

Granite Investment Partners, LLC

Part 2A of Form ADV

The Brochure

2121 Rosecrans Avenue
El Segundo, CA 90245
www.granitepartners-llc.com

March 23, 2012

This brochure provides information about the qualifications and business practices of Granite Investment Partners, LLC ("Granite" or "Adviser"). If you have any questions about the contents of this brochure, please contact us at info@granitepartners-llc.com or 310-933-3199. 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. Granite is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information which you use to determine whether to hire or retain an Adviser.

Additional information about the Adviser is also available on the SEC's website at: www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure, dated 03/23/2012 is our annual amendment update since the last annual amendment dated 03/31/2011. We will provide you with an updated Brochure, as needed, based on changes or new information, at any time, without charge. Currently, this Brochure may be requested by contacting us at info@granitepartners-llc.com or 310-933-3199 or is available at www.granitepartners-llc.com.

The following are the key updates since our last amendment:

Item 4: Expanded list of principal owners

Item 5: Update to Fee Schedule

Item 6: Updated definition of qualified client

Item 10: Updated to expand disclosure of Adviser serving as managing member of private fund.

Item 16: Updated disclosures related investment discretion.

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Item 4 – Advisory Business

4. A. Advisory Firm Description

Granite is a registered investment adviser with its principal place of business located in Los Angeles, California. Granite was founded in July 2009 and is 100% owned by its employees. The Principal Owners of the firm are Geoffrey Edelstein, Robert Foran, Edward Han, Jeffrey Hoo, Peter Lopez, Gary Rolle, Josh Shaskan, and Bradley Slocum. Granite has also provided equity interests for other key members of the firm.

4. B. Types of Advisory Services

Granite offers investment advisory services to institutional clients including employee benefit plans, foundations, endowment, government entities and private funds well as high net worth individuals (collectively the “Clients”). Normally, accounts are fully discretionary and managed in accordance with the Client’s risk and return objectives and portfolio constraints including investment time horizon, liquidity needs, tax considerations, unique circumstances and other reasonable guidelines established by Client and accepted by Granite.

Granite offers equity, balanced and fixed income portfolios. The strategies offered by Granite will invest primarily in domestic large and small capitalization companies, but may invest in foreign companies and consistent with the Client’s objectives. The fixed income accounts and fixed income portion of balanced accounts are invested in U.S Treasury and Agency debt; investment grade corporate bonds and preferred stocks; mortgage backed securities; and municipal debt (for appropriate taxable investors). High yield corporate bonds may be used when suitable for the Client (these bonds involve greater risks than other bonds). Mutual funds and exchange traded funds (“ETFs”) may be used to invest where appropriate in light of the asset class and Client’s circumstances. Granite may in the future provide various services to counseling accounts and participate in other permitted activities.

Granite serves as both the adviser and managing member to a domestic Private Fund (the “Fund”). Services provided to the Private Fund also may include organizing and managing its business operations; executing and reconciling trades; and drafting, printing and distributing correspondence to Investors.

Granite’s investment advice is limited to these types of investment advisory services.

4. C. Client Investment Objectives/Restrictions

Granite will tailor advisory services to individual Client needs and manages each account according to the investment objectives of the strategy selected by the Client and any restrictions placed on the account by the Client. Investments for separately managed client accounts are managed in accordance with each Client’s stated strategy selection, investment objectives, restrictions and guidelines.

Investments for the Private Fund are managed in accordance with the Fund's strategy, investment objectives restrictions and guidelines and are not tailored to the individualized needs of any particular investor in the fund (each an "Investor"). Therefore, Investors should consider whether the fund meets their investment objectives and risk tolerance prior to investing. Information about the Private Fund can be found in its offering documents, including its limited liability company operating agreement which will be available to qualified current and prospective Investors only through Granite or another authorized party.

4. D. Wrap and Model Programs (UMAs)

Granite has entered into agreements with WRAP and UMA program sponsors (collectively "Managers"). These are sub-advisory relationships where the Manager provides investment supervisory services to its Clients, including making recommendations concerning an investment adviser to render certain investment advice with respect to a Client's portfolio. The Client enters into an agreement with the Manager and the Manager has a separate master agreement with Granite. For Wrap program accounts, Granite may effect transactions through other broker-dealers, but it is expected that most of the transactions will be executed through the Manager because part of the Manager's negotiated fee with the Client includes brokerage commissions and trading costs. We manage the Wrap program accounts on a discretionary basis.

Granite receives a portion of the wrap fee from the sponsor as an investment adviser to these programs. In these relationships, Granite may not have direct contact with the underlying client, as we do with our direct accounts. Granite attempts to manage these accounts in the same manner as our non-wrap accounts. The management styles offered by Granite to client participants in these wrap-fee programs may vary among the different programs.

For UMA program accounts, Granite provides a model to the Manager and the Manager effects transactions in the client accounts. UMA accounts are managed by Granite on a non-discretionary basis and Granite has no contact or information on the Manager's clients whose accounts utilize Granite's model recommendations.

4. E. Assets Under Management as of 12/31/2011:

Discretionary: \$496 million; 369 accounts

Other (UMA accounts): \$74 million

Item 5 – Fees and Compensation

Advisory Contracts and Fees

5. A. Adviser Compensation

Granite's fees are described generally below and detailed in each Client's advisory agreement or applicable account documents. Fees related to the Private Fund are found in the Private Fund's governing documents. Fees for services may be negotiated with each Client on an individual

basis. Granite may group multiple accounts of a Client (or group of related Clients) together for fee billing purposes.

Fees may change over time and, as discussed below, different fee schedules may apply to different types of clients, strategies and advisory arrangements. Fees may be negotiated on a basis different from Granite's stated fee schedules, if circumstances warrant, and Granite reserves the right to waive or reduce the fees charged to a particular Client in its sole and absolute discretion.

Fee Schedules

Granite's annual fee schedule for separately managed accounts is as follows:

Standard Fees for Institutional Accounts

Large Cap Equity	First \$0 - \$25 million	0.75%
	Next \$25 - \$50 million	0.65%
	Next \$50 - \$100 million	0.55%
	Remaining Assets > \$100 million	0.50%
Mid Cap & All Cap Equity	First \$0 - \$25 million	0.85%
	Next \$25 - \$50 million	0.75%
	Next \$50 - \$100 million	0.65%
	Remaining Assets > \$100 million	0.60%
Small Cap & Small/Mid Cap Equity	First \$0 - \$25 million	1.00%
	Next \$25 - \$50 million	0.90%
	Next \$50 - \$100 million	0.80%
	Remaining Assets > \$100 million	0.70%
Micro Cap Equity	All Assets	1.50%

Standard Fees for Individually Managed Client Accounts

Equity and Balanced	First \$0 - \$2 million	1.00%
	Next \$2 - \$5 million	0.75%
	Next \$5 - \$10 million	0.65%
	Remaining Assets > \$10 million	0.50%
Fixed Income	First \$0 - \$5 million	0.40%
	Next \$5 - \$10 million	0.30%
	Remaining Assets > \$10 million	0.25%

Standard Fees for Private Fund

For advisory services provided to Pelicanview Total Return Fund, LLC (the “Private Fund” or the “Fund”), compensation received by Granite is generally comprised of fees based on a percentage of assets under management and performance-based amounts. Granite’s asset-based fees range up to 1.00% (per annum), although reductions may be negotiated with investors on a case-by-case basis.

Asset-based fees are billed quarterly at the commencement of the calendar quarter during which Granite will perform the services to which the fees relate. For the Private Fund, Granite may receive a Performance Fee up to 20% over a performance hurdle, as defined by the Fund’s offering documents. Granite may waive all or any portion of the Performance Fee with respect to any Investor. Fees are charged to each investor’s capital account. Investors generally will be permitted to make complete or partial redemptions in accordance with the terms of the Private Fund’s governing documents. The Private Fund sets forth its specific fee structure (including how it charges fees) along with the additional operational expenses in a confidential explanatory memorandum or similar offering document provided to prospective investors. In addition to Granite’s fees, Investors will bear indirectly other fees and expenses charged to the Fund.

Wrap Programs

Granite also provides certain sponsors of separately managed account programs with investment advice with respect to individual security selections and develops recommended portfolios in connection with such programs. Ordinarily, the agreement between the Program Sponsor, or the Client, and Granite provides for Granite to offer continuous investment management advice to Clients based on the individual needs of each Client. Granite generally maintains exclusive investment discretion as to which securities shall be purchased or sold in a Client's account in a manner consistent with the Client's selected management style, investment objectives, policies and restrictions (if any) and the capabilities of the Client's selected custodian.

In addition to other indicators of individual ownership, including the right to withdraw, hypothecate, vote, or pledge securities held in the Client's portfolio, each Client in these wrap-fee programs generally has the ability to establish special limitations on the investments in the Client’s portfolio. In such instances, Granite will modify the Client's portfolio investments to comply with those limitations

The annual fee paid by the Client to the wrap-fee Program Sponsor will typically range from 2%-3% of the Client's annual assets under management. Under the agreement, the Program Sponsor usually pays Granite a monthly or quarterly fee for its investment advisory services. The fee is generally at an annual rate between 0.40%-1.00% of the assets Granite manages under the program depending on the size of the wrap-fee program, services performed by the Program Sponsor and the management style selected. These agreements may be terminated, generally, at the written request of the Client, the Program Sponsor or Granite. In the event of termination, the advisory fee will, if necessary, be pro-rated.

Consultant Programs

In addition, some brokerage and investment consultant firms have Managed Account Programs in which the brokerage or investment consultant firm typically provides manager search, financial consulting, performance measurement, custodial services, and in the case of brokerage firms, brokerage. Many of the Managed Account Programs may refer accounts to Granite who have selected Granite as an investment manager. These Clients pay a single fee based on a percentage of assets under management to the brokerage or investment consultant firm for its Managed Account Program services. In some Managed Account Programs, brokerage commissions are included in the single fee; in other Managed Account Programs, Clients pay brokerage commissions on each transaction. These Clients pay Granite a separate advisory fee.

Model (UMA) Programs

Fees paid by sponsors of model programs may be less than fees paid by sponsors of wrap account programs due to the differing levels of services provided by Granite, including trading, tax sensitive trading, and other portfolio advice tailored to the specific objectives, risk tolerance and portfolio constraints of the Clients of wrap account programs. For these programs, Granite solely provides portfolio recommendations and does not execute transactions for the Clients of such programs. These programs are notified of recommendations to the portfolio in conjunction with Granite trading for the sponsors that also follow the same model portfolio. The determination of which order the sponsors will be notified/traded to reflect recommendations is randomized through a computer generated program.

Under the agreement, the Program Sponsor usually pays Granite a monthly or quarterly fee for its model portfolio. The annual fee is generally between 0.20%-0.50% of the assets Granite manages under the model portfolio program.

Fees paid by sponsors of model programs may be less than fees paid by sponsors of wrap account programs due to the differing levels of services provided by Granite, including trading, tax sensitive trading, and other portfolio advice tailored to the specific objectives, risk tolerance and portfolio constraints of the Clients of wrap account programs.

The services provided by Granite to Wrap Fee accounts, Managed Account Program accounts and Model Programs generally differ from services provided to other accounts, which are typically larger and/or engage Granite directly, in that Granite provides a higher degree of client service to its other accounts. For example, Granite generally has little, if any, contact with the clients of the foregoing programs.

Other Advisory Fee Arrangements

Granite reserves the right, in its sole discretion, to negotiate and charge different advisory fees for certain accounts based on the client's particular needs as well as overall financial condition, goals, risk tolerance, and other factors unique to the Client's particular circumstances. Adviser may negotiate fees, depending on various factors, which may include the services required by the Client and the size of the account. Granite may also provide investment services to its Employees

and their family members without charging a fee. Special circumstances may cause fees to vary from the above schedule. Granite may group multiple accounts of one Client relationship together for purposes of calculating the fee. Or Granite may not charge a fee to small accounts of a Client because of the fee the Client is paying on the total relationship. Granite may charge lower fees than those described above. Granite has negotiated fee schedules with certain brokerage firms for Clients of those firms that refer to Granite for investment management. These fee schedules vary by firm and may be different from the fee schedules listed above. In some instances fees may be lower than stated above, particularly in the case of large accounts and other accounts which require a different degree of management effort or may involve other special circumstances.

5. B. Direct Billing of Advisory Fees

Clients may request that fees owed to Granite be deducted directly from the Client's custodial account. In instances where a Client has authorized direct billing, Granite takes steps to assure itself that the Client's qualified custodian sends periodic account statements, no less frequently than quarterly, showing all transactions in the account, including fees paid to Granite, directly to the Client. Clients have the option to be billed by invoice to make a direct payment for fees rather than having fees deducted from their account.

5. C. Other Non-Advisory Fees

Granite's advisory fee is exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by other managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. A Client's portfolio may include positions in mutual funds or exchange traded funds which also charge internal management fees and administrative fees and other expenses, which are disclosed in those funds' prospectuses and statements of additional information ("SAI"). Such charges, fees and commissions are exclusive of, and in addition to, Granite's fee, and Granite shall not receive any portion of these commissions, fees, and costs.

Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. In a wrap fee arrangement, Clients pay a single fee for advisory, brokerage and custodial services. Clients' portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the Client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the Client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

5. D. Advance Payment of Fees

Generally, fees are calculated and billed quarterly, in advance, based on the market value of the assets on the last business day of the preceding quarter. However, some Clients have requested to pay fees in arrears. Accounts commencing or terminating during a quarter are billed on a pro rata basis. In the event that an advisory contract is terminated prior to the conclusion of a billing

period, Granite will refund a *pro rata* portion of any pre-paid fees, or if billed arrears, bill the account *pro-rata* based on the date of termination.

5. E. No Compensation for Sale of Securities or Other Investment Products

Granite's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

The Fund charges a performance fee of up to 20% over a performance hurdle, as defined by the Fund's offering documents. To qualify for a performance based fee arrangement, the Client must have at least \$1,000,000 under Granite's management or a net worth of more than \$2,000,000, excluding the value of the investor's primary residence. The fact that Granite is compensated based on the trading profits may create an incentive for Granite to make investments on behalf of the Fund that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance based fee received by Granite is based primarily on realized and unrealized gains and losses. As a result, the performance based fee earned could be based on unrealized gains that the Fund may never realize.

To address this potential conflict, Granite ensures that investment opportunities are allocated fairly and equitably over time among all Clients, regardless of their corresponding fee structure. Granite has implemented specific controls based on the principle of treating all Clients in a fair and equitable manner. The trade opportunities in which a Client will participate are according to the account's strategy as well as the Client's investment objectives or specified account restrictions. Client transactions are either traded in aggregate with other accounts or individually. (Please refer to Item 12 – Brokerage Practices, for a detailed description of Granite's trade aggregation and allocation procedures). By utilizing these procedures, Granite believes that portfolios that are subject to side-by-side management alongside other products are receiving fair and equitable treatment.

Item 7 – Types of Clients

Granite primarily provides customized investment advisory services to institutional clients including employee benefit plans, foundations, endowments, government entities and private funds well as high net worth individuals.

Separately Managed Accounts. The minimum amount required to establish and maintain a separately managed account is generally \$1,000,000 taking into account the value of the entire household or family relationship. In special circumstances, at the discretion of Granite's management, the minimum account size may be reduced.

Private Funds. Granite provides discretionary advice to a Private Fund. The Private Fund operates as a pooled investment vehicles and is a limited liability company. The minimum investment for the Private Fund(s) is \$250,000. Specific procedures and restrictions apply to withdrawals from, and terminations of, an Investor's position in a Private Fund, as described in

the Private Fund's governing documents. Minimum redemption amounts and minimum capital account size may apply in the event of a partial withdrawal. An Investor also may be required to redeem all or part of its interest in a Private Fund upon provision of reasonable notice. However, Granite reserves the right, in its sole discretion, to reduce the minimum investment requirements under certain circumstances.

Wrap-Fee Programs. Granite has been retained as an investment manager under a number of wraparound fee or so-called "wrap-fee" arrangements for separately managed account programs sponsored by certain unaffiliated broker-dealers (the "Program Sponsors").

Under such wrap-fee arrangements, Program Sponsors may recommend that a Client retain Granite as an investment adviser, pay investment advisory fees on behalf of the Client, monitor and evaluate Granite's performance, execute the Client's portfolio transaction without commission charges, and provide custodial services for the Client's assets, all for a single fee paid by the Client to the Program Sponsor. Generally, the Client under a wrap-fee arrangement enters into an investment advisory agreement with the Program Sponsor and Granite enters into a sub-advisory agreement with the Program Sponsor. In some instances, the Client under a wrap-fee arrangement enters into an investment management agreement directly with Granite and a separate agreement with the Program Sponsor.

Granite relies on the Program Sponsor's extensive information on the prospective Client in determining the suitability of the investment style selected by the wrap-fee program Client. This information may come from, among other things, a personal interview with the Client and a written questionnaire completed by the Client that provides certain financial and other relevant data including the Client's investment objectives, risk tolerance and investment restrictions, if any. Once the account has been established, Granite may communicate directly with the Client.

The minimum account size these financial service firms will typically accept under these managed wrap programs is \$100,000. Clients, who utilize Granite through a wrap fee program of a sponsoring broker, are limited to specific investment products, while non-wrap fee Clients who use the same broker for custodial and brokerage services and contract directly with Granite for investment services are not limited to such products. The wrap fee program client should also review the Program Sponsor's Appendix 1 of the Sponsor's Form ADV Part 2 for complete detail on the sponsor's wrap fee program.

Consultant Programs

In addition, some brokerage and investment consultant firms have Managed Account Programs in which the brokerage or investment consultant firm typically provides manager search, financial consulting, performance measurement, custodial services, and in the case of brokerage firms, brokerage. Many of the Managed Account Programs may refer accounts to Granite.

Model (UMA) Programs

Granite also offers investment advisory services to Program Sponsors in the form of model portfolios based on one or more of its investment strategies. Program Sponsors utilize the model portfolios to provide investment services to their clients in the same manner as the wrap-fee arrangements described above.

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

Granite conducts fundamental, technical, and cyclical analysis on all securities recommended for Client accounts. Granite uses a “bottom-up” approach to investing. It studies industry and economic trends, but focuses on researching individual issuers. Each portfolio is constructed one security at a time. Each issuer passes through a research process and stands on its own merits as a viable investment in Granite's opinion. In making its investment decisions, Granite may rely on internally generated research, derived from annual reports, prospectuses, filings with the SEC, corporate press releases, inspections of corporate activities, conversations with the firm and/or competitors, financial newspapers, magazines and other sources. Granite may also use research materials prepared by others in making an investment decision. During the research process, Granite makes an assessment of the quality of the security by examining among other things financial metrics of the relevant company, the integrity and strategic vision of the management team and the ability to execute such strategy, as well as the attractiveness and risks of the issuer's industry.

Granite seeks to achieve its Clients' individual investment objectives by investing primarily in common stocks and bonds whether it is through mutual funds or exchange-trade funds. Granite may also invest in cash or cash equivalents such as money market funds and other short-term investment instruments.

Investing in securities involves risk of loss that Clients should be prepared to bear.

8. B. Material Risks of Investment Strategies

Granite's investment strategies are designed to accomplish the investment objective of each Client. However, there can be no guarantee of the success of the strategy and Granite's investment activities may be adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the investments. Unexpected volatility or illiquidity could impair the portfolio's profitability or result in losses. If Granite elects to concentrate the Client's investments in a particular industry or issuer, the Client's portfolio will then become more susceptible to fluctuations in value resulting from adverse economic conditions affecting that particular industry or issuer. Accordingly, there can be no assurance that the Client's rate of return objective will be realized or that there will be any return of capital. Given the nature of the investments, it is likely that the Client will incur losses on one or more investments.

8. C. Material Risks of Securities Used in Investment Strategies

Granite may invest in common stock. The purchaser of common stock typically receives an ownership interest in Granite as well as certain voting rights. The owner of common stock may participate in a company's success through the receipt of dividends, which are distributions of earnings by Granite to its owners. Common stock owners may also participate in a company's

success or lack of success through increases or decreases in the value of Granite's shares as traded in the public trading market for such shares.

The value of small-cap and micro-cap securities may be subject to wider price fluctuations and may be difficult or impossible to sell. Low trading volume in a these securities means that Granite may have to sell holdings at a discount from quoted prices or make a series of small sales over an extended period of time. In addition, small and micro-cap issuers may generate less information on which to base investment decisions. Small and micro-cap issuers are often subject to risks related to lack the management experience, lack of financial resources, reliance on a single product and the inability to compete with better capitalized companies with more experienced managers.

Granite may also invest a portion of its Clients' portfolios in bonds or other fixed income securities, including, without limitation, bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities; commercial paper; and "higher yielding" (and, therefore, higher risk) debt securities. These securities may pay fixed, variable or floating rates of interest, and may include zero coupon obligations. Fixed income securities are subject to the risk of the issuer's inability to meet principal and interest payments on its obligations (*i.e.*, credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (*i.e.*, market risk). It is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and make interest payments and increase the incidence of default for such securities.

Granite may invest for Clients in non-U.S. securities and other assets, which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and non- U.S. issuers and markets are subject. These risks include political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, varying withholding taxes on dividends and interest, high or confiscatory tax levels and limitations on the use or transfer of assets. In addition, enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.

The investments in securities selected by Granite may be illiquid, due to transfer restrictions, the size of an interest held in a particular portfolio company or for other reasons. As a result, it may be necessary to hold these investments for an indefinite period of time. Generally, a less liquid investment bears more risk than a more liquid one. For example, if Granite is unable to liquidate an investment as its value declines, Granite will be unable to limit losses. Similarly, if Granite is unable to liquidate an investment at a time when cash is needed, Granite may miss other investment opportunities or be forced to sell other investments at unfavorable times.

Granite's Private Fund is not registered as investment companies under the Investment Company Act of 1940 (the "1940 Act") and, therefore, will not be entitled to the various protections afforded by the 1940 Act with respect to its investments in underlying securities. Any Client who

subscribes, or proposes to subscribe, for an investment in the fund must be able to bear the risks involved and must meet the Fund's suitability requirements. Some or all alternative investment programs may not be suitable for certain investors. No assurance can be given that the Fund's investment objectives will be achieved. Fund investments are typically speculative and involve a substantial degree of risk. The Fund may engage in other speculative investment practices that may increase the risk of investment loss. For further information regarding the risk factors and conflicts of interest with respect to the fund in which you propose to invest or currently invest, please refer to the Fund's Private Placement Memorandum.

Item 9 – Disciplinary Information

Granite and its Employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a Client's evaluation of Granite or its personnel.

Item 10 – Other Financial Industry Activities and Affiliations

10. A. No Registered Representatives

Granite's management persons are not registered, nor do any management persons have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

10. B. No Other Registrations

Granite's management persons are not registered, nor do any management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

10. C. Material Relationships or Arrangements

Granite serves as both the investment manager and the managing member of Pelicanview Total Return Fund, LLC (the "Private Fund" or "Fund"). These assets are subject to the Fund fees and charges applicable to all Investors in the Fund, as set forth in the Fund's Private Placement Memorandum. There could be a conflict of interest since interests in the Fund may be recommended to qualified clients or prospects. As noted in Item 6, Granite attempts to mitigate potential conflict by aggregating trades and allocating at the average among Client accounts, including the Fund.

10. D. Recommendation of Other Investment Advisers

Granite does not recommend or select other investment advisers for Clients.

Item 11 – Code of Ethics

11. A. Code of Ethics Document

Granite has adopted a Code of Ethics pursuant to SEC rule 204A-1. A basic principle of Granite's Code of Ethics is that the interests of Clients are always placed first. The Code of Ethics includes standards of business conduct requiring covered persons to comply with the federal securities laws and the fiduciary duties an investment adviser owes to its Clients. Granite will provide a copy of its Code of Ethics to any Client or prospective Client upon request.

11. B. Recommendations of Securities and Material Financial Interests

As a matter of policy, Granite does not engage in principal transactions, cross trading or agency cross transactions. Any exceptions to this policy must be approved in advance by the Chief Compliance Officer or his designee.

As noted earlier, Granite serves as managing member of to the Private Fund and there could be a conflict of interest since interests in the Private Fund may be recommended to qualified clients or prospects. As noted in Item 6, Granite attempts to mitigate potential conflict by aggregating trades and allocating at the average among Client accounts.

11. C. Personal Trading

Employees of Granite may own, or enter transactions for their own accounts in the same securities purchased or sold for managed accounts. All Employees must comply with Granite's Code of Ethics (the "Code"), which mandates various prohibitions and remedies to avoid conflicts with transactions in Client accounts. Among other specific actions the Code prohibits:

- Causing a Client's account to take action, or to fail to take action, for personal benefit, rather than to benefit such Client account;
- Using knowledge of portfolio transactions made or contemplated for the benefit of the Client accounts, or causing others to profit by the market effect of such transactions; and
- Disclosing current portfolio transactions made or contemplated for Client accounts as well as any other nonpublic information to anyone outside of Granite.

Under the terms of the Code, Granite's Chief Compliance Officer ("CCO") monitors transactions to ensure adherence to the requirements of the Code. To facilitate monitoring, the Code requires Employees to have their brokers send copies of statements to Granite's CCO. The CCO reviews all trades executed by such Employees. To ensure that Employees observe the requirements established by the Code, each Employee must certify his or her compliance with the Code on an annual basis. Ultimate oversight authority of the Code of Ethics rests with the CCO.

11. D. Timing of Personal Trading

Granite employees may invest in the same securities (or related securities, e.g., warrants, options or futures) that Granite or a related person recommends to Clients. Granite may give advice and

take action in the performance of its duties with respect to any of its Clients which may differ from advice given or the timing or nature of action taken with respect to other Clients. Granite, its Principals or Employees are not required to purchase or sell for any Client any security which it or they may purchase or sell for its or their own account or for the account of any other Client. Further, Granite may sell a security "short" for certain Client accounts which may be held as a long position in other Client accounts.

Item 12 – Brokerage Practices

12. A. Selection of Broker/Dealers

Best Execution and Research

Subject to the foregoing, it is Granite's policy to seek "best execution" (for portfolio transactions. In selecting brokers and dealers for, and in negotiating commissions on agency transactions, Granite considers a number of factors, including but not limited to:

- the nature of the security being traded;
- the size and type of the transaction;
- the nature and character of the markets for the security to be purchased or sold;
- the desired timing of the trade;
- the activity existing and expected in the market for the particular security;
- confidentiality;
- the quality of the execution, clearance and settlement services;
- financial stability of the broker or dealer; and
- the existence of actual or apparent operational problems of any broker or dealer.

In certain instances, Granite may also consider the following factors:

- rebates of commissions by a broker to a fund or other managed account or to a third party service provider of the fund or other managed account to pay a fund or account expenses, other than for distribution; and
- research products or services provided.

Research and Other Soft Dollar Benefits

In recognition of the value of the foregoing factors, Granite may place portfolio transactions with a broker or dealer with whom it has negotiated a commission that is in excess of the commission another broker or dealer would have charged for effecting that transaction if Granite determines in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research provided by such broker or dealer viewed in terms of either that particular transaction or the overall responsibilities of Granite.

Research provided may include:

- furnishing advice, either directly or through publications or writings, as to the value of securities, the advisability of purchasing or selling specific securities and the availability of securities, or purchasers or sellers of securities;
- furnishing seminars, information analyses and reports concerning issuers, industries, securities, trading ,markets and methods, legislative developments, changes in accounting practices, economic factors and trends and portfolio strategy;
- access to research analysts, corporate management personnel, industry experts, economists and government officials;
- comparative performance evaluation and technical measurement services and quotation services;
- products and other services (such as third party publications, reports and analyses, and computer and electronic access, equipment , software, information and accessories that deliver, process or otherwise utilize information, including the research described above) that assists Granite in carrying out its responsibilities; and
- on-line trading systems that facilitate trade execution, which the applicant believes, constitute “brokerage services.”

Research received from brokers or dealers is supplemental to Granite’s own research efforts.

If Granite determines that any product or service provided by a broker or dealer has a mixed use, such that it (i) assists in the investment decision-making process or is incidental to effecting securities transactions and (ii) serves other functions, Granite may allocate the costs of such services or product accordingly. The portion of the product or service that Granite determines will assist it in the investment decision-making process may be paid for in brokerage dollars. The CCO will make a good faith determination with respect to the portion of the services allocable to “research or brokerage services” using an appropriate methodology in its discretion.

Granite may receive a benefit from the research services and products that is not passed on to the Client in the form of a direct monetary benefit. Further, research services and products may be useful to Granite in providing investment advice to any of the Clients it advises, including fixed income accounts. Likewise, information made available to Granite from brokerage firms effecting securities transactions for a Client may be utilized on behalf of another Client. Thus, there may be no correlation between the amount of brokerage commissions generated by a particular Client and the indirect benefits received by that Client.

For particular Clients, due to the size of the account and its investment objectives, Granite may suggest the use of mutual funds to obtain proper diversification. In such instances, where the Client has no preferred source for mutual funds, Granite may provide information regarding brokers providing low or no transaction fee purchases and sales for multiple families of no-load and load mutual funds. Granite is not compensated by such brokers or the mutual fund. However, Granite may receive research services provided by such brokers from proprietary or third-party sources and software to facilitate Client trading and reporting.

Granite has an internal procedure for allocating transactions in a manner consistent with its execution policy to brokers that it has identified as providing better execution and research, research-related products or services of a particular benefit to its Clients.

Granite's Trading Policies and use of commissions are overseen by the CCO.

Brokerage for Client Referrals

Granite does not maintain any referral arrangement with broker-dealers.

Directed Brokerage

When a Client for whom Granite provides discretionary investment management services requests or instructs in writing Granite to direct securities transactions for its account to a specified broker-dealer, Granite will treat the Client direction as a decision by the Client to retain, the discretion that Granite would otherwise have in selecting the broker-dealers to execute transactions and negotiate commissions for the Client's account. Granite will attempt to effect such transactions in a manner consistent with its policy of seeking best execution and price on each transaction. However, due to a Client's direction, there may be occasions where it is unable to do so, in which case Granite will continue to comply with the Client's instructions on the foregoing basis.

Trades for a Client that has directed use of a particular broker or dealer, including Clients participating in a wrap fee program, are rotated in random order throughout trading day, but may be placed at the end of aggregated trading activity for a particular security. A Client making such a direction also should understand that it may lose the possible advantage that non-directing Clients derive from aggregation of orders for several Clients as a single transaction for the purchase or sale of a particular security because the Client-directed trades may be excluded from other aggregated orders. However, when possible and the trading desk deems appropriate and practical, and there is a perceived benefit from doing so, Granite may include in aggregate orders transactions for Clients that have made such a direction. In some cases, the executing broker will transfer ("step out") the directing Client's portion of the aggregated order to the broker selected by the Client. In addition, directed brokerage arrangements often result in higher commissions or less favorable execution on some transactions at least in part because the directed broker may maintain a higher commission schedule or provide less favorable service.

In evaluating the wrap-fee arrangement, a Client should recognize that brokerage commissions for the execution of transactions in the Client's account are generally not negotiated by Granite. Transactions are generally effected "net of" (i.e., without) commissions. A portion of the wrap-fee is generally considered as being in lieu of brokerage commissions. Granite will generally execute transactions for wrap-fee clients through the Program Sponsor. It has been Granite's experience that Program Sponsors generally provide best execution for wrap fee program clients' transactions in equity listed securities and over-the-counter securities. Considerations in selecting broker-dealers other than the Program Sponsor (if and when the need should arise) include the ability of the Program Sponsor to provide best execution on equity and fixed income transactions. In addition to selecting broker dealers other than the Program Sponsor, from time to time Granite may execute transactions for wrap-fee clients on a "step-out" basis in order to seek to achieve best execution. In such cases, the commission would be included in the wrap-fee paid by the Client.

A wrap-fee client should also recognize that services similar or comparable to those provided to the Client may be available at a higher or lower aggregate cost elsewhere on an unbundled basis. For example, while Granite's compensation pursuant to a wrap-fee program may be lower than Granite's standard fee schedule, the overall cost to a wrap-fee client may be higher than the Client might otherwise experience by paying Granite's standard fee and negotiating transaction charges with a broker-dealer payable on a per-transaction basis, depending on the extent to which securities transactions are initiated by Granite for the Client during the period covered by the wrap-fee program. On the other hand, most wrap-fee Clients would not meet Granite's minimum account size requirements and therefore could not become separate account Clients of Granite.

12. B. Aggregation of Orders

Granite's Trading Policies (the "Policies") mandate that each portfolio manager should strive for fair and equitable distribution of securities trades among accounts within a specific strategy or within similar strategies, and provide for aggregation of multiple orders for the purchase or sale of the same security in order to realize certain efficiencies and/or economies of scale. Generally, Granite selects brokers on their perceived ability to obtain best execution as described above. This is done in an attempt to provide for fair and equitable distribution of investment opportunities among investment Clients.

Granite may aggregate the securities to be purchased or sold if it is determined to be in the best interest of more than one of its Clients and to obtain favorable execution and/or lower brokerage commissions. Granite will allocate securities so purchased or sold, as well as the expense incurred in the transaction, in the manner that it considers to be equitable and consistent with its fiduciary obligations to its Clients. Clients may not always receive a pro-rata allocation of the aggregated order in instances where the aggregated order is partially filled or executed. In such instances, Client may not receive any allocation if the pro-rata allocation is less than a de minimis amount or because Granite has used another equitable method for allocation of the aggregated order. In certain instances, individuals participating in aggregated orders may be charged minimum transaction fees from the executing broker/dealers.

IPOs

Granite may purchase securities sold in underwritten public offerings (commonly referred to as "deal securities" or "IPO(s)") for Client accounts. In the event Granite participates in IPOs, the Company will seek to allocate IPOs in a manner that is fair to all Clients.

Granite's participation in IPO's is a research driven process, assessed by the individual Portfolio Manager, and based on the suitability of the asset within the context of the portfolio strategy. The Portfolio Manager will seek to establish a pre-allocation that is fair in light of each account's size, diversification, cash availability, eligibility to participate, investment objectives, and any other relevant factors. Eligible accounts within a strategy are included. Client accounts that are subject to a directed brokerage arrangement are typically unable to participate in allocations from initial public offerings.

Once the trading desk receives confirmation of how many shares of the IPO Granite has been allocated by the syndicate, those shares are pre-allocated on a pro-rata basis across all of the participating accounts. De minimis deviations from the pre-allocation are permitted in the interest of placing round lots in Client accounts. The CCO oversees the review of the IPO process on a periodic basis.

Item 13 – Review of Accounts

13. A. Frequency and Nature of Review

All accounts are monitored on a regular basis. Each account is assigned to a portfolio manager based on the objective and strategy of the Client. A senior portfolio manager performs a further review of each account at least monthly. The number of portfolios assigned to a portfolio manager varies based on the size of the portfolios.

13. B. Factors That May Trigger an Account Review Outside of Regular Review

Generally, Client accounts are reviewed as needed depending on factors such as cash flows in or out of the account, changes in Client objectives or restrictions, and changing market conditions.

13. C. Content and Frequency of Reports

Account objectives, investment outlook, portfolio holdings and transactions are reviewed with the Client based on the Client's requested schedule. Each Client receives a periodic report of investment activity, which includes an appraisal, transaction summary and performance review. Other written reports may include Client letters which discuss Granite's strategies or market commentary.

Granite, through the Private Fund's administrator, will generally furnish each Private Fund Investor with quarterly or annual letters that may include the unaudited net asset value or capital account balance of the Investor's interest in the Fund and performance, as applicable.

Item 14 – Client Referrals and Other Compensation

Granite may compensate Employees for soliciting new advisory Clients for Granite. This compensation, which includes cash payments, is paid pursuant to written agreements with Employees. The written agreements may provide for the Employee to continue to receive compensation from Granite pursuant to the solicitation after the Employee's employment agreement with Granite has been terminated. Granite may pay a referral fee to third parties for solicitation of Clients, subject to the terms and conditions of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended. This presents a potential conflict of interest since solicitors have an incentive to recommend Granite because they are being compensated by Granite.

Item 15 – Custody

All Clients' accounts are held in custody by unaffiliated, qualified custodian in an account in the name of the Client. Granite may have the ability to deduct fees from Client accounts, for and is considered to have custody of Client assets.

Account Statements

Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Granite. The custodian of the Client's assets and securities receives a written notice of each transaction following its execution.

Because Granite is the managing member of a Private Fund, Granite is deemed as having custody. The Fund is subject to an annual audit and the audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed to Investors in 120 days of the Fund's fiscal year end.

Item 16 – Investment Discretion

Generally, Granite is retained, with respect to its Client accounts, on a discretionary basis and is authorized to make the following determinations in accordance with the Client's specified investment objectives without Client consultation or consent before a transaction is effected:

- Which securities to buy or sell.
- The total amount of securities to buy or sell.
- The broker or dealer through whom securities are bought or sold.
- The commission rates at which securities transactions for Client accounts are affected.
- The prices at which securities are to be bought or sold, which may include dealer spreads or mark-ups and transaction costs.

Investments for separately managed Client accounts are managed in accordance with each Client's stated investment objectives, strategies restrictions and guidelines. Clients may request that their portfolio be invested in accordance with a tax-sensitive strategy. To achieve this objective, the portfolio will be managed with the unique tax considerations of each Client, including the Client's cost basis, holding period and tax rate. As such returns of such portfolios may differ from those invested in the same or similar strategy.

Investments for the Private Fund are managed in accordance with the fund's investment objective, strategies and restrictions and are not tailored to the individualized needs of any particular investor in the fund. Therefore, fund investors should consider whether the fund meets their investment objectives and risk tolerance prior to investing.

Granite assumes discretion over the account upon execution of the management agreement with the Client.

Item 17 – Voting Client Securities

17. A. Voting Policies and Procedures

Granite votes proxies on behalf of its Clients when authorized to do so. In general, Clients delegate the responsibility of voting proxies to Granite. However, a Client may reserve the authority to vote proxies for itself. When granted proxy voting authority, Granite will vote such securities for the exclusive benefit and in the best economic interest of those Clients and their beneficiaries as determined by Granite in good faith, subject to any restrictions or directions from a Client. Granite will vote proxies it receives from the Custodian and will make a good faith effort to locate proxies if not received. However, Granite may not vote proxies if not received in a timely manner. Such voting responsibilities are exercised in accordance with the applicable provisions of the Investment Advisers Act of 1940, as amended, as well as with Granite's fiduciary duties under applicable law to act in the best interests of its Clients.

Granite has established guidelines by which it votes proxies. While how best to vote a proxy to maximize shareholder value may not be clear or be able to be decided with certainty, the policies are intended to provide guidance so that it acts in a manner it deems to be prudent and diligent and which is intended to enhance the economic value of the Client's assets. Granite may engage the services of specialists to provide recommendations to help in evaluating proxy issues and to aid in the administrative aspects of voting and recordkeeping, and in most cases follows the recommendation of such specialists. A complete copy of Granite's Proxy Policy and guidelines are available upon request. All proxy matters are overseen by the portfolio management team.

Item 18 – Financial Information

18. A. Advance Payment of Fees.

Granite does not require or solicit prepayment of fees from Clients, six months or more in advance.

18. B. Financial Condition

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Granite has no financial commitments that impair its ability to meet contractual commitments and fiduciary commitments to Clients.

18. C. No Bankruptcy Proceedings

Granite has not been the subject of a bankruptcy proceeding.
Granite