

## Form ADV Part 2A: Item 1 – Cover Page

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*This Disclosure Brochure ("Brochure") provides information about the qualifications and business practices of Gridiron Partners, LLC ("Gridiron," or "the Firm"). If you have any questions about the contents of this Brochure, please contact us at 724-759-7848. This Brochure will be filed with the United States Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("Act"). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority.*

*Additional information about Gridiron is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Although we are a registered investment adviser with the SEC, our registration does not imply any level of skill or training. The information and disclosures we provide to you, including the disclosures in this Brochure, is information that you may use as part of your decision to initially hire us or to continue to maintain our existing investment advisory relationship.*

## **Item 2 – Material Changes**

This is the initial version of Gridiron’s Brochure as a SEC registered firm. Our most recent annual amendment was filed in March of 2020. The following changes have been incorporated into this version of the Brochure since our last annual amendment:

- The Firm is switching from state registration to registration with the SEC.
- The Firm is removing any and all affiliations with other investment advisers.

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## Item 4 – Advisory Business

### ***Description of the Firm and its Principals***

Gridiron Partners, LLC (“Gridiron” or “the Firm”) is a Pennsylvania limited liability company established in January 2019 by David Kamin, Managing Partner and Chief Investment Officer, and Michael Schneck, Managing Partner and Chief Compliance Officer. The Firm provides discretionary and non-discretionary investment management services primarily to private separately managed accounts and institutional clients.

### ***Description of Advisory Services***

Gridiron provides discretionary investment management services by acting as adviser to separately managed accounts (SMAs) for large, typically institutional, investors. The advisory services provided are in accordance with the investment strategy, restrictions and limitations included in the advisory agreement between the SMA client and the Firm. The Firm primarily allocates advised assets among exchange-traded funds, individual equity securities, open-end mutual funds, closed-end mutual funds and options on these and other securities in accordance with the investment objectives of the client or fund. These assets are considered assets under management.

The Firm provides non-discretionary advisory services by acting as a signal provider. In the signal provider arrangements, the Firm periodically provides a client with a list of suggested securities for a portfolio but does not execute any of the suggestions. These assets are not considered assets under management.

As of 3/31/2020, the Firm has \$104,404,000 of regulatory assets under management.

## Item 5 – Fees and Compensation

### ***Managed Account Fees (Program Fees):***

The Firm charges an annual fee based upon a percentage of the market value of the assets being managed or overseen by the Firm. For SMAs, the Firm’s annual fee is prorated and charged monthly or quarterly, in arrears, based upon the ending market value of the assets on the last day of that advisory fee period or of the average assets in the account for the relevant period. The Firm calculates its fee for partial periods in accordance with the terms of the advisory agreement, but often on a pro rata basis. Gridiron typically deducts its fee from client accounts either directly or indirectly through the client’s custodian. In situations where the client selects their own custodian, Gridiron will invoice the client instead of deducting the fee from the account.

The Firm’s fee schedule for SMAs varies depending on size, but is generally between 0.50% and 1.50% of the account’s assets under management. Gridiron reserves the right to reduce or waive certain of its fees for certain accounts or clients based on certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, pre-existing client, etc.)

Gridiron provides investment management services to business entities or other “qualified clients” for a performance-based fee. For those clients, the Firm charges its fees based upon a percentage of the market value of the assets being managed by the Firm (“base fee”) in addition to a fee based on the performance of the account (“performance fee”) which generally ranges between 10% and 20%. The specifics of the arrangement will be detailed in each client’s advisory agreement.

### ***Non-Discretionary Services:***

For their Non-Discretionary Services, the Firm charges a fixed monthly fee in arrears due within 30 days receipt of an invoice. The specific fee is negotiated between the client and Gridiron as many factors are considered in calculation, but will generally range between \$10,000 and \$50,000 annually. This agreement can be terminated with a 30-day written notice from either party.

Gridiron’s fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which will be incurred by the client. Clients incur certain charges imposed by the financial institution and other third parties, such as custodial fees, charges imposed directly by registered funds in the client’s account (which are disclosed in the fund’s prospectus), short-term trading 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. The foregoing list is not exhaustive of the fees or charges clients pay. These charges, fees and commissions are exclusive of and in addition to the Firm’s advisory fee. For more information on Gridiron’s brokerage practices, refer to Item 12 – Brokerage Practices.

When a copy of this Brochure Document is not provided to the client at least 48 hours prior to signing an investment advisory agreement with Gridiron, the client has five business days in which to cancel the contract, without penalty.

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

As described above, Gridiron enters into performance-based fee agreements with separately managed accounts that meet the definition of qualified client. A qualified client is defined as the following:

- i) A natural person who, or a company that, immediately after entering into the contract has at least \$1,000,000 under management of the investment adviser; or
- ii) A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering in the contract, has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,100,000 at the time the contract is entered into.

Because Gridiron charges performance-based fees, such fees create an incentive for the Firm to recommend investments which are riskier or more speculative than those which would be recommended under a different fee arrangement. The Firm also recognizes that such fee arrangements create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. To mitigate these potential conflicts, the Chief Compliance Officer carefully monitors trading and allocation of investment opportunities among the Firm's clients.

## Item 7 – Types of Clients

Gridiron provides discretionary investment management services primarily to institutional investors through separately managed accounts and non-discretionary investment management services primarily through model portfolios.

The Firm generally imposes a minimum portfolio value of \$1,000,000 for its discretionary investment management services. Gridiron, in its sole discretion, reserves the right to negotiate or waive its stated account minimum or aggregate the portfolios/accounts of family members to meet the minimum portfolio size.

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

Gridiron's principal investment strategy for both its discretionary and non-discretionary clients is a closed-end fund trading strategy. This strategy is used in products with slightly different focus, such as a focus on certain types of underlying closed end funds. The Firm can invest in other asset classes in addition to those listed below as part of the broad overall strategy.

The Firm currently manages various investment strategies that invest predominately in and trade closed-end funds. Additionally, strategies utilize exchange-traded funds and other investments in implementing the strategies.

- Opportunistic investing in closed-end funds is primarily determined by proprietary software that identifies relative price spreads based off dynamic macro factors.
- Exchange Traded Funds ("ETFs") are typically utilized to acquire asset class exposure.

**Idea Generation:** Gridiron analyzes macro factors which are then utilized to determine our fair value of discount for each closed-end fund sector. Proprietary software is utilized to quantify the fair value of discount for each closed-end fund sector based off of macro factor ranking.

**Fundamental Analysis:** Gridiron attempts 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. The Firm conducts rigorous analysis of each fund's investment strategy and portfolio holdings, reviews historical financial statement analysis (e.g.

leverage, dividend coverage and fund performance), conducts a thorough review of each fund's registration statements and organizational documents and performs investment manager/sponsor due diligence.

**Decision Making:** The Firm compares risk/reward versus existing positions and analyzes impact on portfolio construction and constraints. Investment weightings are based on expected risk-adjusted returns. Gridiron's selling discipline is based on the achievement of the valuation objective, a change in fundamentals or the development of more attractive investment ideas.

***Risks:***

In general, clients need to be aware that investing in securities involves risk of loss that clients should be prepared to bear. The material risks of investing with Gridiron include:

- Closed-End Funds and Exchange Traded Funds ("ETFs") Risks: Clients will incur higher and duplicative expenses when investing in closed-end funds and ETFs. There is also the risk of loss due to the investment practices of the underlying funds (such as the use of derivatives). In addition, one underlying fund may purchase a security that another underlying fund is selling. The ETFs in which the Firm invests are not be able to replicate exactly the performance of the indices they track due to transactions costs and other expenses of the ETFs. The shares of closed-end funds frequently trade at a discount to their net asset value and closed-end funds may not be able to outperform their benchmarks. There can be no assurance that the market discount on shares of any closed-end fund purchased by the Firm will ever decrease, and it is possible that the discount increases.
- Equity Securities Risks: Equity security prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant stock market, or when political or economic events affecting the issuers occur.
- U.S. Government Securities: The SMAs have the right to invest in U.S. Government securities. Generally, these securities include U.S. Treasury obligations and obligations issued or guaranteed by U.S. Government agencies, instrumentalities or sponsored enterprises. These securities are subject to market and interest rate risk.
- Market Risk: Overall stock market risks affect the value of a client's account. Factors such as domestic and foreign economic growth and market conditions, interest rate levels and political events affect the securities markets.
- Recent Market Risks: Recent events in the world have resulted in an unusually high degree of volatility in the financial markets and economy as a whole. Both domestic and international equity and fixed income markets have been experiencing heightened volatility and turmoil, with issuers that have exposure to certain markets particularly affected. It is uncertain how long these conditions will continue.

- Regulatory Risk: Investment management and the securities industry in general are subject to a variety of government rules and regulations. It is possible that regulatory action could impose additional direct or indirect costs on the Firm's management of its products and could limit the strategies Gridiron pursues or adversely impact the desirability of certain investments or the anticipated return on certain investments.
- Cybersecurity Risk: Gridiron relies on computer programs and systems to implement its strategies and to trade, clear and settle securities transactions, to monitor its investment portfolios, and to generate risk management and other reports that are critical to oversight of its activities. These programs or systems are subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses and power failures. Any defects, failures or interruptions could have a material adverse effect on the Firm's activities. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports. This could impact the Firm's ability to monitor its investment portfolios and its investment risks.

## **Item 9 – Disciplinary Information**

Gridiron does not have any legal or disciplinary events to disclose.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Gridiron has no other financial industry activities or affiliations.

## **Item 11 – Code of Ethics; Participation or Interest in Client Transactions and Personal Trading**

Gridiron has adopted a Code of Ethics (the "Code") that sets forth the standards of conduct for its employees and requires compliance with applicable securities laws. The Code contains written policies reasonably designed to prevent the use of material, non-public information by the Firm or any of its covered persons. It requires that all personnel report their personal securities holdings and transactions and obtain pre-clearance of certain investments, report gifts and entertainment, and pre-clear political contributions. Clients may contact Gridiron's CCO to request a copy of the Code of Ethics.

The Firm and its employees have the right to buy or sell securities identical to those recommended to clients consistent with the Firm's policies and procedures. Gridiron and its employees face a conflict of interest when they buy or sell securities at or about the same time that Gridiron buys or sells the same securities for client accounts because the Firm or its employees could take advantage



of information regarding the client transactions and execute their trades prior to the clients (also known as “front running”). The Code of Ethics generally requires employees to pre-clear personal securities transactions to prevent such conflicts.

## **Item 12 – Brokerage Practices**

Subject only to a client’s direction to use a particular broker or dealer for the execution of transactions for that client’s account, factors which the Firm considers in using any broker-dealer include the broker’s financial strength, reputation, execution, pricing and service.

The commissions paid by the Firm’s clients will comply with Gridiron’s duty to seek “best execution”. However, a client will pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction where the Firm determines, in good faith, that the commission is reasonable in relation to the value of the brokerage services received. In seeking the best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among others, execution capability, commission rates and responsiveness. Consistent with the foregoing, while the Firm will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client transactions.

Clients are permitted to direct brokerage or use a brokerage firm other than Gridiron’s preferred brokers to execute and clear their trades. However, Gridiron will not be able to obtain best execution through such other brokerage firms, and clients will potentially pay higher commissions or receive differing execution prices because customer orders are not always able to be aggregated to reduce transaction costs or average trading prices.

The term “soft dollars” refers to an arrangement whereby advisers receive research or brokerage services from broker-dealers in exchange for executing trades through that broker. Soft dollars provide lawful and appropriate assistance in the adviser’s investment decision-making process, and do not impact the obligation of advisers and broker-dealers to achieve best execution with respect to price, cost, speed of execution, and market impact.

Gridiron will have a soft dollar arrangement in place with Weeden Prime Services. Various support services and/or products which will assist Gridiron in monitoring and servicing client accounts will be provided by Weeden or from other third parties compensated by Weeden. These support services include investment research, pricing information and market data, software and other technology that provides access to client account data, compliance and/or financial publications, computer software and other products and services used by Gridiron in connection with its investment advisory business. In determining whether it is appropriate for the Firm to use soft dollars to pay for these services, Gridiron:

- Determines whether the product or service is eligible “research” or “brokerage” under Section 28(e);

- Determines whether the eligible product or service is used by the Firm in the performance of investment decision-making responsibilities for discretionary client accounts;
- Makes a reasonable allocation of the costs for any “mixed use” products or services; and,
- Makes a good faith determination that the amount of commission paid is reasonable considering the value of the product or service provided.

Research services furnished by broker-dealers through whom the Firm effects securities transactions may not be used by the Firm in servicing all its accounts. When a broker-dealer provides the Firm with research services, the Firm receives a benefit because it does not have to produce or pay for the research. The Firm has an incentive to select a broker-dealer based on its interest in receiving research, rather than on its clients’ interest in receiving most favorable execution.

When the Firm deems the purchase and/or sale of a security to be in the best interest of more than one client, Gridiron aggregates the securities to be purchased or sold for one client with those to be purchased or sold for such other clients in order to obtain best qualitative execution. In such event, allocation of the securities purchased or sold, as well as the expenses incurred in the transaction, will be made by the Firm in an equitable manner, consistent with its fiduciary duty to participating clients and in accordance with the clients’ investment objectives. Due to the use of different broker/dealers for trading activity, clients may receive different execution prices for the same securities traded on the same day.

However, Gridiron advises many clients and makes investments in clients’ accounts (including those which pay performance-based fees) which are the same or different as other clients’ accounts. Actions with respect to the same securities can be the same or different depending on the client and their unique investment strategies and goals.

The Firm receives benefits from Qualified Custodians and/or broker-dealers, without cost, such as computer software and related systems support. These items allow Gridiron to better monitor client accounts. Gridiron receives the software and related support without cost because the Firm renders investment management services to clients that, in aggregate, maintain certain levels of assets with that custodian or broker-dealer.

Specifically, Gridiron receives the following benefits from the Qualified Custodians and/or broker/dealers: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services advisors; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

## **Item 13 – Review of Accounts**

The Firm monitors client portfolios as part of an ongoing process. Gridiron reviews accounts for compliance with the client's risk tolerance and investment objective, and based on that review, determines whether to rebalance the account. Such reviews are supervised by one of the Firm's principals and overseen by the Chief Investment Officer.

Monthly or quarterly, depending on the custodian, clients will receive account statements directly from their custodian. These statements list the portfolio transactions in the account during such period, including all contributions and withdrawals, all fees and expenses charged to the account and the value of the account at the beginning and end of the period. At least annually, clients will receive a customized written report evaluating Gridiron's investment performance relating to their account. Clients should compare the annual statement with the corresponding custodian account statements.

## **Item 14 – Client Referrals and Other Compensation**

Gridiron currently does not have arrangements in which it is paid cash by or receives some direct or indirect economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. The Firm reserves the right to enter into such arrangements in the future.

Gridiron does not have arrangements in which it directly or indirectly compensates any person for client referrals.

## **Item 15 – Custody**

Gridiron does not have physical custody over client funds or securities in any of the Programs. However, for purposes of the Investment Advisers Act of 1940 (the "Advisers Act"), the Firm is deemed to have custody of client assets when it has authorization to deduct client fees directly from the client account. Consistent with the requirements under the Advisers Act, client assets are held in accounts maintained with custodians that qualify as "qualified custodians". Qualified custodians are banks, registered broker-dealers, registered futures commission merchants and foreign financial institutions that hold customer assets in separate customer accounts.

Clients will receive account statements directly from their independent qualified custodian. Clients should carefully review these account statements. At least annually, the Firm will provide a customized written report evaluating the investment performance regarding each client account.

Clients should compare the annual statement and any other statement received from Gridiron with the corresponding account statements received from the custodian.

## **Item 16 – Investment Discretion**

Gridiron accepts discretionary authority to manage securities on behalf of clients pursuant to an investment advisory agreement in which the client appoints the Firm as its agent and attorney-in-fact with full investment power and authority on behalf of the client's account. Clients have the right to place limitations on this authority, including restricting purchases of certain issuers. This discretion does not extend to the arrangements where the Firm simply provides model portfolios to clients.

## **Item 17 – Voting Client Securities**

Gridiron generally does not have the authority to vote proxies for client's securities. Proxies will be mailed to the client's address of record by the company soliciting the proxy. It is the responsibility of the client to vote the proxy, if desired.

However, Gridiron has been delegated the authority to vote proxies for certain clients. Clients must direct Gridiron in writing to vote proxies.

Gridiron requires proxy voting guidelines from its clients and votes proxies in accordance with these guidelines.

If we have been contracted to vote proxies on your behalf, you may obtain information on how proxies were voted for your account as well as copies of your current guidelines by requesting this information from us at the address and phone number listed on the cover page of this Brochure.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. Gridiron does not require or solicit prepayment of fees more than six months in advance. Additionally, Gridiron has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.