

Granite Investment Advisors, LLC is registered with the Securities and Exchange Commission as an Investment Advisor. It is important to understand that brokerage and investment advisory services and fees differ and that it is important for the retail investor to understand the differences. There are free and simple tools available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

Granite offers Investment Management Services for separate accounts, Financial Planning services, and Sub Advisory services to two custodians. Granite builds and manages customized investment portfolios for individuals, corporations and non-profit institutions using these strategies; Large Cap Value, Core Growth, Dividend Growth, ETF, Multi Asset and Fixed Income. We do not have any limited investment offerings or proprietary products. More details about these offerings can be found in our ADV Part 2A, Item 8.

Investment Authority: Granite is an investment advisor that manages client portfolios on a discretionary basis. Discretionary means that upon signing a contract with Granite, clients give us the authority to execute trades (buys and sells) of securities on their behalf.

Monitoring: Granite monitors all the securities in our products. Account reviews happen as investments are made in new positions and in other ways on a regular basis. This is included as part of the services we provide and there is no additional fee charged for these services. For additional information about how we review accounts please see our ADV Part 2A, Item 13.

Account Minimums and Other Requirements: Generally, a minimum investment of \$1,000,000 for individual stock strategies is required. For ETF strategies the minimum investment is \$75,000. The acceptance of a client below this minimum will be determined by a number of factors including but not limited to: client's assets available for management, choice of custodian, expected level of service, preexisting account relationships, and minimum account fees.

Retail investors should ask their financial professionals the following questions:

Given my financial situation, should I choose an investment advisory service? Why or Why not?

How will you choose investments to recommend to me?

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fee will I pay?

Fees payable by the **clients** for the services of Granite shall be calculated on the assessed market value of all assets and are billed quarterly. Fees are payable in advance. Clients can either pay directly or authorize Granite to have the fees debited directly from their account with their custodian (broker/bank). You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Investment Management Services Fees:

- First \$500,000 – 120 basis points (1.20% annually)
- Next \$1.5 million – 100 basis points (1.00% annually)
- Balance over \$2 million – 75 basis points (0.75% annually)

Sample fee calculation:

Your market value is **\$1,000,000**, your quarterly fee would be **\$2,750**

$$\$500,000 * 1.20\% = \$6,000$$

$$\$500,000 * 1.00\% = + \$5,000$$

$$\$11,000 \text{ annually divided by } 4 = \$2,750/\text{quarter}$$

Financial Planning Fees - For all current GIA clients the Simple financial plan is included at no fee. The Comprehensive financial plan fee is \$750, but will be waived for clients with invested assets above \$500,000.

Granite's fees do not include brokerage commission or other fees or charges associated with securities transactions implemented with or through a brokerage firm, markups or mark-downs in principal transactions, deferred sales charges, stock exchange fees, wire transfer or related processing fees, transfer taxes or other charges mandated by law or regulation, all of which will be charged to the Client in addition to our fee. Granite does not receive any portion of these fees but may receive research services, see our ADV Part 2A, Item 12.

Retail investors should ask their financial professionals the following questions:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflict of interest do you have?

When we act as your investment adviser, we have to act in your best interest and do not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

We receive an economic benefit from Schwab and Fidelity in the form of services and support made available to us and other independent investment advisers whose clients maintain their accounts at Schwab and Fidelity. These services, how they benefit us, and the related conflicts of interest are described in our ADV Part 2A, Item 12.

Retail investors should ask their financial professionals the following question:

How might conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Financial professionals are paid a salary and may receive a discretionary bonus. This compensation may be based on existing client satisfaction, new business, or referrals. Any payments made are paid directly by Granite and will not result in any increased fees or charges to the client.

Do you or your financial professionals have legal or disciplinary history?

Yes. In May 2011, Granite discovered that we were deficient in the NH State registration process and resulted in two representatives not being licensed properly in the state. The firm reported the oversight to the State of NH, was fined for the incomplete registration, and settled the consent order promptly by paying the assessed fine.

You can use [Investor.gov/CRS](https://www.investor.gov/crs), a free and simple search tool to research our firm and our financial professionals.

Retail investors should ask their financial professionals the following question:

As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

For more information about Granite please contact us at 800-851-8431 or visit graniteinvestmentadvisors.com, [Investor.gov/CRS](https://www.investor.gov/crs), [LinkedIn](#), our [Facebook](#) page, or our other social media sites.

To request copies of our ADV parts 1, 2A, and 2B or an updated copy of the Form CRS please reach out to us at 800-851-8431.

Retail investors should ask their financial professionals the following question:

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?