

Hollow Brook Wealth Management LLC

Part 2A of Form ADV

The Brochure

410 Park Avenue – 17th Floor
New York, NY 10022

Updated: March 2012

This brochure provides information about the qualifications and business practices of Hollow Brook Wealth Management, LLC (“Hollow Brook”). If you have any questions about the contents of this brochure, please contact us at 212-364-1840. 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 Hollow Brook is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Summary of Material Changes

Below is a summary of the material changes to this brochure since it was previously filed in March 2011:

- Effective in early 2012, Hollow Brook Associates LLC changed its name to Hollow Brook Wealth Management, LLC. This brochure has been amended accordingly to reflect our new name.
- Hollow Brook began managing separate accounts on a non-discretionary basis and a private fund. Hollow Brook added disclosures to the following sections in order to implement these new advisory activities into our brochure in compliance with brochure disclosure requirements: Fees and Compensation; Types of Clients; Methods of Analysis, Investment Strategies, and Risk of Loss; Other Financial Industry Activities and Affiliations; Brokerage Practices; and Investment Discretion.

Table of Contents

Summary of Material Changes	2
Table of Contents	2
Advisory Business	2
Fees and Compensation	3
Performance Based Fees and Side-by-Side Management	6
Types of Clients	6
Methods of Analysis, Investment Strategies and Risk of Loss	6
Disciplinary Information	9
Other Financial Industry Activities and Affiliations	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Brokerage Practices	10
Review of Accounts	14
Client Referrals and Other Compensation	15
Custody	15
Investment Discretion	15
Voting Client Securities	15
Financial Information	16

Advisory Business

Hollow Brook provides continuous discretionary investment management services to the majority of its clients. For the large majority of our discretionary separate account business, Hollow Brook manages a public equity portfolio that employs a top down macro approach coupled with the research-driven bottoms up security selection process (“Hollow Brook Capital Management Strategy”). Discretionary separate account portfolios generally have similar holdings and weightings and typically consist of 25 to 30 positions (or fewer in the case of

complimentary accounts described below). Hollow Brook advises one private fund on a discretionary basis. Hollow Brook provides continuous non-discretionary investment management services to a limited number of clients. In our non-discretionary separate account business, Hollow Brook manages client assets using a Growth and Income Strategy. Clients may impose reasonable mandates or restrictions; for example, some Hollow Brook clients have an income objective (i.e. dividends, interest), therefore these clients may hold more income-paying investments than other Hollow Brook clients.

Hollow Brook also provides advisory consulting services to a limited number of clients. In Hollow Brook's advisory consulting business, the firm advises high net-worth families, endowments, and pension assets on manager selection, asset allocation, and portfolio risk management. Advisory consulting is tailored towards the individual needs of clients. Advisory consulting clients retain final approval authority to implement recommendations made by Hollow Brook. Hollow Brook does not execute subscription documents for advisory consulting clients.

Additional information with respect to Hollow Brook's discretionary/non-discretionary separate account management and advisory consulting services is located below in the *Methods of Analysis, Investment Strategies, and Risk of Loss* section.

Hollow Brook has been in business as a registered investment adviser since January 2008. Edgar Wayne Nordberg and Thomas O'Malley Jr. are principal owners of Hollow Brook. As of February 29, 2012, Hollow Brook managed approximately \$378 million in regulatory assets under management ("RAUM") on a discretionary basis on behalf of approximately 301 accounts, and \$300 million in RAUM on a non-discretionary basis on behalf of approximately 8 accounts. Further, Hollow Brook provided investment advisory consulting (i.e. no discretion) to approximately \$980 million in RAUM on behalf of approximately five accounts.

Fees and Compensation

Clients compensate Hollow Brook based on a percentage of assets under management as set forth in their investment advisory agreements. The basic annualized fee structure is as follows for separate accounts managed on a discretionary basis:

<u>Market Value</u>	<u>Fee</u>
First \$1 million	1.75 %
Next \$1 to \$10 million	1.50 %
Next \$10 to \$20 million	1.25 %
Over \$20 million	1.00 %

Under certain limited circumstances, Hollow Brook may manage on a complimentary basis small accounts that are related to accounts of clients with substantial assets under management by Hollow Brook. In such cases, Hollow Brook may waive fees that would otherwise be due in accordance with its fee schedule until the complimentary account attains at least \$50,000 in assets under management. Hollow Brook reserves the right to charge the applicable fee under its investment management agreement with such smaller accounts at its discretion. Such accounts

will continue to pay brokerage commissions for transactions effected on their behalf. Hollow Brook may waive fees for accounts of employees' family members.

For the majority of existing clients, investment advisory fees are billed quarterly in arrears and based on the value of assets under management on the last business day of the previous quarter. The fee is computed at one-fourth the annual rate. Going forward for new clients, the fees of Hollow Brook shall be determined and paid on a calendar quarterly basis in arrears as follows: the fee for a particular calendar quarter shall be equal to the product of: (A) the average total market value of the assets under Hollow Brook's management (including cash and cash equivalents) pursuant to this Agreement determined as of the last business day of each month in such the calendar quarter (but, with respect to each such month, without giving effect to any withdrawal from the Account as of the end of the month); (B) multiplied by one quarter ($\frac{1}{4}$) of the annual rate set forth below; provided, that if this Agreement is in effect for only part of a calendar quarter, then the fee rate for the partial quarter shall be equal to the product of the annual rate multiplied by a fraction, the numerator of which is the number of days in such partial quarter and the denominator of which is 365. The fee with respect to any calendar quarter shall be deducted from the Account and paid to Hollow Brook as of the first business day of the next succeeding quarter. Fees charged for most discretionary and non-discretionary asset management clients are deducted from the client's account. Some Hollow Brook clients pay fees via check or wire. With the exception of the private fund, Clients may select either method.

Fees may be negotiable, depending on the types of assets under management, the size of the accounts, the historical or projected nature of the trading for the account, and the extent of supplemental services to be provided to the account. If a client has more than one account under management or if several members of the same family are clients, Hollow Brook reserves the right to aggregate accounts for purposes of calculating their fees. In such cases, Hollow Brook will generally: (i) use the sum of the market values of such accounts for each month in a calendar quarter for purposes of determining the applicable fee rate(s); and (ii) pro rate the calculated fee for a calendar quarter among such accounts based on relative account size (which shall, for each account, be based on the sum of the month-end value of the account for each month in the applicable calendar quarter). Where such aggregation occurs and, as a result, multiple annual fee rates are applicable, Hollow Brook will endeavor to apply such rates to each aggregated account on a pro rata basis based on relative account size. Whether or not a Client has multiple family accounts shall be determined by Hollow Brook in its sole discretion.

In addition to Hollow Brook's investment management fees, clients will incur trading costs and custodial fees (please refer to the *Brokerage Practices* section for more information). Where clients have so directed, Hollow Brook will generally utilize C.L. King to execute transactions at a standard commission rate of \$.04 per share. Hollow Brook may receive soft dollar credits of \$.01 per share from such commissions. Hollow Brook will be entitled to be reimbursed by Client for reasonable out-of-pocket expenses incurred by it (including, without limitation, compliance and legal fees and expenses) in connection its provision of services with respect to the Account. If any such expenses are incurred in connection with multiple client accounts of Hollow Brook, then Hollow Brook will be entitled to be reimbursed by Client for a pro rata portion of such expenses (based on the number of such client accounts). With respect to such reimbursable expenses, Hollow Brook will periodically forward to Client and Custodian a statement itemizing the

expenses for which Hollow Brook seeks reimbursement, along with related receipts or other documentary evidence. Payment for such expenses will be due and payable within ten (10) days after the date that the itemized statement and related documentation is delivered to the Custodian.

Hollow Brook may invest a portion of Clients' assets in registered investment companies, including, but not limited to, exchange-traded funds and closed-end funds. Investment advisory fees paid to Hollow Brook are separate and distinct from the fees and expenses charged by third-party managers and/or funds. Advisers to registered investment companies charge a management fee, and the funds pay fees and expenses (described in a fund prospectus) that are in addition to Hollow Brook's management fee.

In response to adverse or unusual market, economic, political, or other conditions as determined by the advisor, Hollow Brook may take temporary defensive positions (e.g. cash) for clients. At these times, clients must be aware that there are less expensive alternatives available for cash management.

With respect to the private fund, Hollow Brook charges a 0.375% quarterly management fee (1.50% on an annualized basis) based on the net asset value of the private fund. Hollow Brook receives an annual performance-based allocation or fee of between 15 and 20%, depending upon the series invested in by an investor. Expenses paid by the private fund include, but are not limited to, the following: legal, auditing, accounting, administrative, research, and reporting. Hollow Brook is no longer offering interests in the private fund to investors. Existing investors are advised to refer to the private fund's offering documents, which govern and provide a complete description of management fees, incentive allocations, and expenses paid by the private fund. Hollow Brook reserves the right to waive or lower fees for investors in the private fund.

With respect to separate accounts managed on a non-discretionary basis, fees are negotiated and Hollow Brook does not maintain a standard fee schedule for such clients.

Hollow Brook also provides consulting advice to a limited number of institutional clients on asset allocation and recommending and/or providing access to outside managers. Hollow Brook is responsible for performing due diligence, facilitating account opening, monitoring investment performance and providing account statements, among other things. Hollow Brook generally charges either a flat fee of 25 to 75 basis points of the total assets under management for consulting services, or a fixed annual retainer fee. Advisory consulting fees are subject to negotiation. Fees paid to Hollow Brook for consulting advice are separate and distinct from the fees and expenses charged by third-party managers to the client. For consulting clients, fees are assessed quarterly in advance or arrears and billed directly to the client. Hollow Brook may also receive a performance-based fee from its consulting clients; advisers have an inherent conflict of interest to favor accounts that pay more in fees, such as performance based fees (please see the *Performance-Based Fees and Side-by-Side Management* section below for more information).

Each client enters into an investment advisory agreement that continues in force and effect until either the client or Hollow Brook gives written notice to the other party of its intention to cancel it, in which event the contract shall terminate on such date as is specified by the terminating party. When either party terminates the relationship, fees are prorated from the beginning of the quarter

through the specified termination date. If the account paid fees in advance, any prepaid unearned fees will be refunded to client.

Performance Based Fees and Side-by-Side Management

Hollow Brook's fees and compensation are disclosed above. Hollow Brook generally does not charge performance-based fees to clients. However, in connection with consulting advice provided to one client and management of a private fund, Hollow Brook may receive a performance-based bonus payment where performance exceeds a mutually agreed upon benchmark. Performance based fees may create an incentive for Hollow Brook to make investment recommendations that are riskier or more speculative than would be the case in the absence of a performance fee. Further, investment advisers have an inherent conflict of interest to favor accounts that pay more in fees, such as performance based fees. Hollow Brook has adopted and implemented written compliance policies and procedures, codified in our compliance manual, which generally address the above conflicts of interest.

Types of Clients

In both the separate account (discretionary and non-discretionary) and advisory consulting businesses, Hollow Brook's clients include foundations, college endowments, institutions, trusts, individuals, and family offices. Hollow Brook also manages one private fund.

Hollow Brook generally requires a minimum of \$1 million in assets for new discretionary client relationships. Hollow Brook generally requires a minimum of \$5 million in assets for new advisory consulting client relationships and non-discretionary separate accounts. The private fund is closed to new investors. The minimum account size may be waived under certain circumstances based on analysis of the relationship of the account to other accounts managed by Hollow Brook, the potential for growth in the account, the nature and duration of other business relationships between Hollow Brook and the account holder and any other relevant factors.

Methods of Analysis, Investment Strategies and Risk of Loss

Hollow Brook conducts fundamental and technical analysis as well as charting on all securities recommended for client accounts. In certain cases Hollow Brook will simultaneously manage separate accounts as well as advise on manager selection and asset allocation for a given client. Below is a summary of Hollow Brook's businesses and our methods of analysis.

Separate Accounts (Discretionary)

In the separate account business, Hollow Brook manages the Hollow Brook Capital Management strategy, which is a public equity portfolio that employs a top down macro approach coupled with the research-driven bottoms up security selection process. Hollow Brook's internal research process utilizes a wide variety of tools to field, select, purchase and monitor equity investments. Hollow Brook's discretionary account research process includes, but is not limited to a review of the following items: SEC filings, independent research reports, Hollow Brook propriety models, industry trade reports, company visits, meetings with management, competitor analysis, and attending industry conferences. Hollow Brook ultimately seeks out investments in well managed, public companies that are trading at a discount to intrinsic value and will benefit

from positive macro trends. On occasion, Hollow Brook may invest client assets in corporate bonds, options, master limited partnerships (“MLPs”) and mutual funds (e.g. open-end, closed-end, and/or exchange-traded mutual funds). For clients in need of income, Hollow Brook offers a version of the Hollow Brook Capital Management strategy that is focused on dividend-paying securities. A committee comprised of Hollow Brook investment personnel is responsible for providing investment recommendations for discretionary separately managed accounts.

Separate Accounts (Non-Discretionary)

Separate accounts managed on a non-discretionary basis are invested in a Growth and Income Strategy where investments include the purchase and sale of long positions in US Equities, corporate and high yield bonds, municipal bonds, and various types of preferred shares. The primary investment objective is to achieve consistent long term returns while at the same time generating income from dividend and interest as well as selling call premiums against some of the equity securities. Hollow Brook uses a value oriented strategy, the foundation of which is a research intensive approach that requires the identification and detailed evaluation of securities offering a favorable risk/reward profile. The accounts will seek to generate additional income from the equity investments by utilizing a covered call strategy whereby the accounts will write call options against long equity positions. This strategy is designed to protect against small declines in the value of the long positions in the portfolio. The CEO is responsible for providing investment recommendations for non-discretionary separate accounts.

Advisory Consulting

In Hollow Brook’s advisory consulting business, the firm advises high net-worth families, endowments, and pension assets on manager selection, asset allocation, and portfolio risk management. To identify, find, and select appropriate investment managers for recommendation, Hollow Brook leverages its industry contacts that have been developed over the past decade. Through a selection process Hollow Brook seeks to identify new, existing, or emerging managers that meet Hollow Brook’s desired portfolio return and profile. Hollow Brook will identify a potential manager and attempt to learn more about them over time by reading quarterly updates, attending annual meetings, and speaking with existing investors. Hollow Brook manager diligence often will include on-site visits, partner background checks, thorough due diligence questionnaires, and a review of audited financial reports.

Risk

All investing involves a risk of loss that clients should be prepared to bear. The investment strategies offered by Hollow Brook could lose money over short or long periods. Identifying undervalued securities and other assets is difficult, and there are no assurances that such a strategy will succeed. Furthermore, clients may be forced to hold such investments for a substantial period of time before realizing any anticipated value. Hollow Brook cannot give any guarantee that it will achieve its investment objectives or that any client will receive a return of its investment. Below is a summary of potentially material risks for each significant Hollow Brook investment strategy used, the methods of analysis used, and/or the particular type of security recommended.

- Lack of Diversification. Hollow Brook's investment strategies may be non-diversified, which means that Hollow Brook may invest a greater percentage of clients' assets in the securities of fewer issuers. Based on historical market data, a less diversified portfolio is more volatile than a broadly diversified portfolio.
- Stock market Risk - There is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Call Options - There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing the premium if the option expires out of the money. The writer of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security, currency or other asset above the exercise price of the option. This risk is enhanced if the security or other underlying asset is highly volatile and there is a significant outstanding short interest. These conditions exist in the stock of many companies. Purchasing securities or other assets (that are thinly traded) to satisfy the exercise of the call option can itself cause the price of the securities or other assets to rise further, sometimes by a significant amount, thereby exacerbating the loss. Accordingly, the sale of an uncovered call option could result in a loss by the client of all or a substantial portion of its assets.
- Put Options - There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity for gain on the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing the premium if the option expires out of the money. For the writer of an uncovered put, should the price of the underlying drops below the put strike price, the writer may be forced to buy the shares at the put strike price. The sale of an uncovered put option could result in substantial losses, including a substantial amount more than the premium received.
- MLPs- MLPs are often marketed as investments that combine the tax benefits of limited partnerships with the liquidity of publicly traded securities. An investment in MLP units, however, involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common shareholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. Further, there are certain tax risks associated with an investment in MLP units, as MLP units are treated differently for tax purposes than common stock. Clients are advised to speak with their accountant to receive tax advice about MLPs.
- Investing in securities entails risks associated with the underlying business. Investments in securities entails all the risks associated with the underlying businesses, including reliance

on a company's managers and their ability to execute business strategies. In addition, all businesses face risks such as adverse changes in regulatory requirements, interest rate and currency fluctuations, general economic downturns, changes in political situations, market competitions and other factors. Hollow Brook will not have day-to-day control over any company in which it invests for clients.

Disciplinary Information

Hollow Brook and its employees have not been involved in any legal or disciplinary events in the past 10 years.

Other Financial Industry Activities and Affiliations

Hollow Brook manages one private fund and an employee(s) beneficially owns a majority of the fund's assets. The fund is not marketed for new investors, has a small number of investments, and investment activity in the fund does not present a material conflict of interest with clients.

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

Hollow Brook has adopted a Code of Ethics ("Code") pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 that covers all officers, directors, employees of or members in Hollow Brook who are involved in the advisory process (each an "Access Person"). Under the Code, an Access Person includes members of an Access Person's immediate family and household, accounts over which the access Person has investment control or discretion and accounts in which the Access Person (or member of such Access Person's immediate family) has a beneficial ownership interest.

The Code requires all employees to exercise their authority and responsibility for the benefit of clients and to refrain from activities that may conflict with the interests of clients. The Code contains policies and procedures that, among other things:

- prohibit employees from taking personal advantage of opportunities belonging to clients;
- prohibit trading on the basis of material, nonpublic information;
- place limitations on personal trading by employees and impose preclearance and annual and quarterly reporting obligations with respect to such trading;
- impose limitations on the giving or receiving of gifts and entertainment; and
- restrict employees' outside business activities.

It is the policy of Hollow Brook to permit Access Persons to transact in the same securities as clients. Such transactions present an inherent conflict of interest for Access Persons to favor their own investment transactions over client transactions. Hollow Brook subjects Access Persons to preclearance procedures that are intended to minimize any potential impact on, or benefit to related persons from, client transactions. Further, almost all securities in which Hollow Brook invests for clients are widely traded in public securities markets.

Hollow Brook may recommend securities in which employees directly or indirectly have a financial interest. Related person(s) of Hollow Brook sit on the boards and own securities of publicly traded companies in which clients and employees may be invested. As a matter of

Hollow Brook's policy, clients/employees are limited to trading these particular securities only during the "open period" when declared by the issuing companies. Hollow Brook or its related persons may, from time to time, come into possession of material non-public or other confidential information about these companies as a result of these board positions. Under applicable law, Hollow Brook would be prohibited from improperly disclosing or using this information for its personal benefit or for the benefit of any person, regardless of whether the person is a client of Hollow Brook. Accordingly, should Hollow Brook or any related person come into possession of material nonpublic or other confidential information with respect to these or any other companies, Hollow Brook will have no responsibility or liability for failing to disclose the information to clients as a result of following its policies and procedures designed to comply with applicable law.

Access Persons who violate the Code are subject to sanctions. All Access Persons must annually re-certify in writing their familiarity and compliance with the Code of Ethics. Hollow Brook will provide a copy of its Code to any advisory client or prospective advisory client upon request.

Brokerage Practices

Separate Accounts (Discretionary)

Hollow Brook generally recommends C.L. King as the prime broker-dealer to effect securities transactions on behalf of its advisory clients, and the majority of Hollow Brook clients direct that Hollow Brook place their trades through C.L. King. Advisory clients who select C.L. King provide written direction to effect securities transactions through C.L. King at a fixed rate of \$.04 per share, subject to a minimum commission charge of \$15.00 per transaction (or \$7.50 per transaction in the case of accounts with less than \$100,000 in assets under management). One Hollow Brook client, a large institution, retains a \$.02 per share commission rate that it had negotiated directly with C.L. King. While Hollow Brook believes the commission rates charged by C.L. King are comparable to (or better than) those of other broker-dealers providing similar services to similar client bases, such rates may be higher than rates available from other brokers, either overall or in certain transactions. Clients who have directed that we use particular brokers (including C.L. King) are advised that such a direction of brokerage may result in their receiving less favorable executions in certain transactions, or in their paying higher transaction costs either in individual transactions or in the aggregate, because Hollow Brook will use generally use the client directed broker (i.e. C.L. King) regardless of execution capabilities or opportunities with respect to particular transactions (e.g., besides contractual obligations to direct brokerage, trade away fees may negate savings that would be received by using a different broker).

Clients may also direct that their transactions be effected through brokers other than C.L. King. In instances where the client directs Hollow Brook to use a specific broker other than C.L. King, the commission rate will be negotiated between the client and such broker. Therefore, a client who directs Hollow Brook to use a broker other than C.L. King may pay higher commission rates or receive less favorable execution on some transactions than other clients because the third-party directed broker may maintain a higher commission schedule. In addition, such transactions may be executed before or after transactions for other clients have been executed, or may be excluded from block trades, foreign transactions, and any associated economies of scale. Hollow Brook retains discretion in determining the order in which brokers are contacted to place orders.

Therefore, in transacting on the same investment, Clients who direct that Hollow Brook use brokers outside of C.L. King may receive a different execution price and higher transaction costs than clients who direct the use of C. L. King. Accounts custodied away from C.L. King may be unable to participate in transactions in foreign securities due to settlement challenges in the account. Ultimately, directing brokerage may be viewed as costing clients more money. Not all investment advisers require clients to direct their transactions to a specific broker.

Where practicable, in order to achieve high quality execution and fair/equitable aggregation and allocation amongst clients, Hollow Brook may use step out transactions in which C.L. King executes trades but steps out all or a portion of the transaction to a broker to whom a client has directed its brokerage. At its discretion, C.L. King may decide to waive commissions on step-out transactions. In these cases, affected clients receive more favorable commission costs than clients custodied at C.L. King. Further, affected clients do not pay soft dollar commissions, but receive the benefit of the research and brokerage services paid for by other clients' commissions. Step-out transactions may not be possible under all circumstances, and clients who direct brokerage to brokers other than C.L. King may thus remain subject to the conditions described in the preceding paragraph.

While Hollow Brook expects that a substantial majority of Client trades will be executed by C.L. King or other brokers under client direction, it reserves the right to use other brokers who have particular industry, company-specific, geographic or other expertise for particular transactions. In such event, commissions shall be determined by negotiation between Hollow Brook and such other executing brokers. Such transactions will also be subject to a \$15.00 per trade fee by C.L. King as custodian.

C.L. King generally charges a fixed \$.04 cents per share commission to Hollow Brook's clients. Included in that amount is \$.01 per share in return for soft dollar credits with C.L. King. To the extent that Hollow Brook generates such credits and receives research, it will be receiving a benefit by reason of its clients' direction of brokerage to C.L. King. When Hollow Brook uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, Hollow Brook receives a benefit because Hollow Brook is not paying for the research, products or services. Research received by Hollow Brook for soft dollars may be used by Hollow Brook in managing some or all of its clients' assets, including non-discretionary separate accounts, the private fund, and advisory consulting clients. Some research may not necessarily be used by Hollow Brook in managing the assets of the clients whose commission dollars provided for the research. All soft dollar services will qualify for the safe harbor in Section 28(e) of the Securities Exchange Act of 1934. Within the last fiscal year, Hollow Brook acquired the following products or services with soft dollars: Bloomberg, research from brokers, and research from independent third-party research providers. Research received by Hollow Brook is generally in the form of daily emails, monthly letters, company specific reports, access to broker-sponsored conferences, and conference calls with the independent third-party research providers. Hollow Brook may have an incentive to select or recommend a broker-dealer based on receiving research or other products or services, rather than our clients' interests in receiving best execution. However, consistent with Section 28(e), Hollow Brook will make a good faith determination that client commissions paid to a broker are reasonable in relation to the value of the products or services provided by such broker. Hollow Brook and C.L. King have entered into a written

services agreement under which C.L. King provides information technology hardware, software and services and back office support to Hollow Brook for a fee calculated based on Hollow Brook's assets under management. Hollow Brook pays "hard dollars" for the products and services under this agreement. This arrangement is separate from Hollow Brook's agreement with respect to commission rates and soft dollar credits.

For clients who do not direct their brokerage to C.L. King or another broker-dealer, Hollow Brook is responsible for the selection of broker-dealers and the negotiation of brokerage commissions. As a fiduciary, Hollow Brook has a duty to seek best execution for all transactions it executes on behalf each of its clients, subject to client directions to utilize particular brokers. To the extent that an advisory client elects not to direct its brokerage, Hollow Brook will seek to execute transactions in such a manner that its clients' total cost or proceeds is the most favorable over the long term. Beyond the price at which the security is bought/sold and the charges associated with such transactions, in selecting brokers Hollow Brook will consider other qualitative factors including the nature and character of the security being traded and the activity existing and expected in the markets, including the size of the trade; the desired timing of the transaction; Hollow Brook's knowledge of negotiated commission rates; the full range of brokerage services to be provided, including the broker's execution, clearance and settlement capabilities, capital strength and stability, idea generation, access to conferences, reasonableness of the commission for the specific transaction, and responsiveness to Hollow Brook, and the quality of the brokerage services and of research products and services provided to Hollow Brook.

In the event of a trade error, it is Hollow Brook's policy that the error be corrected at no cost to the client. Clients may retain gains resulting from a trade error.

Trade Aggregation and Allocation

Hollow Brook may aggregate client transactions when a particular security is bought or sold for multiple client accounts through the same broker-dealer (generally C.L. King). Aggregated orders may include proprietary or employee accounts. Hollow Brook shall seek to allocate investment opportunities, including new issue allocations or limited investment opportunities, among clients in the fairest possible way taking into account clients' best interests. Allocations will be made according to pre-trade allocation statements and each account will participate in the aggregated order at the average price of the security on a given business day for all transactions in connection with the aggregated order. Such average price could be higher or lower than would have been received by a client had the transaction been executed for such client individually. In the event a limited number of shares are available or there are capacity constraints in a private placement, Hollow Brook may utilize a rotational methodology for allocating among eligible advisory accounts

In the case of partial fills of orders, allocations will be determined pro-rata based on pre-trade allocations. Exceptions to pro rata allocation of partially filled orders may include, without limitation, the avoidance of a client's holding odd lots or similar de minimis numbers of shares or the payment of additional ticket costs charged by broker/dealer custodians such as C.L. King. In the event of a partial fill exception to avoid the payment of additional ticket cost charged by

broker/dealer custodians such as C.L. King, Hollow Brook will use a computerized randomizer to fairly allocate a partial fill.

Private Fund (Discretionary)

As previously disclosed, the private holds a small amount of assets and small number of investments, and is closed to new investors. Further, the private fund's investment activity is limited. To the extent Hollow Brook selects a broker or dealer with respect to securities transactions, each executing broker or dealer will be selected on the basis of best execution of transactions. Private fund transactions are not aggregated with other Hollow Brook client transactions. The primary cost associated with not aggregating is that clients may receive differing execution prices.

Separate Accounts (Non-Discretionary)

Hollow Brook's brokerage practices for its non-discretionary separate account business generally differ compared to our discretionary separate account business. For example, non-discretionary separate account clients do not trade using C.L. King and do not direct their brokerage. Rather, Hollow Brook has the authority select the broker-dealer to be used for securities transactions, subject to our duty to seek best execution (this duty is described above in more detail). In selecting a broker(s) through which transactions for client accounts will be executed, Hollow Brook's primary consideration will be the broker's ability to provide best execution of trades. In making a decision about best execution, Hollow Brook may consider a number of factors including, but not limited to, the following (in no order of importance): trade execution price and commission, opportunity for price improvement, anonymity, liquidity, speed of execution, expertise with difficult securities, trading style and strategy, the number of errors committed by each broker, access to new issues, and the quality of research services the broker may provide. Although Hollow Brook generally seeks reasonably competitive commission rates, it does not seek formal competitive bidding and does not necessarily direct transactions to brokers that charge the lowest commission rates. The commission rates paid to any broker for execution of transactions will be determined through negotiations with the broker, taking into account industry norms for the size and type of transaction, and the nature of brokerage and research services provided. Such research services may include, but are not limited to, analysis and reports concerning economic factors and trends, industries, specific securities, and portfolio strategies. Non-discretionary separate account clients, however, do not pay formal soft dollar commissions as discretionary separate account clients do under the C.L. King program.

Hollow Brook's policy is to treat all clients fairly and equitably with respect to the aggregation and allocation of orders. As previously disclosed, discretionary and non-discretionary separately managed account clients are managed according to different investment strategies; the Hollow Brook Capital Management strategy and Growth and Income Strategy, respectively. Based on this, and since non-discretionary accounts typically decide their investments and the timing of transactions, in most cases Hollow Brook will have no opportunity to aggregate discretionary and non-discretionary separate account orders. In limited cases, however, both discretionary and non-discretionary separate accounts may trade in the same security on the same day. In such cases, non-discretionary separate account clients are likely to receive different trade execution (prices)

compared to discretionary separate accounts since Hollow Brook does not aggregate trades for clients of these two businesses.

Within its non-discretionary separate account business, Hollow Brook generally seeks to aggregate non-discretionary separate account orders by client custodian. When orders are aggregated, each participating account will be allocated securities on an average price basis and pay their share of transaction costs. On occasion if an order is partially filled, participating accounts will receive a pro rata average priced allocation of the order, and Hollow Brook will seek to complete any unfilled orders on the next trading day. Instances in which orders will not be aggregated include, but are not limited to, the following: tax, legal, regulatory, cash availability, or other administrative reasons. While Hollow Brook does not anticipate that its order aggregation processes have caused or will cause material performance dispersion amongst clients, the cost of not aggregating may result in (materially) different execution (prices) across client accounts for certain trades. To mitigate potential risks in this area, Hollow Brook conducts periodic assessments of its brokerage practices, which include an assessment of order aggregation and allocation processes.

Hollow Brook's trade error policy, which is disclosed above, also applies to non-discretionary separate account clients.

Advisory Consulting

Hollow Brook does not execute securities transactions on behalf of advisory consulting. Please refer to disclosures throughout this brochure for additional information with respect to our advisory consulting business.

Review of Accounts

Reviews of discretionary and non-discretionary accounts under Hollow Brook's management are done periodically (approximately weekly) and focus on position sizes, the level of cash holdings, and portfolio composition in light of market events and client specific developments. Hollow Brook monitors company and stock specific events and will review accounts more frequently as necessary.

Reviews of consulting accounts, for which Hollow Brook makes recommendations of managers and asset allocations, are done quarterly, in keeping with the term and liquidity of the investments. Hollow Brook also attends the annual meetings of the managers that it recommends to its consulting clients.

Reviews of all accounts are performed primarily by Wayne Nordberg, Chairman, Philip Richter, Managing Director, Thomas O'Malley Jr., Chief Executive Officer, and Alan Bazaar, Managing Director.

Clients with discretionary and non-discretionary accounts receive the following written statements from custodians with respect to their investment advisory accounts:

1. A monthly report showing holdings and their fair market value and activity for the previous month; and
2. Daily trade confirmations from the executing broker-dealer.

Consulting clients receive a written monthly consolidated report on the performance of managers recommended to them.

Client Referrals and Other Compensation

Hollow Brook does not currently compensate third-party solicitors for referring clients. Should Hollow Brook engage in this activity, we intend to revise this disclosure to clients, and will maintain policies and procedures to comply with Rule 206(4)-3 under the Advisers Act (i.e. an SEC regulation addressing the use of solicitors).

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Hollow Brook.

Investors in the private fund will not receive quarterly statements from a qualified custodian. Instead the private fund is subject to an annual audit and the audited financial statements are distributed to each member. The audited financial statements should be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the fund's fiscal year end.

Investment Discretion

Hollow Brook maintains discretionary authority over the majority of client accounts. These clients enter into an investment advisory agreement which provides Hollow Brook with discretionary authority. Hollow Brook is responsible for the decisions to buy and sell securities for discretionary advisory clients. The particular securities and the amounts of such securities to be purchased and sold are determined by Hollow Brook consistent with each advisory client's investment objectives, policies and restrictions. Transactions for each client account may be completed independently. As such, there may be circumstances under which Hollow Brook deems it appropriate to cause one of its advisory clients to sell a security and another of its advisory clients to purchase the security on the same day. From time to time, certain non-discretionary clients may authorize Hollow Brook to make a trade(s) on a discretionary basis.

Voting Client Securities

Hollow Brook does not have the authority to vote proxies on behalf of its clients. Clients are responsible for voting any such proxies. Clients should contact their custodian with questions about receiving proxies and process for the client to execute voting on such proxies. Clients may contact Hollow Brook with questions about a particular solicitation.

Financial Information

Hollow Brook has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.