Initial Public Offerings and invest in private placements.

Gratus has adopted a Code of Ethics (the “Code”) that sets forth the standards of business conduct expected by Gratus and the policies and procedures pertaining to personal securities transactions. Gratus personnel owe a duty of loyalty, fairness and good faith to their clients and have the obligation to adhere not only to the specific provisions of the Code but also to the general principles that guide the Code. The Code covers a range of topics including general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV, and supervisory procedures. A copy of the Code is available to any client or prospective client upon request.

Item 12 Brokerage Practices

We recommend that our clients establish brokerage accounts with unaffiliated custodian broker-dealers to maintain custody of their respective assets and to effect investment transactions for their accounts. The custodian broker-dealers we recommend include the Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab”), a registered broker-dealer and member SIPC, and Fidelity Brokerage Services LLC (“Fidelity”)(collectively, “custodian broker-dealers”). The custodian broker-dealers provide brokerage, custody, research, and access to mutual funds and other investments. The custodian broker-dealers generally do not charge separately for custody, but are compensated by account holders through commissions or other transaction-related fees for securities trades they execute and for client assets held in their cash sweep.

We generally recommend custodian broker-dealers based on their reputation and proven integrity, quality of service, financial strength and the estimated cost and convenience to the client. We have institutional relationships with these custodian broker-dealers and they provide us and our clients with access to services that are not typically available to retail customer accounts. These include custody, reporting, and related services, as well as services to help us administer our clients’ accounts and manage and grow our business.

These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as they maintain a required minimum level of client assets.

The custodian broker-dealers make available to Gratus other products and services that benefit Gratus and its clients but that do not benefit individual investor accounts. Some of these other products and services assist Gratus in managing and administering client accounts. The products and services include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Gratus' fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally can be used to service all or a substantial number of client accounts, including accounts not maintained at Schwab Institutional.

Custodian broker-dealers also make available to Gratus other services intended to help us manage and further develop Gratus' business enterprise. These available services include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab makes available, arranges and/or pays for these types of services rendered to us by independent third parties. Schwab Institutional discounts or waives fees it would otherwise charge for some of these services or pays all or a part of the fees of a third-party providing these services to Gratus.

Receiving products, services and payment of expenses from custodians we recommend creates a conflict of interest, as it incentivizes us to recommend custodians who provide products, services and reimbursement of expenses over those who do not recommend such products, services or pay expenses. We address this conflict by disclosing it to our clients, and by periodically reviewing the quality and cost of the services provided to our clients by the custodian broker-dealers we recommend.

See also the description of the Schwab Advisor Network, which is a national referral service discussed in Item 14: Client Referrals and Other Compensation, below.

Choosing Brokers for Trading

Gratus has the authority to select brokers to effect client transactions for certain accounts under its discretionary management. Gratus seeks to obtain the most favorable execution for each transaction under the circumstances. When seeking best execution, Gratus considers not only the commission rate offered by the broker, but also other factors such as the broker's service, responsiveness, financial responsibility and the value of research products and services that can be utilized by Gratus.

Gratus will under certain circumstances use discretionary authority to choose broker-dealers other than the custodian to execute trades for accounts held at Schwab and Fidelity. In particular, we execute options trades through Raymond James and Stifel in an effort to seek best execution and in order to receive research benefits, as described in the Soft Dollars section below. Trades will be processed using the custodian's "trade away" service. Executions will be completed at the selected broker-dealer, and then settlement will be completed through the custodian. This service can involve additional transaction costs. However, Gratus has negotiated reduced "trade away" fees to minimize the cost difference to clients. The transactions will be reported on the

custodial statements, and the securities are held directly with the custodian.

Gratus reviews trade executions at each custodian and broker on a regular basis to evaluate the executions received and execution costs being paid by clients.

Aggregate Trading

Gratus aggregates or “bunches” some buy or sell orders for two or more clients into a single large order and places the bunched order with a single broker or dealer for execution. The Adviser is not obligated to place all transactions on a bunched basis. When determining whether to bunch orders, Gratus assesses what course of action is likely to be fair and in the best interests of the relevant accounts on an overall basis. That is, Gratus seeks to avoid advantaging or disadvantaging client accounts that are effecting like transactions in the same securities.

The Adviser permits bunched or block trading when the following conditions are met:

- Orders of two or more clients can be bunched only if Gratus has determined on an individual basis that the transaction is:
 - In the best interests of each client participating in the order;
 - Consistent with a duty to obtain best execution; and
 - Consistent with the terms of the Investment Management Agreement of each participating client.
- When conducting a bunched or block trade, Gratus will determine the accounts that will participate and the specific allocations in advance of the transaction. If the entire order is filled, each client receives the allocation specified on the trade ticket. All allocations are made prior to the close of business on trade date. Client accounts participating in the transaction will receive the weighted average price of the security and will incur a pro-rata share of the transaction costs.
- If part of the order is unfilled, the allocation is based on a pro-rata share per client.

Gratus’ books and records separately reflect, for each client for whom an order is bunched, the securities held by, purchased, and sold for that client.

Soft Dollars

Gratus executes securities transactions through Raymond James and Stifel and pays customary commissions charged by those firms, which are more than the lowest commission available in the marketplace, in order to receive proprietary research products and services from them. When client brokerage commissions are used to obtain research or other products or services, a benefit is received because Gratus does not have to produce or pay for the research, products or services. Gratus can have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. The soft dollar benefits received from Raymond James or Stifel service all clients’ accounts - not just those that paid for the benefits.

Cross Transactions

In a rare circumstance, Gratus can utilize cross transactions when a current client liquidates their account, sells securities to raise cash or a change occurs in the client's tax status necessitating the sale of bonds. Cross transactions are considered when Gratus feels the security is attractively priced in the present market environment and that both sides will benefit from the transaction. If Gratus determines that a cross transaction is appropriate, Gratus will seek prices that are fair to both selling and purchasing clients. Typical securities considered for cross transactions are mortgage-backed securities, municipal bonds and corporate bonds. All cross transactions must be approved by Gratus' Chief Compliance Officer.

Trade Errors

Gratus' goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error by Gratus occurs, Gratus endeavors to identify the error in a timely manner, correct the error so that the client's account is in the same position than it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future. Trade errors generally are corrected through the use of a trade correction account at Fidelity and Schwab. In the event an error is made in a client account custodied elsewhere (e.g., UBS, MSSB, etc.), Gratus works directly with the broker in question to take corrective action. Gratus will take the appropriate measures to return the client's account to the same or better position.

Fidelity – A trade correction account is maintained. If a trade error is processed through the account, Gratus is required to submit, in a timely fashion, a trade correction request and attestation form. Through such corrective action, the client's account is placed in the position than it would have been had there been no error. A trade correction account statement is provided by Fidelity for periods in which a trade error occurs. The statement lists trade corrections made through the account during the period. Gratus reviews and reconciles its record of correction requests with the statement. Corrections generally have a gain or loss resulting from market movement between the time of the error and time of correction. At the end of the month, gains and losses are netted. A net gain will be sent to a charity of Fidelity's choice. A net loss is the responsibility of Gratus and funds to cover such loss will be swept from its fee account. Conflicts of interest in maintaining a trade correction account are mitigated by the following: Gratus' trading procedures are designed to prevent trade errors; errors should be corrected upon discovery; the CIO or his delegate reviews the error and approves the corrective action; Fidelity must approve the correction; and in that Gratus assumes the risk that market movement may cause a loss for which it is responsible, it has an incentive to avoid trade errors.

Schwab – A trade correction is processed through our master account at Schwab. If a trade error is processed through the master account, Gratus discusses with Schwab the corrective action that will be most beneficial to the client under the circumstances. Through such corrective action, the client's account will be placed in the same or better position than it would have been had there been no error. When a correction is made, the treatment of any resulting gain or loss is dependent upon the amount of such gain or loss. A gain or loss up to \$99.99 is maintained or covered by Schwab. If the corrective action results in a loss \geq \$100, Schwab sends Gratus an invoice for the loss, for which Gratus is responsible for paying. If the corrective action results in a gain \geq \$100, Schwab's policy is to donate the gain to charity. As it does with Fidelity, Gratus assumes the risk of market movement of the security, and thus has an incentive to avoid trade errors.

Item 13 Review of Accounts

Account reviews are completed regularly by Gratus Wealth Advisors and members of the Gratus Investment Strategy Group. Account reviews are performed more frequently when market conditions dictate. Other conditions that can trigger a review are changes in the tax laws, new investment information, and changes in a client's own financial situation.

The client will receive statements at least quarterly from firms that custody their accounts. These statements show the transactions and holdings in the accounts as well as any deposits or withdrawals. The client will also receive access to performance reports from us that detail the asset allocation and performance of the client's accounts, projected income, and other meaningful tracking information. Clients may access these performance reports at any time (on demand) through our web-based portfolio accounting and reporting system, Tamarac.

Clients are urged to compare the information received from Gratus to the information received from the custodian of their assets.

Item 14 Client Referrals and Other Compensation

Gratus has arrangements in place with certain third parties, called promoters, under which such promoters refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the promoter to refer clients to us, which is a conflict of interest for the promoter. The Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the promoter is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with the promoter. Accordingly, we require promoters to disclose to referred clients, in writing: whether the promoter is a client or a non-client; that the promoter will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

Gratus receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Gratus' participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent

investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Gratus. Schwab does not supervise Gratus and has no responsibility for Gratus' management of clients' portfolios or Gratus' other advice or services. Gratus pays Schwab fees to receive client referrals through the Service. Gratus' participation in the Service raises potential conflicts of interest described below.

Gratus pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Gratus is a percentage of the fees the client owes to Gratus or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Gratus pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Gratus quarterly and can be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Gratus and not by the client. Gratus has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Gratus charges clients with similar portfolios who were not referred through the Service.

Gratus generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Gratus generally would pay in a single year. Thus, Gratus will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Gratus' clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Gratus will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Gratus' fees directly from the accounts.

For accounts of Gratus' clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Gratus' clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Gratus has an incentive to cause trades for clients to be executed through Schwab rather than another broker-dealer. Gratus nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab can be executed through a different broker-dealer than trades for Gratus' other clients. Thus, trades for accounts custodied at Schwab can be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Gratus participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which Gratus receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment

adviser and Fidelity Investments company. Gratus is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Gratus, and FPWA has no responsibility or oversight for Gratus' provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a promoter for Gratus, and Gratus pays referral fees to FPWA for each referral received based on Gratus' assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Gratus does not constitute a recommendation or endorsement by FPWA of Gratus' particular investment management services or strategies. More specifically, Gratus pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Gratus has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by Gratus and not the client.

Gratus' participation in the WAS Program raises potential conflicts of interest. FPWA will most likely refer clients through the WAS Program to investment advisors that encourage their clients to custody their assets at Fidelity, including Fidelity Brokerage Services, LLC ("FBS") and whose client accounts are profitable to Fidelity. Consequently, in order to obtain client referrals from FPWA, Gratus has an incentive to recommend to clients that the assets under management by Gratus be held in custody with Fidelity, including FBS and to place transactions for client accounts with Fidelity, including FBS. In addition, Gratus has agreed not to solicit clients referred to it through the WAS Program to transfer their accounts from Fidelity, including FBS or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Gratus' participation in the WAS Program does not diminish its duty to seek best execution of trades for client accounts.

To receive referrals from the WAS Program, Gratus must meet certain minimum participation criteria, but Gratus may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Gratus may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Gratus may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Gratus as part of the WAS Program. Under an agreement with FPWA, Gratus has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Gratus has not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Gratus' fiduciary duties would so require, and Gratus has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in the client account that is transferred from FPWA's affiliates to another custodian; therefore, Gratus may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Gratus' duty to

select brokers on the basis of best execution.

Gratus may also compensate employees for referring advisory clients to Gratus through the sharing of a portion of applicable advisory fees. Advisory fees for referred clients are not greater than the fees charged to other Gratus clients and all fees are fully disclosed to the client.

Gratus Capital's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Gratus, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Gratus. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Gratus. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Gratus to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Gratus. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2021 to November 1, 2022:

Charles Schwab & Co., Inc. and Fidelity Brokerage Services, LLC

You can access a more recently updated list of recent conference sponsors on Focus' website through the following link:

<https://focusfinancialpartners.com/conference-sponsors/>

Certain product sponsors will assist Gratus in the company's marketing efforts. These sponsors provide speakers or financial assistance for client presentations on occasion. These relationships are not based upon the specific advice given to clients and do not relate to any achieved level of client investment in the products managed by the product sponsors.

Item 15 Custody

Gratus is deemed to have custody of client funds where Gratus has the authority to deduct fees from client accounts. An explanation of Gratus' fee calculations is available to the client upon request. In addition, Gratus is deemed to have custody over certain client accounts when Gratus accepts authority, through

standing letters of authorization (“SLOAs”) to instruct the client’s account custodian to make transfers to third parties.

The qualified custodians of client assets (e.g., Schwab, and Fidelity) send statements directly to the client on at least a quarterly basis. The client should carefully review those statements. If there are any issues with custodian statements, please contact the Chief Compliance Officer, Christopher Casdia, at (404) 961 6000 or by email to ccasdia@gratuscapital.com. The Chief Compliance Officer is required to escalate any problems to senior management.

Gratus also provides account performance information to clients via a client portal and urges clients to compare the account statements received from the custodian to the information received from Gratus.

Item 16 Investment Discretion

When we provide discretionary portfolio management services to client accounts, we have discretionary authority pursuant to the terms of the client investment management agreement to supervise, manage, and direct the assets in the managed portfolio with complete and unlimited trading authorization and to act as attorney-in-fact and the client’s agent to purchase, sell, invest, reinvest, exchange, convert, and trade the assets in the client’s managed portfolio and to place all orders for the purchase and sale of securities with or through brokers, dealers, or issuers selected by Gratus, all without prior consultation with the client, and all at such times as Gratus deems appropriate. When necessary and appropriate, clients will sign "limited powers of attorney" or "trading authorizations" as required by client’s custodian. Gratus is not empowered to liquidate and/or disburse proceeds of Client’s assets to anyone other than Client without express written direction of Client, other than for the payment of management fees, account opening fees or termination fees.

For non-discretionary managed portfolios, Gratus does not have discretionary authority to effect trades without client authorization, but if the client accepts a recommendation to purchase or sell an investment, Gratus is responsible for completing the purchase or sale. Gratus includes the assets in non-discretionary managed portfolios in ongoing strategy formulation, asset allocation, and regular monitoring. Gratus does not have any responsibility to advise, monitor or report on the performance of a non-managed portfolio or investments selected by the client.

Item 17 Voting Client Securities

Gratus has adopted and implemented a policy which we believe is reasonably designed so that proxies are voted in the best interests of our clients. Gratus utilizes Broadridge’s ProxyEdge platform to vote, coordinate, process, manage, and maintain voting records. Proxies are voted using Broadridge’s Proxy Policies and Insight’s Shareholder Value template which seeks to maximize long-term shareholder value. Proxy Policies and Insights produces data-driven voting guidelines that reflect voting trends based on logic described in the Shareholder Value policy. In some instances, a recommendation is not driven by the Shareholder Value Template. In these instances, Gratus will vote in accordance with Management recommendation. For some clients, Gratus may engage a third party sub-advisor to manage a client account on a discretionary basis. In

this case of an engaged sub-advisor, the discretionary sub-advisor will retain all proxy voting responsibilities. Clients who would like to know how their proxies have been voted should contact us.

Item 18 Financial Information

Gratus has no financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.