

**FORM ADV PART 2A
DISCLOSURE BROCHURE**



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This brochure provides information about the qualifications and business practices of Granite Financial Group, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 262-792-1111. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Granite Financial Group, LLC (CRD #168675) is available on the SEC's website at www.adviserinfo.sec.gov

**FEBRUARY 4,
2021**

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

This update is in accordance with the required annual update for Registered Investment Advisors. Since the last filing of this brochure on January 29, 2020, the following material changes have been made:

- Item 4 has been updated to reflect a current assets under management calculation.
-

Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

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Item 4: Advisory Business

Firm Description

Granite Financial Group, LLC dba Granite Financial Group (“GFG”) was founded in 2013. The firm is owned by Ellen M. Duhamel – 50% and Thomas J. Dornoff – 50%.

Types of Advisory Services

ASSET MANAGEMENT

GFG offers discretionary asset management services to advisory Clients on the following platforms as described below and in Item 5. GFG will offer Clients ongoing asset management services after determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize GFG discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

GFG also offers discretionary asset management services through the Granite Financial Group Wrap Program. For more information on this program please see Appendix 1 of this brochure.

LPL Platform

GFG offers advisory services through certain programs sponsored by LPL Financial (LPL), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to GFG. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL program documents.

GFG receives compensation as a result of a client’s participation in an LPL 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 GFG would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

Optimum Market Portfolios Program (OMP)

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, the client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. GFG will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. GFG will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client’s investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

Personal Wealth Portfolios Program (PWP)

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. GFG will have discretion for selecting the asset allocation model portfolio based on client's investment objective. GFG will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

Model Wealth Portfolios Program (MWP)

MWP offers clients a professionally managed mutual fund asset allocation program. GFG will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. GFG will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected. The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts. MWP makes available model portfolios designed by strategists other than LPL's Research Department. As a result, GFG will have discretion to choose among the available models designed by LPL and outside strategists.

Manager Access Select Program (MAS)

MAS provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. We will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL Financial. The Portfolio Manager manages client's assets on a discretionary basis. We will provide initial and ongoing assistance regarding the Portfolio Manager selection process. A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

ERISA PLAN SERVICES

GFG provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans.

Limited Scope ERISA 3(21) Fiduciary. GFG may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor GFG has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using GFG can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment

policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options. GFG acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).

- Assist the Client in the development of an investment policy statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands GFG’s assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor’s definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, GFG is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

GFG may provide these services or, alternatively, may arrange for the Plan’s other providers to offer these services, as agreed upon between Advisor and Client.

3. GFG has no responsibility to provide services related to the following types of assets (“Excluded Assets”):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or

- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to GFG on the ERISA Agreement. Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

FINANCIAL PLANNING AND CONSULTING

If financial planning services are applicable, a thorough review of all applicable topics including but not limited to, Wills, Estate Plans and Trusts, Investments, Taxes, Qualified Plans, Insurance, Retirement Income, Social Security, Legacy Planning and College Planning will be reviewed. If a conflict of interest exists between the interests of GFG and the interests of the Client, the Client is under no obligation to act upon GFG's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through GFG. Financial plans will be completed and delivered inside of sixty (60) days contingent upon timely delivery of all required documentation.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written Client consent.

Wrap Fee Programs

GFG sponsors the Granite Financial Group Wrap Fee Program. For more information on this program please see Appendix 1 of this brochure.

Client Assets under Management

As-of December 31, 2020, GFG has \$145,536,129 in discretionary assets under management and no non-discretionary assets under management.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule

ASSET MANAGEMENT

GFG offers discretionary direct asset management services to advisory Clients on the following platforms as described below. GFG also offers discretionary asset management services through the Granite Financial Group Wrap Program. For more information on this program please see Appendix 1 of this brochure.

LPL Platform

Optimum Market Portfolios Program

Assets Under Management	Annual Fee	Quarterly Fee
\$0 - \$500,000	1.40%	0.35%
The next \$500,001 - \$1, 000,000	1.20%	0.30%
The next \$1,000,001 - \$2,500,000	1.00%	0.25%
The next \$2,500,001 - \$5,000,000	0.80%	0.20%
Amounts over \$5,000,000	0.60%	0.15%

Personal Wealth Portfolios Program

Assets Under Management	Annual Fee	Quarterly Fee
\$0 - \$500,000	1.40%	0.35%
The next \$500,001 - \$1, 000,000	1.20%	0.30%
The next \$1,000,001 - \$2,500,000	1.00%	0.25%
The next \$2,500,001 - \$5,000,000	0.80%	0.20%
Amounts over \$5,000,000	0.60%	0.15%

Model Wealth Portfolios Program (MWP)

Assets Under Management	Annual Fee	Quarterly Fee
\$0 - \$500,000	1.00%	0.250%
The next \$500,001 - \$1, 000,000	0.90%	0.225%
The next \$1,000,001 - \$2,500,000	0.80%	0.200%
The next \$2,500,001 - \$5,000,000	0.70%	0.175%
Amounts over \$5,000,000	0.60%	0.150%

Manager Asset Select Program (MAS)

Assets Under Management	Annual Fee	Quarterly Fee
\$0 - \$500,000	1.40%	0.35%
The next \$500,001 - \$1, 000,000	1.20%	0.30%
The next \$1,000,001 - \$2,500,000	1.00%	0.25%
The next \$2,500,001 - \$5,000,000	0.80%	0.20%
Amounts over \$5,000,000	0.60%	0.15%

These are blended fee schedules; the asset management fee is calculated by applying different rates to different portions of the portfolio. GFG may group certain related Client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

For example, a Client with \$1,000,000 under management in Manager Asset Select Program would pay \$13,000 on an annual basis.

First \$500,000 x .014= \$7,000

Next \$500,000 x .012= \$6,000

The annual fee may be negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. Management fees will be deducted from the client's managed account, upon a signed Account Application Form. The ultimate management fee is indicated on the Account Application Form.

LPL serves as program sponsor, investment adviser and broker-dealer for the LPL advisory programs. Our firm and LPL may share in the account fee and other fees associated with

program accounts. Our firm does not have the authority to instruct LPL Financial to change or deduct fees without written client consent. As a part of your regular monthly statement from LPL Financial the Activity Summary section shows all fees deducted from the clients' accounts.

ERISA PLAN SERVICES

The annual fees are based on the market value of the Included Assets and will not exceed .75%. The annual fee is negotiable and is charged as a percentage of the Included Assets. Fees may be charged quarterly or monthly in arrears or in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets). If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the billing cycle, GFG shall be entitled to a prorated fee based on the number of days during the fee period services were provided or Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation to GFG for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees; however, the Plan Sponsor may elect to pay the fees. Client will have fees deducted from Plan Assets. GFG does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, GFG will disclose this compensation, the services rendered, and the payer of compensation. GFG will offset the compensation against the fees agreed upon under the Agreement.

FINANCIAL PLANNING AND CONSULTING

GFG charges either an hourly fee or fixed fee for financial planning. Prior to the planning process the Client will be provided an estimated plan fee. Services are completed and delivered inside of sixty (60) days contingent upon timely delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to GFG. GFG reserves the right to waive the fee should the Client implement the plan through GFG.

HOURLY FEES

Financial Planning Services are offered based on an hourly fee of \$350 per hour.

FIXED FEES

Financial Planning Services are offered based on a flat fee between \$1,500 and \$10,000.

Fees for financial plans are:

Due upon delivery of the completed plan.

Client Payment of Fees

Investment management fees are billed quarterly in advance, depending on the platform used, meaning that fees are charged to your account either before or after the billing

period. Fees are usually deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans are:

Due upon delivery of the completed plan.

GFG, in its sole discretion, charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transaction fees, postage and handling and miscellaneous fees.

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

GFG does not require any prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Investment management fees are billed quarterly in advance.

Fees for ERISA 3(21) services may be billed in advance.

If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to GFG.

External Compensation for the Sale of Securities to Clients

Ms. Duhamel and Mr. Dornoff receive external compensation for the sale of securities to clients as registered representatives of LPL Financial, a broker-dealer. Approximately 15% of their time is spent in this practice and less than 20% of their total revenue is generated as registered representatives. They will offer clients products from this activity.

This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As registered representatives, Ms. Duhamel and Mr. Dornoff do not charge advisory fees for the services offered through LPL Financial. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative of their choosing.

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

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

GFG does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for GFG to recommend an investment that may carry a higher degree of risk to the Client.

Item 7: Types of Clients

Description

GFG generally provides investment advice to individuals, high net worth individuals, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

GFG may require a minimum to open an account in their wrap fee program for certain investment portfolios. In addition, some platforms used by GFG may require minimums to open accounts with them. In certain instances, the minimum account size may be lowered or waived.

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

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered, without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

In developing a financial plan for a Client, GFG's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client's specific situation.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investment Strategy

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by providing written notice to GFG. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases and short-term purchases.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with GFG:

- *Market Risk:* The prices of securities held by mutual funds, ETFs, individual securities, or bonds in which Clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund, security or ETF can be more volatile than the market as a whole. This volatility affects the value of the Client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller

companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a Client invests in open end mutual funds or ETFs, the Client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which Client invests.
- *Foreign Securities Risk:* Funds in which Clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically, the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally, there is not a high expectation for a return or an increase in value.

Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.

- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

Item 9: Disciplinary Information

Criminal or Civil Actions

GFG and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

GFG and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

GFG and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of GFG or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

GFG is not registered as a broker-dealer, however Ms. Duhamel and Mr. Dornoff are registered representatives of LPL Financial, a FINRA/SIPC broker-dealer.

Futures or Commodity Registration

Neither GFG nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Ms. Duhamel and Mr. Dornoff have financial affiliated business as both a registered representative and insurance agent with LPL Financial. Approximately 15% of their time is spent on these activities. They will offer Clients services from those activities. As a registered representative and/or insurance agent, they may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another registered representative or insurance agent of their choosing.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

GFG does not select or recommend other investment advisors.

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

Code of Ethics Description

The affiliated persons (affiliated persons include employees and/or independent contractors) of GFG have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of GFG affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of GFG. The Code reflects GFG and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

GFG's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of GFG may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

GFG's Code is based on the guiding principle that the interests of the Client are our top priority. GFG's officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

GFG will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

GFG and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

GFG and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide GFG with copies of their brokerage statements.

The Chief Compliance Officer of GFG is Ellen Duhamel. She reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

GFG does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide GFG with copies of their brokerage statements.

The Chief Compliance Officer of GFG is Ellen Duhamel. She reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of the firm receive preferential treatment over associated persons' transactions.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

GFG does not have discretionary authority to determine the broker/dealer to be used or set commission rates for transactions. GFG may recommend the use of a particular broker-dealer. GFG will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. GFG relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by GFG.

- *Directed Brokerage*
GFG does not allow directed brokerage accounts.
- *Best Execution*
Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to affect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.
- *Soft Dollar Arrangements*
GFG does not receive soft dollar benefits.

Aggregating Securities Transactions for Client Accounts

GFG is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of GFG. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory**Persons Involved**

Account reviews are performed quarterly by the Chief Compliance Officer of GFG. Account reviews are performed more frequently when market conditions dictate. Reviews of Client accounts include, but are not limited to, a review of Client documented risk tolerance, adherence to account objectives, investment time horizon, and suitability criteria, reviewing target bans of each asset class to identify if there is an opportunity for rebalancing, and reviewing accounts for tax loss harvesting opportunities.

Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement, GFG suggests updating at least annually.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

Content of Client Provided Reports and Frequency

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by GFG's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

Item 14: Client Referrals and Other Compensation

Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Ms. Duhamel and Mr. Dornoff receive external compensation for the sale of securities to Clients as a registered representatives of LPL Financial, a broker-dealer.

Advisory Firm Payments for Client Referrals

GFG does not compensate for Client referrals.

Item 15: Custody

Account Statements

All assets are held at a qualified custodian, which means the custodian provides account statements directly to Clients at their address of record or via electronic delivery with Client consent at least quarterly. Clients are urged to compare the account statements received directly from the custodian to the performance report prepared by GFG. Clients are urged to report any discrepancies to GFG.

GFG is deemed to have constructive custody because advisory fees are directly deducted from Client's account by the custodian on behalf of GFG and due to its third-party money movement authority. GFG and its qualified custodian meet the following seven (7) conditions in order to avoid maintaining full custody:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The Client authorizes GFG, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization, and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. GFG has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. GFG maintains records showing that the third party is not a related party of GFG or located at the same address as GFG.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by GFG.

GFG is deemed to have constructive custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of GFG.

Item 16: Investment Discretion

Discretionary Authority for Trading

GFG requires discretionary authority to manage securities accounts on behalf of Clients. GFG has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

GFG allows Client's to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to GFG in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. GFG does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

Item 17: Voting Client Securities

Proxy Votes

Granite Financial Group, LLC dba Granite Financial Group ("GFG") will vote proxies on behalf of a client if, in its investment advisory agreement ("IAA") with GFG, the client has delegated to GFG the authority to vote proxies on its behalf. GFG has adopted and implemented these policies and procedures ("Proxy Voting Procedures") to ensure that, where it has voting authority, proxy matters are handled in the best interest of clients, in accordance with GFG's fiduciary duties and SEC rule 206(4)-6 under the Investment Advisers Act of 1940. In addition to SEC requirements governing advisers, its Proxy Voting Procedures reflect the long-standing fiduciary standards and responsibilities for ERISA accounts set out in Department of Labor Bulletin 94-2, 29 C.F.R. 2509.94-2 (July 29, 1994).

GFG utilizes the services of a third party Proxy Voting Service to administer the vote on proxies for those accounts for which GFG has voting authority. The Proxy Voting Service has a copy of GFG's Proxy Voting Guidelines and votes on each proxy based on GFG's Proxy Voting Guidelines. GFG generally follows its Proxy Voting Guidelines unless GFG determines that the client's best interests are served by voting otherwise.

The following policies will apply when voting proxies on behalf of accounts for which GFG has voting authority.

Client's Best Interest. GFG's Proxy Voting Procedures are designed and implemented in a way that is reasonably expected to ensure that proxy matters are conducted in the best interest of clients. When considering the best interest of clients, GFG has determined that this means the best investment interest of its clients as shareholders of the issuer. GFG has established its Procedures to assist it in making its proxy voting decisions with a view to enhancing the value of its clients' interests in an issuer over the period during which it expects its clients to hold their investments. GFG will vote against proposals that it believes could adversely impact the current or potential market value of the issuer's securities during the expected holding period.

Client Proxy Voting Policies. Rather than delegating proxy voting authority to GFG, a client may (1) retain the authority to vote proxies on securities in its account, (2) delegate voting authority to another party or (3) instruct GFG to vote proxies according to a policy that differs from that of GFG. GFG will honor any of these instructions if the client includes the instruction in writing in its IAA or in a written instruction from a person authorized under the IAA to give such instructions. If GFG incurs additional costs or expenses in following any such instruction, GFG may request payment of such additional costs or expenses from the client.

Stated Policies. These policies identify issues where GFG will (1) generally vote in favor of a proposal – FOR; (2) generally vote against a proposal – AGAINST; (3) specifically consider its vote for or against a proposal – Case By Case (CBC). However, these policies are

guidelines and each vote may be cast differently than the stated policy, taking into consideration all relevant facts and circumstances at the time of the vote.

Abstain from Voting. Our policy is to vote on issues and not to abstain from voting on issues presented unless the client's best interest requires abstention. This may occur from time to time, for example, where the impact of the expected costs involved in voting exceeds the expected benefits of the vote such as where foreign corporations follow share blocking practices or where proxy material is not available in English.

Oversight. All issues presented for shareholder vote will be considered under the oversight of GFG's Proxy Voting Designee. All non-routine issues will be directly considered by the Proxy Voting Designee and, when necessary, the equity analyst following the company and/or the portfolio manager of an account holding the security, and will be voted in the best investment interests of the client. All routine for and against issues will be voted according to GFG's policy approved by GFG's Proxy Voting Designee unless special factors require that they be considered by GFG's CCO and, when necessary, the equity analyst following the company and/or the portfolio manager of an account holding the security. GFG's Proxy Voting Designee has established these routine policies in what it believes are the client's best interests.

Availability of Procedures. Upon request, GFG provides clients with a copy of its Proxy Voting Guidelines, as updated from time to time.

Disclosure of Vote. Upon request, a client can obtain information from GFG on how its proxies were voted. Any client interested in obtaining this information can request a copy from their GFG representative.

GFG has established several policies to ensure that proxy votes are voted in its clients' best interest and are not affected by any conflicts of interest. All conflicts are mitigated by the fact that GFG has a fiduciary responsibility to act in the best interest of its clients. Clients are not required to authorize GFG to vote proxies on their behalf.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because GFG does not serve as a custodian for Client funds or securities and GFG does not require prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

GFG has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

Bankruptcy Petitions during the Past Ten Years

GFG has not had any bankruptcy petitions in the last ten years.