

Firm

QUARTERLY FACT SHEET

September 30, 2022

Assets*	\$3,673 MM
Employee Ownership	100%
Avg Years Inv Experience	26
Inception	2009
Location	Los Angeles, CA

Granite Micro Cap Equity

Assets*	\$2 MM
Turnover (12 months)	112%
Cash	1.16%
Benchmark	Russell Microcap®
Inception	January 1, 2004

Portfolio Management & Experience

Lead Portfolio Manager

Jeffrey J. Hoo, CFA Principal, Portfolio Manager	25 Years
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Co-Portfolio Managers/Analysts

Pankaj R. Chandak, CFA Principal, Portfolio Manager	10 Years
Joshua D. Shaskan, CFA Principal, Portfolio Manager	28 Years
Peter O. Lopez Principal, Portfolio Manager	29 Years
Emerson T. Whitley, CFA Principal, Research Analyst	18 Years
Jeanne S. Wong, CFA Principal, Research Analyst	21 Years
Andrew Magill, CFA Research Analyst	6 Years

Supporting Team

Geoffrey I. Edelstein, CFA Principal, Portfolio Manager	30 Years
Edward S. Han Principal, Portfolio Manager	29 Years
Gary U. Rolle, CFA Principal, Portfolio Manager	56 Years
Erik U. Rolle Principal, Portfolio Manager	20 Years
Solmaz Emami, CFA Principal, Trader, Research Analyst	18 Years

OBJECTIVE & PORTFOLIO STRUCTURE

To consistently outperform the Russell Microcap Index over a full market cycle (typically 3-5 years) with less than commensurate risk.

Granite's Micro Cap Equity philosophy is both a fundamental and a research driven approach to investing in a concentrated portfolio of companies that offer distinct and sustainable competitive advantages over their peers. Granite is devoted to finding companies with strong management teams and superior business models that can also benefit from catalysts expected to drive gains in discretionary free cash flow, revenue, earnings and returns on invested capital. This accounts for 25-75% of the portfolio holdings. The balance of the portfolio is comprised of special situations that are unique to micro cap companies under \$500M in market capitalization. These special situations include: companies without sell side coverage, delisted securities, companies selling under \$1/share, companies requiring recapitalization and companies that come public via either a SPAC or a reverse merger process. In many cases these companies have improving fundamentals and are below their intrinsic values.

- **Bottom-Up Research Process:** An independent fundamental, research-driven process to identify unique companies that demonstrate:

- superior company management performance
- sustainable business models
- accelerating free cash flow driven by long-term catalysts

- **Concentrated:** Typically 60-90 stocks
- **Diversified:** Broad diversification across industries and sectors
- **Turnover:** Historical average annual turnover between 60-75%
- **Fully Invested:** Typically not greater than 5% cash; Maximum 10%

FUNDAMENTAL RESEARCH FOCUS

Original research is the core of Granite's investment process.

Every portfolio manager, regardless of tenure and experience, is an analyst first and foremost.

Granite believes that value can be added when seeking to identify, at an early stage, catalysts or positive changes affecting a company that the market has yet to discern.

Multiple factors are reviewed and analyzed to identify what Granite believes to be the most compelling investment opportunities.

These fundamental catalysts are often the greatest driver of the growth of revenue and earnings for a company.

Examples of fundamental catalysts include; a new product introduction, application of an emerging technology, a positive change in management, advances in operational efficiencies or a strategic acquisition.

At Granite, this process has been applied **consistently over many years regardless of market conditions.**



September 30, 2022

Supplemental Information

PORTFOLIO SNAPSHOT

Benchmark Index: Russell Microcap®

PORTFOLIO CHARACTERISTICS		
	GRANITE	INDEX
Wtd. Avg. Mkt Cap (\$M)	\$617	\$634
Median Mkt Cap (\$M)	\$518	\$197
P/E (Forward 12 mos)	18.78	9.03
P/E (Trailing 12 mos)	6.25	8.03
Price/Book	2.16	1.38
EPS Growth (3-5 Years)	30.64	14.24
Active Share	93.94	--
# of Securities	74	1,779

TOP 10 HOLDINGS (%)	
Napco Security Technologies, I...	6.69
Agilysys, Inc.	4.60
Richardson Electronics, Ltd.	3.27
Harrow Health, Inc.	2.69
DocGo, Inc.	2.32
Avid Bioservices, Inc.	2.29
Landec Corporation	2.25
EVI Industries, Inc.	2.17
Transcat, Inc.	2.16
Winmark Corporation	2.13

INDUSTRY WEIGHTS (%)		
	GRANITE	INDEX
Basic Materials	1.41	3.36
Consumer Discretionary	9.06	11.07
Consumer Staples	3.85	2.60
Energy	4.59	4.18
Financials	7.43	20.42
Health Care	21.63	30.60
Industrials	26.21	12.16
Real Estate	4.26	3.81
Technology	19.76	8.10
Telecommunications	--	2.50
Utilities	0.63	1.19

The Portfolio Snapshot is based on a representative account and is deemed supplemental and complements the Granite Micro Cap Equity composite and disclosure, which is an integral part of this fact sheet.

GRANITE MICRO CAP EQUITY COMPOSITE PERFORMANCE (%)

CUMULATIVE RETURN			AVERAGE ANNUALIZED RETURN							
	Quarter	YTD		1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS	15 YEARS	INCEPTION
GROSS	4.03	-22.55	GROSS	-22.35	26.86	17.11	14.96	13.21	11.75	13.20
NET	3.75	-23.20	NET	-23.22	25.50	15.85	13.70	11.84	10.30	11.69
INDEX	-0.48	-25.48	INDEX	-27.46	6.86	3.11	7.11	8.37	5.46	6.06

CALENDAR YEAR RETURN

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GROSS	23.59	98.24	11.36	1.26	7.93	11.67	-13.90	-2.08	57.49	20.54	-0.71	55.43	59.11	-46.29	6.98	25.96	3.52	34.68
NET	22.26	96.17	10.16	0.16	6.77	10.45	-15.18	-3.56	55.23	18.77	-2.19	53.19	56.82	-47.14	5.39	24.12	1.98	32.72
INDEX	19.34	20.96	22.43	-13.08	13.17	20.37	-5.16	3.65	45.62	19.75	-9.27	28.89	27.48	-39.78	-8.00	16.54	2.57	14.14

Inception: January 1, 2004; Past performance is not indicative of future results

Granite reserves the right to limit the number of clients or assets invested in the strategy at any time. As such, the strategy may be unavailable to certain new investors. Please contact Granite for further information or for the status on a particular strategy.

Past performance is not indicative of future results. This material is not financial advice or an offer to sell any product. Not every client's account will have these exact characteristics. The actual characteristics with respect to any particular client account will vary based on a number of factors including but not limited to: (i) the size of the account; (ii) investment restrictions applicable to the account, if any; and (iii) market exigencies at the time of investment. Granite reserves the right to modify its current investment strategies and techniques based on changing market dynamics or client needs. The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed may not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions, holdings or sectors discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. Performance provided by the third party sources may vary slightly from that of Granite's composite due to rounding differences.

The holdings identified do not represent all of the securities purchased, sold or recommended. The index has been selected for comparison purposes only. Individual account holdings may differ significantly from the securities in the index, and the volatility of the index may be materially different from individual account performance. You cannot invest directly in an index. Past performance does not guarantee future results.

Weighted Average Market Cap: The weighted average of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a portfolio.

Median Market Cap: The midpoint of market capitalization (market price multiplied by the number of shares outstanding) of the stocks in a representative portfolio. Half the stocks in the representative portfolio will have higher market capitalizations; half will have lower.

P/E: Price to FY1 earnings ratio calculated by dividing the closing price as of the report date by the mean EPS estimate for the next unreported fiscal year (forward 12 mos) or prior fiscal year (trailing 12 mos) as of the report date.

Price/Book: The price-to-book ratio (P/B Ratio) is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share.

EPS Growth (3-5 Years): indicates the long-term forecasted EPS growth of the companies in the representative portfolio, calculated using the weighted average of the available 3-to-5 year forecasted growth rates for each of the stocks in the representative portfolio provided by FactSet estimates.

Active Share: Active Share measures the percentage of equity holdings in a representative portfolio that differ from the index constituents. It is calculated by summing the absolute difference of the weight of each holding in the representative portfolio versus the index and dividing by two. Prices are provided by the FactSet Security Prices library.

Strategy inception date: January 1, 2004. Portfolio characteristics reflect a representative Micro Cap Equity strategy account as of September 30, 2022, and are subject to change without notice. Individual account holdings may vary based on restrictions, substitutions, cash flows and other factors. Firm assets include both assets under management and assets under advisement. Source for portfolio characteristics, holdings and sector weights: FactSet. The characteristics shown may not be representative of any one client's experience and these statistics are not indicative of the adviser's future performance. Granite utilizes best efforts that content provided is compiled or derived from sources believed to be reliable, and accurate, but makes no representations thereof and accepts no liability whatsoever for any loss arising from use or reliance on these contents. This material is deemed supplemental and complements the Micro Cap Equity strategy performance and disclosure detailed below, which are an integral part of this presentation. More information about the adviser, including its investment strategies and objectives, can be obtained by visiting www.granitepartners-ilc.com. A copy of Granite's disclosure statement (Part 2 of Form ADV) is available without charge upon request. Please contact us at info@granitepartners-ilc.com or 310-933-3199 if you would like to receive this information.

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This is not a recommendation to buy or sell a particular security. Please see the performance disclosure at the end for additional information on Granite's Micro Cap Equity composite.

Past performance is not indicative of future results.

September 30, 2022

Period	Total Firm Assets (Millions)	Composite Assets		Periodic Performance Results (%)				Non-fee-paying Assets as % of Composite Assets	3-Year Annualized External Dispersion (%)	
		USD (Millions)	Number of Accounts	Composite Gross	Composite Net	Russell Microcap®	Internal Composite Dispersion		Composite Gross	Russell Microcap®
2022 Q3	2,505	1.1	<5	4.03	3.75	-0.48	-	-	33.42	27.74
2022 Q2	2,646	1.0	<5	-14.44	-14.69	-18.96	-	-	33.38	26.91
2022 Q1	3,198	3.2	<5	-12.99	-13.24	-7.60	-	-	32.57	25.98
2021	3,574	4.2	<5	23.59	22.26	19.34	N/A	-	31.69	25.89
2020	3,093	3.8	<5	98.24	96.17	20.96	N/A	-	32.60	26.66
2019	2,310	0.4	<5	11.36	10.16	22.43	N/A	100%	16.08	16.42
2018	1,558	38.0	<5	1.26	0.16	-13.08	N/A	0%	16.26	17.02
2017	1,795	106.3	<5	7.93	6.77	13.17	N/A	4%	13.23	15.32
2016	1,514	158.6	<5	11.67	10.45	20.37	N/A	0%	14.23	16.84
2015	1,290	133.4	7	-13.90	-15.18	-5.16	0.4	0%	15.26	14.83
2014	1,093	64.5	8	-2.08	-3.56	3.65	N/A	7%	14.57	14.31
2013	767	45.1	6	57.49	55.23	45.62	N/A	10%	18.31	17.09
2012	630	3.4	<5	20.54	18.77	19.75	N/A	100%	23.30	21.20
2011	496	2.8	<5	-0.71	-2.19	-9.27	N/A	100%	27.75	26.09
2010		17.8	<5	55.43	53.19	28.89	N/A	0%	32.25	29.02
2009		11.5	<5	59.11	56.82	27.48	N/A	0%	27.96	25.61
2008		7.3	<5	-46.29	-47.14	-39.78	N/A	0%	21.68	19.98
2007		13.7	<5	6.98	5.39	-8.00	N/A	0%	11.57	13.38
2006		12.9	<5	25.96	24.12	16.54	N/A	0%	14.14	14.66
2005		1.4	<5	3.52	1.98	2.57	N/A	100%	-	-
2004		1.4	<5	34.68	32.72	14.14	N/A	100%	-	-

N/A –Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

Performance Results (%) as of September 30, 2022
(Results for periods greater than 12 months have been annualized)

	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR	INCEPTION
Composite Gross	-22.55	-22.35	26.86	17.11	13.21	13.20
Composite Net	-23.20	-23.22	25.50	15.85	11.84	11.69
Russell Microcap	-25.48	-27.46	6.86	3.11	8.37	6.06

Note: Results presented in the two tables above may, due to rounding, vary by a few basis points from the results presented elsewhere in this presentation.

Micro Cap Equity Composite contains fully discretionary equity accounts that invest in securities with a market capitalization between \$10 and \$800 million at purchase and for comparison purposes is measured against the Russell Microcap® Index. Prior to 2020, the market capitalization was generally between \$10 and \$500 million. Key material risks include the risks that stock prices will decline and that the composite will underperform its benchmark.

Granite Investment Partners, LLC (Granite) is an independent SEC-registered investment advisor that commenced operations on August 1, 2009.

Granite Investment Partners, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Granite Investment Partners, LLC has been independently verified for the period August 31, 2009, through December 31, 2020. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

The Micro Cap Equity Composite, created on April 1, 2011, has an inception date of January 1, 2004.

Performance presented prior to April 1, 2011, was established at Transamerica Investment Management, LLC (TIM) where the composite was known as the Microcap Composite. In 2011, the majority of the senior equity portfolio managers of TIM joined Granite and no material change in personnel responsible for the investment management process occurred. The presentation conforms to the guidelines regarding the portability of investment results.

The Russell Microcap® Index is market-cap weighted and measures the performance of the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. It includes 1000 of the smallest securities in the small-cap Russell 2000® Index based on a combination of their market cap and current index membership and it includes the next 1,000 securities. The benchmark definition and returns have been taken from published sources.

The composite returns presented are time-weighted returns, gross and net of management fees, and reflect the reinvestment of all income. Valuations are computed and performance is reported in U.S. dollars. Composite results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Gross-of-fees returns are presented before management fees and custodial fees but after all trading expenses. Starting October 1, 2019, this composite may include portfolios that pay zero commissions for certain trades (online trading of stocks and ETFs). The zero commissions policy applied to 100% of composite assets as of annual period end 2021, 2020, and 2019. Composite and benchmark returns are presented gross of non-reclaimable withholding taxes. Net-of-fees returns are calculated by deducting a model management fee, 1/12th of the top tier of the fee schedule (1.10%, 1.50% prior to 2016), from the monthly gross composite return.

The current standard management fee schedule for separate accounts in the composite strategy is 1.50% on all assets. Actual fees incurred by clients may vary depending on the applicable fee schedule and the size of the account.

Beginning January 1, 2011, the minimum account size for this composite is \$50,000. From April 1, 2010, through December 31, 2010, the minimum account size for this composite was \$500,000. Prior to April 1, 2010, the minimum account size was \$1 Million.

Prior to April 1, 2010, composite policy required the temporary removal of any portfolio incurring a client-initiated inflow or outflow of at least 10% of portfolio assets. A significant cash flow was defined as "the aggregate of cash, securities or assets that enter or exit a portfolio during a composite calculation period". Prior to January 1, 2008, a significant cash flow was defined as "any single flow of cash, securities or assets that entered or exited a portfolio during a composite calculation period".

The annual internal dispersion measure is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the entire year. It is not statistically meaningful for a composite with five or fewer portfolios (N/A) and is not presented for periods shorter than one year. The external dispersion measure presented is an annualized ex-post standard deviation of a population that measures the variability of the monthly gross-of-fees composite returns and the monthly benchmark returns over a trailing three-year period. External dispersion is not presented prior to the year 2006 because 36 consecutive monthly composite returns are not available.

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request. A list of composite descriptions and pooled fund descriptions for limited distribution pooled funds is available upon request. Past performance is not indicative of future results and individual account performance may vary.