

# **Hi-Line Capital Management, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 30, 2015**

This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Hi-Line Capital Management, LLC (“Hi-Line”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (605) 878-0897.

Hi-Line is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”) located in the State of South Dakota. The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Hi-Line to assist you in determining whether to retain the Advisor.

Additional information about Hi-Line and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by searching by our firm CRD# - 149522.

**Hi-Line Capital Management, LLC**  
**109 1st Avenue \* Watertown, SD 57201**  
**Phone: (605) 878-0897 \* Fax: (605) 878-1102**

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Hi-Line.

Hi-Line believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Hi-Line encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

1. Hi-Line Capital Management, LLC now manages over \$100 million in Client assets and will be registering with the U.S. Securities and Exchange Commission ("SEC") instead of the state regulators in South Dakota.
2. The Disclosure Brochure was re-drafted to follow the guidelines set forth by the SEC under the Investment Advisers Act of 1940, as amended. There are no material changes to the services or fees charged to existing Clients.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Hi-Line.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by searching by our firm CRD# - 149522. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (605) 878-0897.

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Hi-Line Capital Management, LLC (“Hi-Line” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”) located in the State of South Dakota. Hi-Line is organized as a Limited Liability Company (“LLC”) under the laws of the State of South Dakota. Hi-Line was founded in July 2009 and became a registered investment advisor in March 2010. Hi-Line is owned and operated by Michael E. Anderson. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Hi-Line.

### **B. Advisory Services Offered**

Hi-Line offers investment advisory services to individuals, high net worth individuals, and institutions (each a “Client”).

The management of investments may be suitable to Clients that seek a long-term investment horizon and seek a value based investment approach. The philosophical investment management deployed is identifying securities, which will predominantly be common stocks, selling for less than their estimated intrinsic value. In order to best achieve satisfactory returns one seeks to pay a price less than the value, thereby seeking a “margin of safety” to reduce risk or permanent capital loss. The lower the price paid relative to the estimated worth of a security, the greater the margin of safety of principle achieved. The short-term investment performance of Hi-Line may be different than common stock benchmarks, such as the S&P 500 Index (“S&P 500”), but the long-term investment performance goal is to exceed the S&P 500 on a compounded basis over a market cycle, which is typically 5-7 years.

The Advisor does not tailor portfolios to Clients. The Advisor does not take instruction from Clients to purchase specific securities. However, Clients may impose reasonable restrictions from purchasing specific securities in their account[s]. The Client is responsible to ensure restrictions are properly enforced.

Hi-Line evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Hi-Line will provide investment advisory services and portfolio management services and will not assume custody over a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account, pursuant to the Client investment advisory agreement. Hi-Line recommends that Clients establish their account[s] at TD Ameritrade, Inc., where the Advisor maintains an institutional relationship. Please see Item 12- Brokerage Practices.

### **C. Client Account Management**

Prior to engaging Hi-Line to provide investment advisory services, each Client is required to enter into an investment advisory agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client.

### **D. Wrap Fee Programs**

Hi-Line does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Hi-Line.

### **E. Assets Under Management**

As of December 31, 2014, Hi-Line manages \$103,486,385 in discretionary assets. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an investment advisory agreement that details the responsibilities of Hi-Line and the Client.

### A. Fees for Advisory Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter based on the following schedule:

Assets Under Management	Annual Rate (%)
Up to \$500,000	1.25%
\$500,001 to \$2,500,000	0.75%
\$2,500,001 to \$10,000,000	0.50%
Over \$10,000,000	0.45%

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Hi-Line will be independently valued by the designated Custodian. Hi-Line will not have the authority or responsibility to value portfolio securities.

### B. Fee Billing

Investment advisory fees will generally be calculated by the Advisor and deducted from the Client's account[s] by the Custodian. In such instances, the Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Hi-Line at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients provide written authorization permitting Hi-Line to be paid directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

### C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Hi-Line, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The investment advisory fee charged by Hi-Line is separate and distinct from these custodian and execution fees.

In addition, all fees paid to Hi-Line for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Hi-Line, but would not receive the services provided by Hi-Line which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Hi-Line to fully understand the total fees to be paid.

### D. Advance Payment of Fees and Termination

Hi-Line is compensated for its services in advance of the quarter in which investment advisory services are rendered. Clients may request to terminate their investment advisory agreement with Hi-Line, in whole or in part, by providing advance written notice. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment

advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

#### **E. Compensation for Sales of Securities**

Hi-Line does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

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Hi-Line may receive a Performance Fee based upon any gains obtained in the accounts of "Qualified Clients" pursuant to an investment advisory agreement. Only Qualified Clients with either \$1,000,000 under management with the Advisor or a net worth of \$2,000,000 will be charged a Performance Fee. Qualified Clients that are charged a Performance Fee will be offered a lower Investment Advisory Fee. The Performance Fee will be calculated at the close of each calendar year and deducted from Client accounts directly by the Custodian. The Performance Fee will be equal to 20% of any gains in the Client account for the year. The Advisor will receive the Performance Fee only to the extent that there are cumulative gains in the Client's account for the year. The receipt of a Performance Fee by certain Clients results in a potential conflict of interest, where Hi-Line has the potential for higher compensation from a Client. Hi-Line will charge a lower Investment Advisory Fee to all Clients that are charged a Performance Fee.

Hi-Line may receive a performance-based fee upon any gains obtained in the accounts of "Qualified Clients". Only "Qualified Clients" with either \$1,000,000 under management with Advisor or a net worth of \$2,000,000 (joint with spouse and excluding the value of primary residence) or are in the business of providing similar services as the Advisor can elect a performance fee structure. The performance fee will be 25% of the excess return above 6.0% (the "hurdle rate"), which subject to negotiation. The payment of a performance fee will only occur after exceeding the hurdle rate in a given year. If the hurdle rate is not achieved in a calendar year, and then the next year's performance fee will not occur until the previous year(s) hurdle rate deficit has been achieved. As an example, if returns were 2.0% in Year 1, then performance fees would not be assessed until a 10.0% return was achieved in Year 2.

Performance fees will be calculated and collected (if applicable) within sixty (60) days following the end of each calendar year.

Theoretically, a conflict of interest could exist to execute transactions that favor Clients who pay performance-based fees. Practically, this potential conflict is mitigated since transactions are relatively infrequent and predominantly made in highly liquid publicly traded securities. Additionally, the conflict of interest is mitigated by rotating the sequencing of trades among all accounts.

### **Item 7 – Types of Clients**

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Hi-Line offers investment advisory services to individuals, high net worth individuals, and institutions. The relative percentage of each type of Client is available on Hi-Line's Form ADV Part 1. These percentages will change over time.

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

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#### **A. Methods of Analysis**

Hi-Line primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Hi-Line is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, Hi-Line generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Hi-Line will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Hi-Line

may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Hi-Line will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Hi-Line or any of its employees.** Hi-Line and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by searching by our firm CRD# - 149522.

You may also research the background of Michael E. Anderson by selecting the option for “Individual” and entering Mr. Anderson’s individual CRD number **5640014**.

## **Item 10 – Other Financial Industry Activities and Affiliations**

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The sole business of Hi-Line is to provide investment advisory services to its Clients. Hi-Line does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client’s accounts.

Mr.

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

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### **A. Code of Ethics**

The Advisor is guided by the “Code of Ethics and Standards of Professional Conduct” of the CFA Institute (the “Code”). The Code follows the principles of loyalty, competence and good faith towards each Client. In brief, Advisor provides professional services with integrity, objectively and diligence. Advisor will be fair and reasonable in all professional relationships and disclose any conflicts of interest. Advisor protects the confidentiality of all Client information.

The Advisor believes it should “eat its own cooking.” Accordingly, it uses the same processes and procedures in developing investment strategies for Clients as for itself. Thus Advisor will often invest in the same securities and/or other investment products as Clients. When a security is determined to be purchased, the Advisor will only purchase the same security a minimum of three days after purchased for Client accounts. If the security is under consideration for sale, the same rules apply. Any potential conflicts of interest will be disclosed to Clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the Advisor will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. **To request a copy of our Code of Ethics, please contact us at (605) 878-0897.**



## Item 12 – Brokerage Practices

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### A. Recommendation of Custodian[s]

Hi-Line does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize Hi-Line to direct trades to this custodian as agreed in the investment advisory agreement. Further, Hi-Line does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Hi-Line does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by Hi-Line. Hi-Line may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. Hi-Line does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers. The Advisor typically recommends that Clients select TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (herein "TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. Hi-Line participates in the Institutional Advisor Program please see details below in Item 14.

Following are additional details regarding the brokerage practices of the Advisor:

- 1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **Hi-Line does not participate in soft dollar programs sponsored or offered by any broker-dealer.**
- 2. Brokerage Referrals** - Hi-Line does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.
- 3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Hi-Line will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, Hi-Line will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

### B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Hi-Line will execute its transactions through an unaffiliated broker-dealer selected by the Client. Hi-Line may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## Item 13 – Review of Accounts

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### A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Mr. Anderson, Member/Owner of Hi-Line. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.



## **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Hi-Line if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

## **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **Item 14 - Client Referrals and Other Compensation**

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### **A. Compensation Received by Hi-Line**

Hi-Line is a fee-only advisory firm, who, in all circumstances, is compensated solely by the Client. Hi-Line does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Hi-Line may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Hi-Line may receive referrals of new Clients from a third-party.

#### **Participation in Institutional Advisor Platform**

The Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services, which include custody of securities, trade execution, clearance and settlement of transactions. The Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, the Advisor participates in TD Ameritrade's Program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

## **B. Client Referrals from Solicitors**

Hi-Line does not engage paid solicitors for Client referrals.

### **Item 15 – Custody**

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Hi-Line does not accept or maintain custody of any Client accounts, except for the authorized deduction of the advisor's fee. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct Hi-Line to utilize that custodian for the Client's security transactions. Hi-Line encourages Clients to review statements provided by the account custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

### **Item 16 – Investment Discretion**

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Hi-Line generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Hi-Line. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Hi-Line will be in accordance with each Client's investment objectives and goals.

### **Item 17 – Voting Client Securities**

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Hi-Line does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

### **Item 18 – Financial Information**

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Neither Hi-Line, nor its management, have any adverse financial situations that would reasonably impair the ability of Hi-Line to meet all obligations to its Clients. Neither Hi-Line, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Hi-Line is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

## **Form ADV Part 2B – Brochure Supplement**

**for**

**Michael E. Anderson  
Member and Chief Compliance Officer**

**Effective: August 18, 2015**

This Brochure Supplement provides information about the background and qualifications of Michael E. Anderson (CRD# **5640014**) in addition to the information contained in the Hi-Line Capital Management, LLC (“Hi-Line” or the “Advisor”) (CRD # 149522) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Hi-Line Disclosure Brochure or this Brochure Supplement, please contact us at (605) 878-0897.

Additional information about Mr. Anderson is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Educational Background and Business Experience

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Michael E. Anderson, born in 1972, is dedicated to advising Clients of Hi-Line in his role as the Owner and Chief Compliance Officer. Mr. Anderson received a BA in Healthcare Finance from Concordia College in Morehead, MN and his Master's in Healthcare Administration from the Carlson School of Management at the University of Minnesota. Additional information regarding Mr. Anderson's employment history is included below.

### Employment History:

Member/Owner and Chief Compliance Officer, Hi-Line Capital Management, LLC	07/2009 to Present
Chief Investment Officer, Prairie Lakes Healthcasre System	08/2008 to Present
Chief Financial Officer, Prairie Lakes Healthcasre System	2000 to 2008

## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Anderson.*** Mr. Anderson has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Anderson.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Anderson.***

However, we do encourage you to independently view the background of Mr. Anderson on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select "Investment Adviser Search" from the left navigation menu. Then select the option for "Individual" and enter **5640014** in the field labeled "Individual Name or CRD#".

## Item 4 – Other Business Activities

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Mr. Anderson also serves as the Chief Investment Officer of Prairie Lakes Healthcare System.

## Item 5 – Additional Compensation

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Mr. Anderson is compensated for his full-time role as the Chief Investment Officer of Prairie Lakes Healthcare System.

## Item 6 – Supervision

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Mr. Anderson serves as the Member/Owner and Chief Compliance Officer of Hi-Line. Mr. Anderson can be reached at (605) 878-0897.

Hi-Line has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of Hi-Line. Further, Hi-Line is subject to regulatory oversight by various agencies. These agencies require registration by Hi-Line and its employees. As a registered entity, Hi-Line is subject to examinations by regulators, which may be announced or unannounced. Hi-Line is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

Effective: August 18, 2015

### Our Commitment to You

Hi-Line Capital Management, LLC ("Hi-Line" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Hi-Line (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Hi-Line does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Hi-Line does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Hi-Line or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Hi-Line does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (605) 878-0897.