

Item 1 – Cover Page

Hancock Investment Services, Inc.

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Form ADV, Part 2, our “Disclosure Brochure” or “Brochure,” as required by the United States Securities and Exchange Commission and other state securities authorities, is a very important document between Clients (“Client”, “you”, “your”) and Hancock Investment Services, Inc. (“HIS”, “Applicant”, “us”, “we”, “our”). HIS’ IARD firm number is 40637.

This Brochure provides information about the qualifications and business practices of Hancock Investment Services, Inc. If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer, William M. Eden, at (225) 248-7109, facsimile (225) 248-7115, William_Eden@hancockbank.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

We are a registered investment adviser with the United States Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about HIS is available on the SEC’s website at www.adviserinfo.sec.gov (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

There have been no material changes to report since the last filing of our Form ADV Part 2 or “Disclosure Brochure”, dated March 2011. This document was developed in response to new requirements adopted and imposed by the United States Securities and Exchange Commission.

1. In future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Disclosure Brochure on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.
2. We may, at any time, update this Disclosure Brochure and send a copy to you including the summary of material changes, or a summary of material changes that includes an offer to send you a copy (either by electronic means (email) or in hard copy form).
3. If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, William M. Eden, at (225) 248-7109, facsimile (225) 248-7115, or via email at William_Eden@hancockbank.com.

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Item 4 – Advisory Business

Hancock Investment Services, Inc. (HIS, Adviser, us, we, our) is a corporation organized on October 12, 1995 under the laws of the State of Mississippi. Adviser is a wholly owned subsidiary of the Hancock Bank of Mississippi, whose parent company is Hancock Holding Company (“Hancock Bank” or “Bank”), a publicly traded entity, headquartered in Gulfport, Mississippi.

Adviser is registered as an investment adviser with the United States Securities and Exchange Commission (“SEC”) in order to provide the investment advisory products and services described within this document. Adviser also is a broker-dealer registered with the SEC and each state in which it conducts business, and is a member of the Financial Industry Regulatory Authority (“FINRA”). As of December 31, 2011, Adviser provided discretionary advisory services to 1,540 clients with assets under management of approximately \$245.3 million.

Please contact William M. Eden, Chief Compliance Officer, at (225) 248-7109, facsimile (225) 248-7115 if you have any questions about this Brochure. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Individuals associated with us will provide our investment advisory services. To help the client identify which advisory service and/or portfolio would be appropriate, the client will work with one of these individuals who are Adviser’s investment adviser representatives (each a “Representative” or “IAR”). These individuals are appropriately licensed and qualified to provide advisory services on our behalf.

Below is a description of the investment advisory services we offer, including, but not limited to, our basic fee schedules, a description of how fees are charged, whether fees are negotiable, when compensation is payable, refund policies and other applicable information. For more detail on any product or service please reference the advisory agreement or speak with William M. Eden or your Representative.

HANCOCK INVESTMENT SERVICES, INC. ASSET MANAGEMENT ACCOUNT PROGRAM

Adviser provides investment supervisory services on a discretionary basis through the Hancock Investment Services Asset Management Account Program (the “Program”). Adviser offers the Program to individuals, corporations, and other businesses, as more fully described in the written advisory agreement between Adviser and the client. Although the specific terms of each client’s advisory agreement may be somewhat different, and may be individually negotiated by the client, Adviser’s advisory agreements typically include the terms and conditions discussed in this brochure.

CLIENT PARTICIPATION IN THE PROGRAM

Adviser develops for Adviser’s clients a number of model investment portfolios. Although the available model portfolios may change from time to time, currently, the Adviser uses the following model portfolios:

- Guaranteed Fixed Income
- Income
- Income & Growth
- Balanced
- Growth & Income
- Growth
- Aggressive Growth

Generally, the model portfolios will be comprised of investments in one or more of the Hancock Horizon Funds, which are registered, open-end management companies sponsored by Hancock Bank (the “Horizon Funds”). **See below for special disclosure regarding the Horizon Funds.** If suitable for the client, the Adviser and Representative will have discretion to purchase in the account some or all of the following: exchange-listed or over-the-counter common or preferred stocks, government or corporate bonds, closed-end mutual funds, and Exchange Traded Funds (ETFs). Prospective clients should review and understand the risks, potential rewards, fees, and expenses of all investments and funds, including the Horizon Funds before deciding to participate in the Program.

Each portfolio has been constructed to be suitable for clients whose scores on the Firm’s Suitability Questionnaire are within certain ranges. The client will work with one of the Adviser’s Representatives to complete the Adviser’s Suitability Questionnaire, which asks for information regarding the client’s financial situation, investment

objectives, financial goals, tolerance for risk, and investment time horizon, among other characteristics.

Client's Objectives, Financial Situation, and Risk Tolerance

During the initial discussions with the prospective client, the Representative will help the client to understand and complete the Suitability Questionnaire and New Account Form so that they accurately reflect the client's financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon, among other characteristics. The Representative will also answer any questions the client may have about the Adviser, the model portfolios, and how the Program operates.

Client Selection of a Suitable Portfolio; Reasonable Restrictions

Based on these discussions with the Representative, and the score from the Questionnaire, it will be up to the client to select a model portfolio for which the investment objectives, volatility, and asset classes are suitable for the client. At the opening of the account the client will have the opportunity to impose reasonable restrictions on the management of the account. Client will be reminded again in the quarterly notices and during an annual contact with Adviser of the ability to impose or modify reasonable restrictions. Such restrictions may affect the composition and performance of your account. For these reasons, performance of the account may not be identical with our average client or other clients.

Disclosure Document, Advisory Agreement, and Application

The Representative will provide the required disclosure documents, and assist the client with completing the forms required to participate. The disclosure documents and forms will include the Adviser's Form ADV Part 2, an application to establish an account with Adviser's clearing firm, National Financial Services, LLC (the "Qualified Custodian"), and the Adviser's investment advisory agreement. The Representative will forward the completed documents to Adviser.

Rebalancing of Account

Upon receipt of all account documents in proper form and receipt by the Qualified Custodian of the client's funds, Adviser will monitor, invest, and reinvest the client's account so as to reflect the model portfolio the client selects, modified, if necessary, to reflect client's individual needs and circumstances, as described below.

Rebalancing involves the purchase or sale of account assets in such amounts as Adviser deems appropriate to reflect the model portfolio selected by the client. Unless otherwise provided in the advisory agreement or in subsequent instructions from the

client, upon rebalancing, the account will generally reflect the allocation of the model portfolio, modified as provided below. These transactions will be taxable for accounts other than tax-qualified accounts.

With respect to the model portfolios in the Program, Adviser shall determine the percentage that each asset class represents of each model portfolio, and will determine the specific securities which comprise a model portfolio's investment in each asset class. However, the Representative will have the authority and discretion to change the percentage of each asset class, within limits established by Adviser, if needed to meet the individual needs and circumstances of each client. Further, the Representative will have the authority and discretion to change the account's investments within each asset class by selecting replacement or additional securities from eligible investments approved by Adviser to meet the individual needs and circumstances of each client.

Changes in the Client's Circumstances

In the event of any change in the client's personal or financial situation, risk tolerance, or investment objectives, the model portfolio chosen by the client may no longer be appropriate. Clients are advised that if as a result of any such change the selected portfolio is no longer suitable, the client should contact the Representative or the Adviser promptly in order to identify another portfolio that meets the client's needs.

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information disclosed by you. Past performance is in no way an indication of future performance.

Quarterly Notices and Annual Contacts to Discuss Changes in the Client's Situation

At least quarterly, Adviser will notify the client in writing to contact Adviser if there have been changes in the client's personal or financial situation, risk tolerance, or investment objectives. At least annually, the client will also be contacted to determine if there have been any changes in the client's personal or financial situation, risk tolerance, or investment objectives, and if client wishes to impose or modify any reasonable account restrictions.

Contacts with Client Questions

The client's primary contact with respect to the Program and the account will be the Representative. The Representative will be available to answer questions about the administration of the account, and general questions about the Program and model portfolios. If a client has questions which the Representative cannot answer, clients are encouraged to contact the Adviser directly, at the address or telephone number shown

on the front of this brochure. Knowledgeable personnel are available to answer client questions.

Individual Ownership of Account

Client accounts will be titled in the client's name, and the client will have the right, to the same extent as if the account's assets were held in an account outside the Program, to:

- withdraw securities or cash;
- vote securities, or delegate the authority to vote securities to another person;
- be provided in a timely manner with a written confirmation of securities transactions and other documents required by law to be provided to security holders; and
- proceed directly as a securities holder against the issuer of any security in the client's account and not be obligated to join any person involved in the operation of the Program, or any other client of the Program, as a condition precedent to initiating such proceeding.

Discretion over the Account

In the advisory agreement, the client will grant Adviser (including the Representative) full authority and discretion, on client's behalf and at client's risk to buy, sell, retain and exchange investments, and exercise such other powers as Adviser deems appropriate to manage and execute transactions for the client's account so that the account continues to reflect the model portfolio chosen by the client.

Adviser will have full discretion to adjust or change the asset classes which comprise any model portfolio, the percentage which each asset class represents of each model portfolio, and the securities purchased or available for each asset class. Adviser will also have the discretion to invest the client's assets in cash or cash equivalents, and may effect temporary "sweep" transactions of all uninvested cash balances in the client's account to a money market mutual fund (the "Fund"), which may be managed by the Qualified Custodian, an affiliate of the custodian, or an affiliate of the Adviser.

Item 5 – Fees and Compensation

ADVISORY FEES & OTHER EXPENSES

Except as otherwise provided in the advisory agreement, the annual advisory fee for Adviser's services for accounts participating in the Program will be calculated as a percentage of the value of the client's account, according to the schedule below:

	<u>Aggregate Value of the Account</u>	<u>Annual Advisory Fee</u>
First	\$100,000 \$ 1 to \$ 100,000	1.50%
Next	\$150,000 \$ 100,001 to \$ 250,000	1.25%
Next	\$750,000+ \$ 250,001 to \$1,000,000+	1.00%

This tiered fee structure will result in a blended rate for the account. For example, an account with \$1 million under management in the Program would pay an effective annual management fee of approximately 1.09%. Fees may be individually negotiated for accounts in excess of \$1,000,000. In the discretion of the Representative, and subject to approval by Adviser, a client may be charged a flat rate fee in an amount that will be set forth in the advisory agreement.

Generally, the account will be invested in the Horizon Funds, and in some cases, in other load-waived or no-load mutual funds; provided, Adviser or a Representative may exercise discretion to purchase or sell for the account the types of securities listed below. In that event, the account will be charged the following transaction charges, in addition to the advisory fee, and Adviser (in its capacity as introducing broker-dealer for the account) will receive a portion of such charges (but the Representative will not receive any of such charges):

Stocks: Listed and OTC	\$10
Closed End Mutual Funds	\$10
Preferred Stocks	\$10
Bonds: Government, Corporate	\$0

For an additional fee, Adviser will provide a client with quarterly performance reports. This amount of the additional fee will be described in the advisory agreement. Adviser will provide performance reports only if specifically agreed in the advisory agreement.

Adviser or its employees have in the past and have reason to believe it will continue to receive 12b-1 distribution fees and/or other compensation from investment companies in connection with the placement of client funds into investment companies, including the Horizon Funds. While Adviser endeavors at all times to put the interest of the clients first as part of Adviser's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of Adviser when making recommendations.

Fee Practices

The advisory fee shall be payable monthly, in advance, beginning upon deposit of any funds or securities in the account. The first payment shall be prorated for the actual number of days the account is open through the period end date on the last business day of the month that the account was funded. It will also include an advanced fee for the following month. Thereafter, the fee shall be calculated monthly based on the average daily value of the account as of the close of the last trading day of the previous calendar month using the annualized percentages shown above, and shall be due the following business day.

Transactions that have not settled prior to the last trading day of a calendar month may be included in either the current or the following calendar month as determined by Adviser on a consistent basis. Fees are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

Computing Market Value

In computing the market value of any investment of the account, each security listed on a national securities exchange shall be valued at the last sale price on the valuation date. Listed stock not traded on such date and any unlisted stock regularly traded in the over-the-counter market shall be valued at the latest available bid price reflected by quotations furnished by Adviser by such sources as it may deem appropriate. Any other security shall be valued in such manner as shall be determined in good faith by Adviser to reflect its fair value, in accordance with generally accepted accounting standards. Money market accounts and bank accounts, if any, shall be valued as of the valuation date.

Additions and Withdrawals

Client may make additions to the account at any time, subject to Adviser's right to terminate an account that falls below the minimum account size. Additional assets received into the account after it is opened shall be charged a pro rata fee based upon

the number of days remaining in the month. Client may withdraw account assets upon notice to the Adviser, subject to the usual and customary securities settlement procedures. No fee adjustments shall be made for partial withdrawals or for account appreciation or depreciation within a billing period. Adviser will not impose a start-up, closing or penalty fee in connection with the account. In the event of withdrawal of all or substantially all of the assets from the account or the termination of the account, customary commission and other expenses associated with liquidating or transferring the account will be charged to the client.

Terminations & Refunds

An advisory agreement may be canceled at any time, by either party, for any reason, upon written notice to the other party, as provided in the advisory agreement. The client has the right to terminate the advisory agreement without penalty within five business days after entering into the agreement. For the calendar month in which the advisory agreement is terminated, the advisory fee will be prorated and refunded based on the number of days that the advisory agreement was in effect during such month. Adviser may (but is not required to) calculate fees and proration on the basis of a 360-day year, and a 30-day month.

Changes to Advisory Fee

The amount of the advisory fee will continue until 30 days after Adviser has notified client in writing of any change in the amount of the Advisory Fee. As of the end of such 30-day period, the new fee will become effective unless client terminates the advisory agreement.

Possibility of Lower Fees

Clients should be aware that lower fees for comparable services may be available from other advisers.

Negotiability of Fees

In certain circumstances, Adviser may agree to negotiate its fees. Adviser may charge different clients receiving the same services different fees. The above fee schedules are the firm's basic fee schedules generally charged to clients absent negotiable circumstances.

Direct Debiting of Fees

The advisory agreement will provide that the Qualified Custodian holding the client's account will pay Adviser's fees upon receipt of Adviser's invoice, without further inquiry

and without notifying or obtaining the client's consent. All fees will be shown on the monthly or quarterly statements provided by the Qualified Custodian to the client. Refer the advisory agreement for additional information and disclosure regarding advisory fees.

Mutual Fund Fees

All fees paid to Adviser are separate and distinct from the internal fees and expenses charged by mutual funds (or ETS's) to their shareholders (**but see below for special disclosure regarding the Horizon Funds**). These fees and expenses are described in each fund's or ETF's prospectus or summary disclosure document. These fees will generally include a management fee, other internal expenses, and a possible distribution fee. Clients should also understand that shares of certain mutual funds offered in this Program may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions generally made within short periods of time. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. A client could invest in mutual funds or ETFs directly, without the services of Adviser. In that case, the client would not receive the services provided by Adviser. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by Adviser to fully understand the total amount of fees to be paid by the client and evaluate the advisory services being provided.

Advisory Agreement

In the event of any discrepancy or conflict between the information contained in this brochure and the advisory agreement, the advisory agreement shall control.

Short-term Gains and Losses for Tax Purposes

Clients should note that if Adviser effects short term transactions on behalf of client accounts, such transactions may result in short-term gains or losses for federal or state tax purposes. Clients should review the treatment of such tax consequences with his/her accountant or tax counsel.

SPECIAL DISCLOSURE REGARDING HORIZON FUNDS

The Hancock Bank sponsors the Horizon Funds. **An affiliate of the Bank acts as investment adviser to the Horizon Funds.** All or substantially all of the account may be invested in the Horizon Funds. An investment in the Horizon Funds represents a conflict of interest of which clients should be aware when deciding to participate in the Program. Although Adviser's recommendations will be guided by its duties as a fiduciary to act in the best interests of its clients, the existence of the potential economic benefits

to the Bank and its affiliates from investments by clients in the Horizon Funds may influence Adviser's decisions with respect to investing the account.

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

We do not charge advisory fees on a share of the capital gains or capital appreciation of the funds or securities in a client account (so-called performance-based fees). Our compensation structure is disclosed in detail in Item 5 above.

Item 7 – Types of Clients

Adviser provides investment supervisory services on a discretionary basis through the Hancock Investment Services Asset Management Account Program (the “Program”). Adviser offers the Program to individuals, corporations, and other businesses, as more fully described in the written advisory agreement between Adviser and the client.

Adviser requires a minimum account size of \$25,000 for the Program. However, under certain circumstances this minimum may be negotiable. Minimum annual fees may be applied for certain services or certain amounts of managed assets. Please refer to the disclosure under Item 5 above. Any conditions, minimums, or other restrictions contained in this brochure may be waived or modified, as Adviser deems appropriate with respect to each individual account and client.

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

Depending on the particular portfolio and strategy, for the portions of the portfolios not invested in the Horizon Funds, Adviser will generally use fundamental analysis to select the investments and to determine which investments will be eligible for the Program. Investments may be selected on the basis of any or all of the following criteria: performance history, the industry sector in which the fund or security invests; the track record of the manager; the fund's or account's investment objectives; the fund's or account's management style and philosophy; and the fund's or account's management fee structure. Adviser may utilize commercially available software and databases to obtain additional information on securities that it may recommend to clients. Typically, these services are purchased by Adviser on a subscription basis.

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client / Adviser relationship with us.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Adviser nor any of our management persons (except as disclosed below) are registered, or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

In addition, neither Adviser nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is, under common control and ownership, a:

- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company,
- Pension consultant,
- Real estate broker or dealer or
- Sponsor or syndicator of limited partnerships.

SPECIAL DISCLOSURE REGARDING HORIZON FUNDS

The Hancock Bank sponsors the Horizon Funds. **An affiliate of the Bank acts as investment adviser to the Horizon Funds.** All or substantially all of the account may be invested in the Horizon Funds. An investment in the Horizon Funds represents a conflict of interest of which clients should be aware when deciding to participate in the Program. Although Adviser's recommendations will be guided by its duties as a fiduciary to act in the best interests of its clients, the existence of the potential economic benefits to the Bank and its affiliates from investments by clients in the Horizon Funds may influence Adviser's decisions with respect to investing the account.

Adviser is a registered broker-dealer clearing through National Financial Services, LLC on a fully disclosed basis. Adviser devotes 60% of time to broker-dealer and 40% of time to investment advisory services.

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

Adviser has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Adviser's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Adviser's practice of supervising the personal securities transactions of supervised persons with access to client information.

Adviser and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- the duty to have a reasonable, independent basis for the investment advice provided;
- the duty to obtain best execution for a client's transactions where the Firm is in a position to direct brokerage transactions for the client;
- the duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- a duty to be loyal to clients.

Adviser (or its principals, officers, affiliates and employees) may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, and may serve as an officer, director, consultant, partner or stockholder of one or more investment partnership, securities firms or advisory firms. In doing so, Adviser may give advice, take action, and refrain from taking action, any of which may differ from advice given, actions taken or not, or the timing of any action, for any particular client.

Individuals associated with Adviser may buy or sell securities for their personal accounts identical to or different than those recommended to clients. Subject to the Code of Ethics, Adviser and its employees are permitted to trade for their own accounts side-by-side and in block transactions (see Item 12 below) with the firm's clients in the same securities, and at the same time. However, it is the expressed policy of Adviser that no person employed by Adviser shall prefer his or her own interest to that of any advisory client or make personal investment decisions based on the investment decision of advisory clients.

To supervise compliance with its Code of Ethics, Adviser requires that anyone associated with the firm who has access to information regarding client investment

recommendations or transactions must provide an initial and annual securities holdings report and quarterly transaction reports to the firm's Chief's Compliance Officer. Adviser requires such access person to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).

Adviser requires that all individuals must act in accordance with all applicable Federal and State regulations governing investment advisory activities. Adviser's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information. Any individual who fails to abide by the firm's Code of Ethics may be subject to discipline. A copy of Adviser's Code of Ethics is available to advisory clients upon request to the firm's Chief Compliance Officer at Adviser's principal office address noted at the beginning of this brochure.

Item 12 – Brokerage Practices

To participate in the Program, clients are required to establish their account with the Qualified Custodian, and will be required to direct Adviser to place all transactions through Adviser, as introducing broker-dealer for Qualified Custodian (in its capacity as clearing broker-dealer). Clients should refer to the Qualified Custodian opening account documentation for complete information on the fees charged by Qualified Custodian for brokerage and custodial services. Adviser does not share in these fees, except as described above.

Client also may direct that transactions for the account should be executed through such other directed broker as client may designate in writing (the "Directed Broker"). In selecting the Directed Broker, the client has the sole responsibility for negotiating commission rates and other transaction costs with the Directed Broker. Although the client has selected a Directed Broker, client agrees that Adviser will not be required to effect any transaction through the Directed Broker if the Adviser reasonably believes that to do so may result in a breach of its duties as a fiduciary. Client understands that by instructing Adviser to execute all transactions on behalf of the account through the Directed Broker, a disparity may exist between the commissions borne by the account and the commissions borne by Adviser's other clients that do not direct Adviser to use a particular broker-dealer. Client also understands that by instructing Adviser to execute all transactions on behalf of the account through the Directed Broker, client may not necessarily obtain commission rates and execution as favorable as those that would be obtained if Adviser were able to place transactions with other broker-dealers. Client may also forego benefits that Adviser may be able to obtain for its other clients through, for example, negotiating volume discounts or block trades. Client should refer to the advisory agreement and account opening documents for additional information and disclosure.

If the account is maintained on behalf of a plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA") or similar government regulation, client should refer to the advisory agreement and account opening documents for additional information and disclosure specific to ERISA accounts.

Client authorizes Adviser, in Adviser's discretion, to bunch or aggregate orders for the client's account with orders of other clients and to allocate the aggregate amount of the investment among accounts in the manner which the Adviser shall determine appropriate, permissible and in accordance with applicable law and the rules of any exchange or self-regulatory organization. Most commonly, Adviser will cause

aggregated orders to be effected through an “average price account” or similar account such that each account participating in the order shares in the securities purchased or sold, price, and transaction costs pro rata (unless pro rata would be unfair under the circumstances). When portfolio decisions are made on an aggregate basis, the Adviser may, in its discretion, place a large order to purchase or sell a particular security for the account and the accounts of several other clients. Because of the prevailing trading activity, it is frequently not possible to receive the same price or execution on the entire volume of securities purchased or sold. The effect of aggregation may operate on some occasions to the client’s disadvantage.

Aggregated order allow Adviser to execute equity trades in a more timely, equitable manner and to reduce overall commission charges to clients because transaction costs are generally shared on a pro-rated basis among all accounts included in the block. Subject to its obligations under the Code of Ethics, Adviser and its employees may participate in block orders entered through Adviser’s exercise of discretion, as long as Adviser and its employees participate in the block on the same terms as the clients.

When suggesting a custodian and/or broker-dealer to a client, Adviser intends to cause its clients to pay commissions it believes fair and reasonable in view of the nature and quality of the brokerage, trading and administrative services provided to such clients. Adviser does not necessarily suggest broker-dealers offering the lowest commission rates available.

We do not consider whether we or a related person receive client referrals from a broker-dealer or third party in selecting or recommending broker-dealers to our clients. Adviser does not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”) at this time.

Item 13 – Review of Accounts

All accounts are monitored using Adviser's internal management system, and all portfolios are monitored for compliance with the established parameters. Accounts are reconciled by the Adviser's management and administrative personnel to ensure that the accounts are correctly allocated according to Client's selected portfolio and separately imposed restrictions. In addition the Representatives also review the accounts regularly. We conduct a continuous review of customer accounts, utilizing analytical software as a review tool to verify proper allocation and performance, given the firm's models and recommended securities.

For an additional fee (see Item 5 above and your advisory agreement), the Adviser will provide a client with quarterly performance reports. The Adviser will provide performance reports only if specifically agreed in the advisory agreement. Unless otherwise specifically provided in the advisory agreement, Adviser does not provide any reports to clients. Clients are encouraged to review reports prepared by the Adviser and compare them against reports received from the Custodian that services your advisory account. You should immediately inform the Adviser or your Representative of any discrepancy noted between the custodian records and the reports you receive from the Adviser.

At least quarterly, Adviser will notify the client in writing to contact Adviser if there have been changes in the client's personal or financial situation, risk tolerance, or investment objectives. At least annually, the client will also be contacted to determine if there have been any changes in the client's personal or financial situation, risk tolerance, or investment objectives, and if client wishes to impose or modify any reasonable account restrictions.

The Qualified Custodian sends statements not less than quarterly to the clients, containing a description of all activity in the client's account during the preceding period, including all transactions made on behalf of the account, all contributions and withdrawals made by the client, all fees and expenses charged to the account, and the value of the account at the beginning and end of the period.

Item 14 – Client Referrals and Other Compensation

See Item 5 above for additional information and disclosure regarding fees and compensation.

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients. Additionally, we do not have any arrangement under which we, or a related person, directly or indirectly receive compensation from another for client referrals. However, the Bank will pay its employees a nominal fee (approximately \$7) for each prospective client referred to Adviser in its capacity as a broker-dealer (and not as an investment adviser). Such fee is paid by the Bank and is not reimbursed or otherwise paid by Adviser. The advisory fee paid by a client who participates in the Program and is referred by a Bank employee will be no different than the fee the client would have been charged if the client had not been referred by a Bank employee. Although such arrangements are not subject to the requirements of SEC Rule 206(4)-3, clients should be aware that the Bank employee's referral may be influenced by such compensation.

Adviser will share the client's monthly advisory fee with Representative. The Representatives are employees of the Adviser, and will disclose such affiliation to prospective clients, as required by Rule 206(4)-3.

Adviser is aware of the special considerations promulgated pursuant to Rule 206(4)-3 and comparable state regulations. Adviser will ensure that appropriate client disclosures are made and that all required records are maintained, with respect to each arrangement with a solicitor, as and to the extent required by law.

Adviser or its employees have in the past and have reason to believe it will continue to receive 12b-1 distribution fees and/or other compensation from investment companies in connection with the placement of client funds into investment companies, including the Horizon Funds. While Adviser endeavors at all times to put the interest of the clients first as part of Adviser's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of Adviser when making recommendations.

Qualified Custodian provides Adviser with access to its institutional trading and operations services, which are typically not available to retail investors. Qualified Custodian also makes available to Adviser other products and services that benefit Adviser but may not benefit Adviser's clients' accounts. Some of these other products and services assist Adviser in managing and administering clients' accounts, including

software and other technology that provide access to client account data (such as trade confirmations and account statements) facilitate trade execution (and allocation of aggregated payment of Adviser's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of Adviser's accounts, including non-Program accounts, if any. Qualified Custodian may also provide Adviser with other services intended to help Adviser manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing.

The availability to Adviser of the forgoing products and services is not contingent upon Adviser committing to Qualified Custodian any specific amount of business (assets in custody or trading); however, clients should be aware of the potential conflict of interest.

As part of its duties to its clients, Applicant endeavors at all times to put the interest of its clients first.

Privacy Policies

Adviser does not disclose any non-public, personal information (such as name, address or tax identification number) about its clients or former clients to anyone except as permitted by applicable law or required by regulation. Adviser maintains physical safeguards to protect such unauthorized disclosure and will notify clients of its policies and practices in this regard on an annual basis or at any time at which there is a material change in its policies which would require their consent. Adviser does not sell customer lists. To conduct regular business, Adviser may collect non-public personal information from sources such as information provided by the client to Adviser or to any of its affiliates.

Item 15 – Custody

Client will appoint a bank or registered broker-dealer to act as a separate custodian (the “Custodian”) to take possession of the cash, securities and other assets in the account. Adviser shall have no access to the assets in the account or to the income produced there from and shall not be responsible for any acts or omissions of the Custodian. Client will direct the Custodian to send a statement at least quarterly indicating all amounts disbursed from the account (including the amount of any fees paid to Adviser), all transactions occurring in the account during the period covered by the statement, and a summary of the account positions and portfolio value at the end of the period. Client will direct the Custodian to send copies of the account statements to the Adviser, along with an indication that the statements have been sent to the Client.

Client may authorize NFS to deduct from client’s account and to pay to Adviser the management fee, following the submission of a bill to NFS showing the management fee for each month. NFS shall then send to Client a monthly statement showing the amount of the management fee due, the account value on which the fee is based, and the method by which the fee is calculated. Client is responsible for reviewing all such fee computations.

For an additional fee (see Item 5 above and your advisory agreement), the Adviser will provide a client with quarterly performance reports. The Adviser will provide performance reports only if specifically agreed in the advisory agreement. Clients are encouraged to review reports prepared by the Adviser and compare them against reports received from the Custodian that services your advisory account. You should immediately inform the Adviser or your Representative of any discrepancy noted between the custodian records and the reports you receive from the Adviser.

Item 16 – Investment Discretion

Adviser's authority and discretion under the advisory agreement may be exercised by the Representative, and will include, without limitation: the power to buy, sell, retain and exchange investments, and exercise such other powers as Adviser or Representative deems appropriate to manage and execute transactions for the client's account in a manner consistent with the model portfolio selected by the client. The advisory agreement shall include any limitations on this discretionary authority and any restrictions that client wishes to place on the account. Clients may change or amend these limitations or restrictions at any time. Such amendment must be submitted in writing.

In the advisory agreement, the client will grant Adviser (including the Representative) full authority and discretion, on client's behalf and at client's risk to buy, sell, retain and exchange investments, and exercise such other powers as Adviser deems appropriate to manage and execute transactions for the client's account so that the account continues to reflect the model portfolio chosen by the client.

Adviser will have full discretion to adjust or change the asset classes which comprise any model portfolio, the percentage which each asset class represents of each model portfolio, and the securities purchased or available for each asset class. Adviser will also have the discretion to invest the client's assets in cash or cash equivalents, and may effect temporary "sweep" transactions of all uninvested cash balances in the client's account to a money market mutual fund (the "Fund"), which may be managed by the Qualified Custodian, an affiliate of the custodian, or an affiliate of the Adviser.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

As a matter of firm policy and practice, Adviser does not accept the authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Adviser, however, may provide advice to clients regarding voting of proxies. Related to a client who is a plan fiduciary in the case of an account subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the Adviser is expressly precluded from rendering any advice or taking any action with respect to, the voting of any such proxies of clients who are plan fiduciaries.

Class Actions, Bankruptcies and Other Legal Proceedings

Clients should note that Adviser will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements. If desired, clients may direct Adviser to transmit copies of class action notices to the client or a third party. Upon such direction, Adviser will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities or require or solicit prepayment of fees in excess \$1,200 per client and six months or more in advance. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

Adviser is an SEC registered investment adviser so this Item is not applicable.