

**Item 1. Cover Page
Part 2A of Form ADV: Firm Brochure
March 2024**



ADV Part 2A Appendix 1 / Wrap Brochure

**GRACE CAPITAL MANAGEMENT, LLC
11651 JOLLYVILLE ROAD, SUITE 300
AUSTIN, TX 78759
PHONE: (512) 485-1800
FAX: (512) 485-1801**

**FIRM CONTACT:
GEORGE DUFF,
CHIEF COMPLIANCE OFFICER**

**WEBSITE ADDRESS:
WWW.GRACE-CAP.COM**

This Wrap Fee program brochure ("Wrap Brochure") provides information about the qualifications and business practices of Grace Capital Management, LLC ("GCM", the "Company", "us", "we", "our"). If you ("client", "your") have any questions about the contents of this wrap brochure, please contact us at the number listed above. The information in this Wrap Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. GCM's IARD firm number is 150054.

We are a registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. Additional information about GCM is available on the SEC's website at www.adviserinfo.sec.gov (click on the link, select "Investment Adviser Search" and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2. Material Changes

This section of the Wrap Brochure will address only those “material changes” from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

We may, at any time, update this Wrap Brochure and send you a copy either by electronic means (email) or by mail.

Last Annual Amendment Filing Date: 03/2023

There are no material changes since our last filing.

However, we have made other changes, some of which may clarify or enhance existing disclosures, but we do not consider these other changes to be material.

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Item 4. Services, Fees and Compensation

Grace Capital Management, LLC is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. We specialize in offering Comprehensive Portfolio Management and Selection of Third-Party Advisory services to our clients. Our firm is a limited liability company formed in the State of Texas. We have been in business as an investment adviser since 2009 and is one hundred percent (100%) owned by Mr. George Duff, Managing Member and Chief Compliance Officer. As of March 15, 2024, our assets under management is \$109,475,469 managed on a discretionary basis and \$30,540,749 managed on a non-discretionary basis.

Individuals associated with us, who are qualified, will provide our investment advisory services to you. These individuals are known as Investment Adviser Representatives (“IARs”). Our IARs are also licensed as registered representatives of our firm.

We sponsor and act as portfolio managers of a wrap fee program as further described in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”). Clients participating in a wrap fee arrangement pay a single fee for advisory, brokerage and custodial services. Clients’ portfolio transactions will be executed without commissions charge in a wrap fee arrangement.

We offer advisory services through the Wrap Fee program (“Program”) administered by our clearing firm, Fidelity Clearing & Custody Solutions, a related entity of Fidelity Investments, Inc. (collectively “Fidelity”), FINRA-registered broker-dealers and member SIPC. Fidelity will act as the qualified custodian for the assets in your account. This Program provides discretionary asset management services for a convenient, single fee that includes account management, brokerage, clearing, custody and administrative services. We will receive a portion of the Wrap Fee for our services.

The IAR will collect Personal Information from the client to determine client eligibility for this Program and for the investment strategy and allocation(s) the client selects.

GCM charges an annual fee of 1% and a service fee of .10%. Depending on the account size, fees may be discounted and are negotiable. Therefore, clients with similar assets under management and investment objectives may pay significantly higher or lower fees than other clients. Fees are charged as a percentage of the assets under management. You will pay one annual fee, assessed monthly and billed in advance based on the value of your account on the last day of the previous month. The fee is based strictly on assets under management, and you pay no commissions. Fees are calculated and payable monthly in advance based on Fidelity’s valuation of the market value of the billable assets in your account as of the last

business day of the previous month. The initial fee will be calculated on the value of the initial assets invested and shall cover the initial month pro-rated based on the number of remaining days in such month. The first billing cycle uses the account value at account inception date. Fees are prorated for any billing period that is less than a complete month, and your fee may be adjusted proportionately based on the value of cash or securities added to or withdrawn from the account between billing periods.

Fidelity may debit investment advisory fees directly from your account and pay such amounts to us upon your written authorization. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

This fee arrangement wherein asset management fees are debited from your account will not trigger any constructive custody. You authorize Fidelity to accept instructions from us regarding adjustments to our fees in circumstances such as a fee waiver or credit or a reduction in fee. Adjustments to increase the fee set out in the Account Application may be made only at your instruction. You acknowledge that Fidelity will not verify that the fees are consistent with those set out in the agreement between you and our Company. You will see the amounts deducted from the account on statements and will verify them based on the fee rates you negotiated with us. You agree that the fee will be payable, first, from free credit balances, if any, in the account, and second from the liquidation or withdrawal by Fidelity of your shares of any money market fund balances in any money market account, or balances in any insured deposit account, if applicable. You recognize that Fidelity does not set our fee applicable to the account.

Certain accounts may establish procedures to pay our fee directly rather than through a debit to the account. The fee schedule may vary based upon portfolio size and other business considerations. You may terminate this service at any time and a refund will be made on a pro-rata (by day) basis of any fees paid in advance.

Potential Conflicts of Interest:

Transactions in advisory program accounts are placed through Fidelity as the executing broker-dealer.

We receive compensation as a result of a client's participation in the program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what we would receive if the client participated in other programs, or paid separately for investment advice, brokerage and other services. Even though we believe Fidelity's fees are competitive, lower fees for similar services may be available from other sources.

Because mutual funds pay advisory fees to their investment advisors, such fees are therefore indirectly charged to all holders of mutual fund shares. Clients with mutual funds in their portfolios are effectively paying us and the mutual fund advisor for the management of their assets. Clients who place mutual fund shares under our management are therefore subject to our direct management fee and the indirect management fee of the mutual fund advisor.

Mutual Fund Internal Expenses:

Internal advisory fees and expenses are paid by the mutual fund companies to their fund advisers, and/or sub account sponsors. These internal expenses are further outlined in the Fund Companies' Prospectuses. The program sponsor may act as broker in connection with mutual funds which are designated for management in the program and thus may receive additional compensation, separate from its Investment Advisory Program. We only receive a portion of the advisory fee and do not share in the revenue produced by mutual fund investments.

General Information on Advisory Programs and Fees:

All fees paid to us are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition, goals, and objectives. Accordingly, you should review both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to pay and to thereby evaluate the advisory services being provided.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

We will not have custody of any your funds or securities, as a qualified and independent custodian will be used for these asset management services.

The Wrap Fee service may cost clients more or less than purchasing such services separately, depending on the frequency of trading in the client's accounts, commissions charged at other broker/dealers for similar products and fees charged for like services by other broker/dealers and other factors.

Under this Program, you will pay a single fee for investment advice and all transaction related costs associated with executing transactions (except for incidental costs such as wire fees or bank charges). The Wrap Fee also does not cover certain fees and expenses associated with investments in mutual funds, as discussed above. Other costs that may be assessed to you and that are not part of the Wrap Fee include fees for portfolio transactions executed away from Broker, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, dealer mark-ups, market maker spreads and exchange fees, among others.

We may receive compensation or other benefits in addition to the Wrap Fee we receive from you and, therefore, we may have an incentive to engage in such transactions. This compensation may be more than what you would receive if you participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, we may have a financial incentive to recommend the Wrap Fee program over other programs or services.

We deliver the Form ADV Part 2 to the client before or at the time we enter into an investment advisory contract with you. If the appropriate disclosure brochure was not delivered to you at least 48 hours prior to you entering into any written or oral advisory contract with us, then you have the right to terminate the contract, without penalty, within five (5) business days after the date of execution.

Item 5. Account Requirements and Type of Clients

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit-Sharing Plans; and
- Corporations, limited liability companies and/or other business types.

We require a minimum balance of \$1,000,000. At our discretion, we will consider waiving the minimum account balance requirements. Specifically, we may combine the account values of family members living in the same household to determine the account balance. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values will increase the asset total, which could result in meeting the minimum account balance. In addition, clients should refer to the independent investment adviser's disclosure document for information on minimum account size requirements or any other conditions for managing or maintaining an account.

Item 6. Portfolio Manager Selection and Evaluation

Our associated persons, providing investment advice to you under the Program, will be required to meet the specific state registration examination requirements, unless exempted, in order to provide such advice.

Performance-Based Fees and Side-By-Side Management

While we currently do not charge performance-based fees for any clients, should that change, below is our performance-based compensation. Our intent is to accommodate clients who demand performance-based fees in place of our normal fee schedule.

Our firm may charge qualified clients¹ “performance fees” – that is, fees based on a share of capital gains on or capital appreciation of the managed assets of a client.

Clients are charged an administrative fee.

The Performance-Based fee is charged quarterly in arrears at the end of each quarter as follows:

- 15% of the net profits (i.e., profits after our management fee have been deducted) achieved for the previous quarter of account management.

The performance fee is calculated as follows: we will receive a percentage of the net capital appreciation (i.e., capital appreciation less capital depreciation and any accumulated net capital depreciation carry-forward from prior periods) of each Client’s account. The performance fee is payable only if and to the extent that the net capital appreciation of the Client’s account exceeds any net capital depreciation accumulated during the performance fee period as adjusted for withdrawals of capital (a “high water mark” arrangement). We may, in our discretion, waive all or any portion of the performance fee or may agree with a client to other changes to the performance fee by written agreement only.

In charging performance fees to some of our client accounts, we face a conflict because we can potentially receive greater fees from client accounts having a performance-based compensation structure than from those accounts we only charge a fee unrelated to performance (e.g., an asset-based fee). As a result, we may have an incentive to direct the

¹ We are currently permitted to charge performance-based fees only to clients with at least \$1 million under management with our firm or a net worth of at least \$2 million. It is expected that the SEC will revisit this standard in the near future and tie the definition of a qualified client to inflation. It is unclear at this time whether the SEC will grandfather, or exempt existing qualified clients being charged performance-based fees from a greater financial threshold for meeting the qualified client standard should the definition change.

best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee.

We have taken several important steps to ensure that our performance-based accounts are not favored over our client's non-performance fee based accounts. These steps include:

- 1) A periodic comparison of our performance and non-performance-based accounts. Our comparison will entail a review of our ten most profitable and ten least profitable (including unrealized gain or loss) investment decisions based on total return of positions opened and closed for each investment strategy or mandate offered to clients. We keep track of securities ticker symbol, purchase date, sale date, percentage of gain and/or loss, and dollar amount of the gain and/or loss. In the event that we find performance-based accounts are being unduly (i.e., consistently) favored over non-performance based accounts, we would take action to address the situation. This could include allowing non-performance based accounts to trade before performance based accounts to the extent practicable, or if the problem persists, not allowing new performance based accounts, waiving our performance based fees or cancelling our performance based fee arrangements altogether and in some cases, termination of firm personnel.
- 2) The use of block trades and allocations made based on client's risk tolerance, investment objectives and restrictions. A periodic review of the block trade allocations to detect whether profitable trades are being disproportionately allocated to performance-based accounts, while unprofitable trades are being disproportionately allocated to pure-fee based accounts with no performance fee. If our firm detects a problem in the allocation of block trades, our remedies are the same as those outlined above.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

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

Charting. In this type of technical analysis, we review charts of market and security activities in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

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

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

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.

Other. We also utilize Zephyr and Morning Star, a computer-based software that analyzes managers, funds, investments, etc., while also calculating funds, standard deviations, and offers various other support packages to the Advisor.

Investment Strategies

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

Long-Term Purchases. When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be undervalued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. The potential risks associated with this investment strategy involve a lower than expected return, for many years in a row. Lower-than-expected returns that last for a long time and/or that are severe in nature would have the impact of dramatically lowering the ending value of your portfolio, and thus could significantly threaten your ability to meet financial goals.

Short-Term Purchases. When utilizing this strategy, we may also 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 securities we purchase. The potential risk associated with this investment strategy is associated with the currency or exchange rate. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's

home currency may add risk to the value of a security. Currency risk is greater for shorter term investments, which do not have time to level off like longer term foreign investments.

Margin Transactions. We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the force sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

Option Writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires. We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors. The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

Clients should review the disclosure documents of the independent registered investment adviser(s) that we recommend for the management of the client's account for information regarding the types of investments, securities analysis methods, sources of information, and investment strategies used by the independent registered investment adviser(s).

Risk of Loss

Investing in securities involves the risk of loss, which clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease, and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask our firm any questions you may have.

Legal and Regulatory Matters Risks. Legal developments which may adversely impact investing and investment-related activities can occur at any time. “Legal Developments” means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

System Failures and Reliance on Technology Risks. Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems’ conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.

Cybersecurity Risk. A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate

attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers’ and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have established business continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

Pandemic Risks. The outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the time. This created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the coronavirus outbreak and future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. These pandemic and other epidemics and pandemics that may arise in the future, could result in continued volatility in the financial markets and could have a negative impact on investment performance.

Practices Regarding Cash Balances

We generally invest client’s cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client’s cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to Comprehensive Portfolio Management service.

Voting Client Securities (i.e., Proxy Voting)

Proxy Voting

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event

that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

However, Third-Party Advisors selected or recommended by our firm may vote proxies for clients. Therefore, except in the event a Third-Party Advisor votes proxies, 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. Therefore (except for proxies that may be voted by a Third-Party Advisor), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

We generally are not able to advise or act on behalf of its clients in legal proceedings, including class actions or bankruptcies, involving securities purchased or held in client accounts. The custodian sends all legal notices, including proxies, directly to the owners of each account. To the extent that we receive notice of class actions or bankruptcies of securities purchased or held in clients' accounts, it will forward such notices to the client's custodian for delivery directly to the affected client.

Item 7. Client Information Provided to Portfolio Managers

We have access to client information as our supervised persons act as the portfolio managers for the Wrap Fee program described in Item 4 above. Pursuant to applicable Federal and/or State Privacy Regulations, we are a financial institution that has determined to keep confidential non-public personal information about each our client.

We obtain the necessary information and review your financial situation and investment portfolio including your risk tolerance to determine and set the appropriate short and long-term investment goals, and objectives. We encourage that you notify us if there have been any changes in your financial situation or investment objective, or if you wish to impose any reasonable restrictions or modify any existing reasonable restrictions on the management of your account.

Item 8. Client Contact with Portfolio Managers

We have not placed any restrictions on your ability to contact and consult with your portfolio manager.

Item 9. Additional Information

Disciplinary Information

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

Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

Neither Grace Capital Management, LLC nor any of its management persons are registered, nor does it have any pending application to register as a broker-dealer.

Grace Capital Management, LLC and its management persons are not registered, or have an application pending to register, as a commodity pool operator, futures commission merchant, or commodity trading advisor, or as an associated person of the foregoing entities.

Other Financial Industry Affiliations

Representatives of our firm are registered representatives of DAI Securities, LLC (“DAI”), member FINRA/SIPC. In such capacity, they may offer securities products and brokerage services to clients of Grace Capital Management, LLC on behalf of DAI pursuant to FINRA rules and regulations. DAI maintains a supervisory relationship with respect to its registered representatives employed by Grace Capital Management, LLC for their activities related to the offers and sales of, and continuing services for the securities products and brokerage services on behalf of DAI. DAI may supervise the activities of Grace Capital Management, LLC or its representatives when they are providing advisory services.

DAI has fully disclosed clearing arrangements with Fidelity Investments Group (“Fidelity”). As a fully disclosed broker-dealer, DAI may take custody of clients’ funds or securities for transmittal only.

Some representatives of our firm are licensed insurance agents. They may offer insurance products (non-variable) and receive fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn.

Third-Party Advisors Arrangements

Please see Item 4 above for more information about the selection of third-party advisors. The compensation paid to our firm by third-party advisors may vary, and thus, creates a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another advisor. Prior to referring clients to third-party advisors, our firm will ensure that third-party advisors are licensed, or notice filed with the respective federal and state authorities. A potential conflict of interest in utilizing third-party advisors may be an incentive to us in selecting a particular advisor over another in the form of fees or services. In order to minimize this conflict our firm will make our recommendations/selections in the best interest of our clients.

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

We recognize that the personal investment transactions of members and employees of our firm. **As a fiduciary**, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts². In order to monitor compliance

² For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

Review of Accounts

We review accounts on a periodic basis, no less than annually. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Mr. Duff, Managing Member and Chief Compliance Officer conducts reviews of all client accounts.

Reviews are also performed when the client informs our firm of substantial changes to their financial or tax status, investment objectives, risk tolerance or time horizons. Lastly, reviews may occur when fundamental market factors (e.g., inflation rates, interest rates, GDP, etc.) change in a material way.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Clients will be issued trade confirmations for all transactions, monthly account statements (for all months in which a change occurs in the account, unless the Client has asked not to receive the same) and custodial statements.

Client Referrals and Other Compensation

Client Referrals

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with relevant state statutes and rules.

Other Compensation

Refer to Items 4 and 9, above for details of our compensation structure as well as any other compensation our IARs may receive.

Financial Information

Our firm has never been the subject of a bankruptcy proceeding. Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1,200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

Item 10. Requirements for State-Registered Advisers

We do not, nor do any of our management persons, have any relationship or arrangement with any issuer of securities that is not listed in Item 9 of this Brochure.