

*The financial advisors of Hamilton, Manor & Associates are also registered representatives with securities offered through LPL Financial, a legally unaffiliated entity and a FINRA/SIPC member broker/dealer.*

**Item 1 Cover Page**

Registered as Keith Hamilton, Inc.



Doing Business As: Hamilton, Manor & Associates

CRD No. 155865

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**January 08, 2024**

**NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of Keith Hamilton, Inc. doing business as Hamilton, Manor & Associates. If you have any questions about the contents of this Brochure, please contact us at (858) 551-1040 or through our website at [hamiltonmanorandassociates.com](http://hamiltonmanorandassociates.com). In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. 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. Hamilton, Manor & Associates is a SEC registered investment adviser based in the state of California. Registration of a registered investment adviser does not imply any level of skill or training. Additional information about Hamilton, Manor & Associates also is available on the SEC's Web Site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

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As of this filing there are no material changes to disclose since the previous filing of 03/29/2022.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting us at (858) 551-1040 or at [questions@hamilton-manor.com](mailto:questions@hamilton-manor.com).

We welcome visitors to our Web Site at [hamiltonmanorandassociates.com](http://hamiltonmanorandassociates.com) for a comprehensive overview of our firm and the professional services we offer.

Additional information about Hamilton, Manor & Associates is also available via the SEC's Web Site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's Web Site also provides information about any persons affiliated with Hamilton, Manor & Associates who are registered, or are required to be registered, as investment adviser representatives of Hamilton, Manor & Associates.

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## **Item 4 – Advisory Business**

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### **The Firm**

Hamilton, Manor & Associates is a comprehensive tax and wealth management firm located in California since 1986. In 2011, the firm registered as an investment adviser to offer financial planning advisory services. In 2015 the registered investment adviser expanded the advisory services to include asset management.

The firm is committed to staying current on applicable legislation and financial markets in order to proactively help our clients make the “right” decision about their financial matters. We seek to accomplish our mission through education, communication and service that exceeds our client’s expectations.

Our proactive, forward-looking analysis seeks to capitalize on extensive research into global monetary and economic trends in order to reduce risk and provide above average performance. We monitor multiple research sources, including, but not limited to: LPL Financial, Goldman Sachs, JP Morgan, the Harvard & Yale Foundations, CalPERS Pension Plan, PIMCO, and Capital Research Management. Once we have constructed our asset allocation models based on the broad research sources, we then use third party money manager analyses and personal interviews to help select the best money managers and products available for each of the asset classes we use in our clients’ portfolios.

We have established a system of periodic portfolio reviews and client meetings. During these reviews we personally discuss any changes being recommended to the client’s investment portfolio and items we have discovered that may pertain to them while monitoring market and legislative changes. These periodic reviews provide the client with an opportunity to ask questions about other financially related topics but were not urgent enough matters to call us about before their next periodic review.

This comprehensive service provides our clients with the confidence that their money is being actively managed by a team of professionals who are staying current with the complicated financial environment for their benefit. In return, this affords our clients the luxury to concentrate on what they enjoy.

### **Management**

Keith Hamilton is the sole owner of Hamilton, Manor & Associates. He is also a registered principal with LPL Financial, a separate unaffiliated legal entity and FINRA/SIPC member broker/dealer offering securities transactions on a commission basis. He graduated from Oregon State University in 1984 with a Bachelor of Science degree in Accounting and a Bachelor of Science degree in Computer Science. He relocated to San Diego in 1984 and currently is a resident in the community of La Jolla. He is married to his wife Wendy and has two children, Reed and Brandon. In his spare time, Keith enjoys playing tennis.

In addition, Keith has been a Certified Financial Planner<sup>™</sup> since 1991 and is a member of the Financial Planning Association and has held his Life, Health, and Disability insurance license with the State of California since 1986. He has also been a licensed tax preparer with the State of California since 1985 and a member of the California Society of Certified Public Accountants. His practice specialty is investment management combined with income and estate tax reduction strategies.

Prior to his financial services career, Keith was a computer programmer for Cubic Corporation.

### **Asset Management**

Hamilton, Manor & Associates provides discretionary (with permission) and non-discretionary fee based investment advisory services for compensation primarily to individual clients and high-net worth individuals and corporate clients based on the individual goals, objectives, time horizon, and risk tolerance of each client. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Investment policy
- Asset selection
- Regular portfolio monitoring

The individuals associated with Hamilton, Manor & Associates are appropriately licensed, and authorized to provide advisory services on behalf of Hamilton, Manor & Associates. Individuals associated with Hamilton, Manor & Associates are also registered representatives of LPL Financial, a separate legally unaffiliated entity and SEC registered broker/dealer, a member of the Financial Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Any securities transactions executed by investment adviser representatives of Hamilton, Manor & Associates in their capacity of a registered representative of LPL Financial shall be directed to LPL Financial for execution. However, clients retain the right to execute securities transaction through the broker/dealer of their choice. Hamilton, Manor & Associates and LPL Financial are not affiliated legal entities.

Any and all material conflicts of interest are disclosed herein.

### **Strategic Wealth Management (SWM I and SWM II)**

Strategic Wealth Management (SWM) is the name of a custodial account offered through LPL Financial to support investment advisory services provided by Hamilton, Manor & Associates. Within a SWM account, investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, fixed income securities, options and structured products, among others. The advice is tailored to the individual needs of the client based on the investment objective chosen by the client in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile. More specific account information and acknowledgements are further detailed in the account opening documents.

Investment Advisors Representatives can offer SWM I or SWM II. The accounts offer the same investment choices and are managed in the same manner, but the fee structure is different. For SWM I, clients are charged transaction fees in addition to the advisory fee whereas for SWM II, the transactions fees are absorbed (wrapped) as part of the advisory fee, which makes SWM II a "Wrap Fee Program". A wrap fee program is a comprehensive advisory account with a single fee that covers a bundle of services; such as, portfolio management, advice, and investment research as well as trade execution, custody and reporting fee. The fee is not based directly upon advisory services or the execution of transactions. Accounts with assets of \$400,000 and above are generally held in a Wrap Fee

Account whereas accounts with less the \$400,000 are held in a non-wrap fee account. Hamilton, Manor & Associates is the sponsor and portfolio manager of a wrap fee program – additional details are provided in Appendix-1.

Generally there is no minimum account balance required for a SWM I or SWM II account. In certain instances, Hamilton, Manor & Associates may require a minimum account size.

### **LPL Financial Sponsored Programs**

- **Optimum Market Portfolios (OMP)**

The Optimum Market Portfolios (OMP) program offers clients the ability to participate in a professionally managed asset allocation program designed by LPL Financial. There are up to six Optimum Funds that may be purchased within an OMP account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small Cap Growth Fund, Optimum Small Cap Value Fund, Optimum International Fund and Optimum Fixed Income Fund. Hamilton, Manor & Associates will obtain the necessary financial data from each client and then select the proper fund portfolio program. While Hamilton, Manor & Associates selects the proper portfolio program, LPL Financial will manage the underlying Optimum Funds on a discretionary basis consistent with the portfolio program objectives. LPL Financial does not directly manage fund assets on behalf of any particular client.

LPL follows an asset allocation investment style in constructing portfolios for the Program. Asset allocation methodology is implemented by combining investments representing various asset classes that react differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. As with any investment strategy, there is no guarantee that the use of an asset allocation strategy will produce favorable results. Hamilton, Manor & Associates is responsible for educating the client about this investment style in advance of opening the Account by explaining the various asset classes (e.g., large cap growth, large cap value, etc.) being used within the selected portfolio. This educational process continues throughout the time that the client maintains the account.

OMP is one of several portfolio platforms centrally managed by LPL Financial. OMP enables advisors of Hamilton, Manor & Associates to manage client assets through diversified asset allocation models, professional money management, automatic rebalancing, and online marketing and sales support.

A minimum account value of \$15,000 is required for OMP.

- **Personal Wealth Portfolios (PWP)**

Personal Wealth Portfolios offers clients an asset management account using third party adviser portfolio allocation models designed by LPL Financial.

The PWP program is a unified managed account program in which LPL and Advisor provide ongoing investment advice and management. In PWP, clients invest in asset

allocation portfolios (“Portfolios”) designed by LPL’s Research Department, which include a combination of mutual funds, exchange-traded funds (“ETFs”) and investment models (“Models”) provided to LPL by third party money managers (“PWP Advisors”). The Models typically consist of equity and fixed income securities, but may include investment company securities. LPL’s Research Department selects the mutual funds, ETFs and Models to be made available in a Portfolio.

The Advisor obtains the necessary financial data from the client, assists the client in determining the suitability of the program and assists the client in setting an appropriate investment objective. The Advisor, or client with the assistance of the Advisor, selects a Portfolio based on client’s investment objective and then selects among the mutual funds, ETFs and/or Models available in the Portfolio. If client authorizes Advisor to take discretion to make such selections on client’s behalf, the discretionary authority will be set out in the Account Agreement and Application signed by the client.

Neither LPL nor a third party money manager directly provides advisory services to the clients of Hamilton, Manor & Associates. The third party money managers selected by LPL Financial for a particular program manage the portfolio without regard for any particular client of Hamilton, Manor & Associates. Hamilton, Manor & Associates is solely responsible for the advisory services provided and selecting the proper portfolio of third party money managers.

Hamilton, Manor & Associates is not acting as a cash solicitor for LPL Financial or other third party money managers.

A minimum account value of \$250,000 is required for PWP.

- **Model Wealth Portfolios (MWP)**

Model Wealth Portfolios Program offers clients a professionally managed mutual fund asset allocation program. Hamilton, Manor & Associates investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL’s Research Department consistent with the client’s stated investment objective. LPL’s Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds including in certain circumstances exchange traded funds and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

In the future, the MWP program may make available model portfolios designed by strategists other than LPL’s Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL or outside strategists.

A minimum account value of \$100,000 is required for MWP.

- **Manager Access Select (MAS)**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

- **Manager Access Network (MAN)**

Manager Access Network enables high-net-worth investors to access a variety of institutional portfolio managers at significantly lower account minimums. By using separate account managers, clients can enjoy a higher level of specialization and service through the ownership of individual securities. A broad range of portfolio managers and multiple investment styles are available, including equity, fixed income, asset classes, mutual funds, ETFs, and specialty strategies.

Clients contract directly with the portfolio managers for discretionary asset management services. LPL Financial provides brokerage, custodial, and administrative services to clients. Due diligence and portfolio monitoring is not provided by LPL Research.

Minimum account balances vary by portfolio manager, but typically start at \$100,000 for equity strategies and \$250,000 for fixed income strategies.

Hamilton, Manor & Associates offers asset management on a discretionary basis. As of December 31, 2022 the firm has \$30,991,126 of discretionary assets and \$102,895,693 of non-discretionary assets under management.

## **Retirement Plan Rollovers**

An employee generally has four (4) options for their retirement plan when they leave an employer:

1. Leave the money in his/her former employer's plan, if permitted
2. Rollover the assets to his/her new employer's plan if one is available and permitted
3. Rollover to an Individual Retirement Account (IRA), or
4. Cash out the account value, which has significant tax considerations

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

- Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.



- Employer retirement plans generally have a more limited investment menu than IRAs.
- Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
- Your current plan may have lower fees than our fees.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because Investment Advisor Representatives have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of each. An employee will typically be investing only in mutual funds, you should understand the cost structure of the share classes, available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA. Clients should understand the various products and services they might take advantage of at an IRA provider and the potential costs of those products and services.

- Our strategy may have higher risk than the option(s) provided to you in your plan.
- Your current plan may also offer financial advice.
- If you keep your assets titled in a 401k or retirement account, participants could potentially delay their required minimum distribution beyond age.
- A 401(k) may offer more liability protection than a rollover IRA; each state may vary.
- Participants may be able to take out a loan on your 401k, but not from an IRA.
- IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
- If company stock is owned in a plan, participants may be able to liquidate those shares at a lower capital gains tax rate.
- Plans may allow Advisor to be hired as the manager and keep the assets titled in the plan name.

Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.

It is important to understand the differences between these types of accounts and to decide whether a rollover is the best option. Prior to proceeding, if you have questions contact your Investment Adviser Representative, or call our main number as listed on the cover page of this brochure.

When Advisor provides investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Advisor also provides educational services to retirement plan participants with assets that could potentially be rolled-over to an IRA advisory account. Education is based on a particular Client's financial circumstances and best interests. Again, Advisor has an incentive to recommend such a rollover based on the compensation received, which is mitigated by the fiduciary duty to act in a Client's best interest and acting accordingly.

### **Planning Strategies for Families and Individuals**

- **Retirement** – planning an investment strategy with the objective of providing inflation-adjusted income for life.
- **College / Education** – planning to pay the future college / education expenses of a child or grandchild.
- **Major Purchase** – Evaluation of the pros and cons of home ownership verse renting as well as buying or leasing a car, for example.
- **Divorce** – planning for the financial impact of divorce such as change in income, retirement benefits and tax considerations.
- **Insurance Needs** – planning for the financial needs of survivors to satisfy such financial obligations as housing, dependent child care and spousal arrangements as well as education.
- **Final Expenses** – planning to leave assets to cover final expenses such as funeral, debts and potential

business continuity.

- **Estate Planning** – planning that focuses on the most efficient and tax friendly option to pass on an estate to a spouse, other family members or a charity.
- **Cash Flow/ Budget Planning** – planning to manage expenses against current and projected income.
- **Wealth Accumulation** – planning to build wealth within a portfolio that takes into consideration risk tolerance and time horizon.
- **Tax Planning** – planning a tax efficient investment portfolio to maximize deductions and off-setting losses.
- **Investment Planning** – planning an investment strategy consistent with a particular objectives, time horizons and risk tolerances.
- **Inheritance Planning** – planning for a tax efficient method to pass wealth to the next generation.
- **Employee and Government Benefits Analysis** – analysis of the cost and premiums as well as the pre and post retirement coverage options.

### **Planning Strategies for Businesses**

- **Business Entity Planning** – review the various forms of business structures in relation to liability and income tax considerations.
- **Qualified Retirement Plans** – evaluate the types of retirement plans established by an employer for the benefit of the company's employees.
- **Stock Option Planning** – planning to maximize the value of employer issued stock options and optimize what to exercise and what to hold.
- **Key Person Planning** – evaluate the life insurance needs required in the event of the sudden loss of a key executive in order to buy time to find a new person or to implement other strategies to continue the business.
- **Executive Benefits** – planning to attract, reward and retain top executive talent.
- **Deferred Compensation Plans** – planning for the use of tax deferred funds to be withdrawn and taxed at some point in the future.
- **Business Succession Planning** – planning for the continuation of a business after key executives move on to new opportunities, retire or pass away with the use of buy-sell agreements, key-man insurance and engaging independent legal counsel as needed.

### **Hourly Consulting Services**

Hamilton, Manor & Associates, through its investment advisor representatives, may provide consulting services on an hourly basis. These services may include, as selected by the client in the consulting

agreement. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. The investment advisor representatives may or may not deliver to the client a written analysis or report as part of the services. The investment advisor representatives tailor the hourly consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client. The negotiated hourly fee for these services will generally not exceed \$250 but may exceed \$250 as circumstances warrant due to client specific complexities or the degree of expertise required.

### **Retirement Plan Consulting**

Investment advisor representatives of Hamilton, Manor & Associates may assist clients that are trustees or other fiduciaries to retirement plans ("Plans") by providing fee-based consulting and/or advisory services. Investment advisor representatives may perform one or more of the following services, as selected by the client in the client agreement:

- Assistance in the preparation or review of an investment policy statement ("IPS") for the Plan based upon consultation with client to ascertain Plan's investment objectives and constraints.
- Acting as a liaison between the Plan and service providers, product sponsors or vendors.
- Ongoing monitoring of investment manager(s) or investments in relation to the criteria specified in the Plan's IPS or other written guidelines provided by the client to IAR.
- Preparation of reports describing the performance of Plan investment manager(s) or investments, as well as comparing the performance to benchmarks.
- Ongoing recommendations, for consideration and selection by client, about specific investments to be held by the Plan or, in the case of a participant-directed defined contribution plan, to be made available as investment options under the Plan.
- Education or training for the members of the Plan investment committee with regard to various matters, including plan features, retirement readiness matters, service on the committee, and fiduciary responsibilities.
- Assistance in enrolling Plan participants in the Plan, including conducting an agreed upon number of enrollment meetings. As part of such meetings, IARs may provide participants with information about the Plan, which may include information on the benefits of Plan participation, the benefits of increasing Plan contributions, the impact of pre-retirement withdrawals on retirement income, the terms of the Plan and the operation of the Plan.

If the Plan makes available publicly traded employer stock ("company stock") as an investment option under the Plan, investment advisor representatives do not provide investment advice regarding company stock and are not responsible for the decision to offer company stock as an investment option. In addition, if participants in the Plan may invest the assets in their accounts through individual brokerage accounts, a mutual fund window, or other similar arrangement, or may obtain participant loans, investment advisor representatives do not provide any individualized advice or recommendations to the participants regarding these decisions.

In addition, if client elects to engage an investment advisor representatives to perform ongoing investment monitoring and ongoing investment recommendation services to a Plan subject to ERISA in the client agreement, such services will constitute "investment advice" under Section 3(21)(A)(ii) of

ERISA. Therefore, the investment advisor representatives will be deemed a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of ERISA in connection with those services. Clients should understand that to the extent the IAR is engaged to perform services other than ongoing investment monitoring and recommendations, those services are not “investment advice” under ERISA and therefore, the IAR will not be a “fiduciary” under ERISA with respect to those other services.

From time to time the IAR may make the Plan or Plan participants aware of and may offer services available from IAR that are separate and apart from the services provided under Retirement Plan Consulting. Such other services may be services to the Plan, to a client with respect to client's responsibilities to the Plan and/or to one or more Plan participants. In offering any such services, the IAR is not acting as a fiduciary under ERISA with respect to such offering of services. If any such separate services are offered to a client, the client will make an independent assessment of such services without reliance on the advice or judgment of the IAR. Such service may include:

- Assistance with investment education seminars and meetings for Plan participants. Such meetings may be on a group or individual basis, and may include information about the investment options under the Plan (e.g., investment objectives, risk/return characteristics, and historical performance), investment concepts (e.g., diversification, asset classes, and risk and return), and how to determine investment time horizons and assess risk tolerance. Such meetings do not include specific investment advice about investment options under the Plan as being appropriate for a particular participant.
- Assistance at client's direction in making changes to investment options under the Plan.
- As part of the ongoing investment recommendation service set out above, assistance in identifying investment options in connection with the “broad range” requirement of Section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”).
- As part of the ongoing investment recommendation service set out above, assistance in identifying an investment fund product or model portfolio in connection with the definition of a “Qualified Default Investment Alternative” (“QDIA”) under ERISA.
- Assistance with the preparation, distribution and evaluation of Request for Proposals, finalist interviews, and conversion support in connection with vendor analysis and service provider support.
- Preparation of comparisons of Plan data (e.g., regarding fees and services and participant enrollment and contributions) to data from the Plan's prior years and/or a benchmark group of similar plans.
- Assistance in identifying the fees and other costs borne by the Plan for, as specified by client, investment management, recordkeeping, participant education, participant communication and/or other services provided with respect to the Plan.

### **Other Considerations**

Neither the firm nor any investment advisor representative are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

Advisory agreements may not be assigned or transferred in any manner by any party without the written consent of all parties receiving or rendering services hereunder; provided that Advisor may assign an agreement upon consent of the client. An advisory agreement may be terminated by any party effective upon receipt of written notice to the other parties. The client will be entitled to a prorated refund of any pre-paid quarterly Account Fee based upon the number of days remaining in the quarter after the Termination Date.

Clients need to understand that in the event of death or incapacity during the term of an advisory agreement, the authority of Hamilton, Manor & Associates under an advisory agreement shall remain in full force and effect until such time as Hamilton, Manor & Associates is notified otherwise in writing by the authorized representative of a client or a client's estate. Termination of an advisory agreement will not affect the liabilities or obligations of the parties from transactions initiated prior to termination.

Economic commentaries and research provided by LPL Financial are provided at no cost and not contingent upon the amount of business processed through LP Financial.

Securities transactions are generally effected through LPL Financial as the executing broker/dealer by the IAR in their capacity of registered representative of the LPL Financial broker/dealer. Clients are however able to execute transactions at a broker/dealer of their choice. LPL Financial is an unaffiliated separate legal entity from Keith Hamilton, Inc.

The IAR may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives.

## **Item 5 – Fees and Compensation**

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### **Asset Management**

Investment Advisor representatives are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement. However, the exact service and fees charged to a particular client are dependent upon the representative that is working with the client. Advisors are instructed to consider the individual needs of each client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each client.

The specific manner in which fees are charged is established in a client's written agreement; generally up to 1.5% of assets under management as of the last business day of the previous quarter. Clients can determine to engage the services of Hamilton, Manor & Associates on a discretionary basis. The firm's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the firm's management to be charged quarterly in advance, and Hamilton, Manor & Associates representatives may at their discretion negotiate a fee in accordance with the below fee schedule.

Lower fees for comparable services may be available from other sources.

| Total Assets Under Management    | Maximum Annual Fee    |
|----------------------------------|-----------------------|
| First - \$0 - \$500,000          | Negotiable up to 1.5% |
| Next - \$500,001 - \$1,000,000   | Negotiable up to 1.5% |
| Next - \$1,000,000 - \$5,000,000 | Negotiable up to 1.5% |
| More than \$5,000,000            | Negotiable up to 1.5% |

Asset management account fees are payable quarterly in advance. Clients may terminate the agreement without penalty for a full refund of the Hamilton, Manor & Associates' fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 30 days' written notice. Clients are not charged additional fees by LPL for participating in any of the individual advisory programs.

The Account's custodian calculates and deducts the advisory fee quarterly in advance; Hamilton, Manor & Associates does not directly deduct fees but is paid by the qualified custodian. If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date, which will be processed by the custodian.

### **LPL Sponsored Programs**

Advisor receives compensation as a result of a client's participation in an LPL Financial program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

LPL Financial serves as program sponsor, investment advisor and broker/dealer for the LPL Financial advisory programs. Hamilton, Manor & Associates and LPL may share in the account fee and other fees associated with program accounts. Associated persons of Advisor may also be registered representatives of LPL Financial. Lower fees for comparable services may be available from other sources.

### **Financial Planning**

Financial Planning fees are generally fixed based on an estimated number of hours but in some cases financial planning may be offered on an actual hourly basis. Financial planning fees and payment schedules are negotiated but generally require 50% up front and the balance upon completion. In the event that a client terminates the services they will be entitled to a refund of any unearned fees by subtracting the earned fees from the amount paid up front. Hamilton, Manor & Associates does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

Financial planning fees are payable by check to Hamilton, Manor & Associates, Inc. The fee for hourly billing is generally \$250 an hour and fixed fees range from \$200 to \$15,000 depending on the particular complexities involved. Payment for hourly consulting must be to: Hamilton, Manor & Associates, Inc.

**Hourly Consulting Fees**

The hourly consulting fee will be based on the type of services to be provided, experience and expertise, and the sophistication and bargaining power of the client. The hourly fee is generally \$250 an hour. The total estimated fee, as well as the ultimate fee that we charge, is based on the scope and complexity of the specific engagement. A higher or lower fee may apply under extenuating circumstances and requires approval by the Chief Compliance Officer.

Our fixed fee is based on the number of expected hours multiplied by \$250. Individual complexities will determine the fixed fee charged based on the number of hours estimated to complete the plan but not billed based on actual hours. Clients are not “fit” into a particular service level but a plan is designed to be specific to each individual client and their unique circumstances. The following criteria will be considered as appropriate when determining the number of hours expected to create a client specific financial plan.

- Total Income (wages, investment, business, alimony, rental, etc.)
- Net Worth
- Marital Status
- Tax Bracket
- Assets under Management
- Children
- Education Costs
- Timeframe
- Risk Tolerance
- Objectives
- Account Types and Holdings
- Investment Experience
- Budget
- Expected number of Meetings / Phone Conferences
- Amount of material required to review
- Number of Accounts
- Type of Holdings

Payment for hourly consulting must be to: Hamilton, Manor & Associates. Payment for services is generally due upon completion of each hourly session. In the event that a client terminates the services they will be entitled to a refund of any unearned fees by subtracting the earned fees from any amount pre-paid, if applicable.

**Retirement Plan Consulting Fees**

Hamilton, Manor & Associates offers the following optional fixed fee arrangement for pension consulting agreements. The determined annual fee will be increased each year with a cost of living adjustment of an agreed upon percentage.

- Frequency (monthly, quarterly, annually, or other)
- Timing (fees will be charged quarterly in advance, or arrears)
- Method (based on the value of plan assets in the method determined by the third party payer, or based on the value of the plan assets at the beginning of quarter, or end of quarter).

The minimum fixed fee range is generally between \$2,000 - \$5,000 annually depending on the size,



complexity and services offered.

Fees will be paid by the investment provider or other third party, and/or out of Plan Assets, in accordance with the third party's policies accepted by Sponsor," or "Invoice Plan Sponsor directly at Sponsor's address.

### **Commission Compensation**

Investment Advisor Representatives of Hamilton, Manor & Associates may also be registered representatives of LPL Financial LLC, a legally unaffiliated legal entity and FINRA/SIPC member broker/dealer.

LPL Financial as a broker/dealer charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables Hamilton, Manor & Associates to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker/dealers. Clients may direct their brokerage transactions at a firm other than LPL Financial. Advisory fees are generally not reduced to offset commissions or markups. Please see Item 12 for additional information regarding brokerage practices.

Clients can engage certain representatives of the firm, in their individual capacities as registered representatives of LPL Financial, an SEC registered and FINRA/SIPC member broker-dealer, in order to purchase investment products in a brokerage account established through LPL Financial. LPL Financial will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL Financial shall pay to the firm's representatives, as applicable. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers.

The firm generally does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the firm recommends to its clients. When the firm's representatives sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the client for such product in order to address this conflict of interest. In addition to the disclosures contained herein, the fee structure is discussed with clients prior to any transactions. When providing services on an advisory fee basis, Hamilton, Manor & Associates representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage the firm to provide investment management services for an advisory fee and also purchase an investment product from the firm's representatives on a separate and additional commission basis.

The recommendation that a client purchase a commission product from LPL Financial presents a conflict of interest, as the receipt of commissions provides an incentive to recommend investment products based on commissions received, rather than on a particular client's need. Investment Advisor Representatives of Hamilton, Manor & Associates however have a fiduciary duty to act in the best interests of their clients. No client is under any obligation to purchase any commission products from LPL Financial. The firm's Chief Compliance Officer, Keith Hamilton, is available to address any questions that a client or prospective client may have regarding this conflict of interest.

### **Other Considerations**

When dealing with investment advisory clients and services, investment adviser representatives have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of their clients. Investment adviser representatives should fully disclose all material facts concerning any conflict that arise with their clients, and should avoid even the appearance of a conflict of interest.

The Firm and IARs must abide by honest and ethical business practices including, but not limited to:

- Not inducing trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account;
- Making recommendations with reasonable grounds to believe that they are appropriate based on the information furnished by the client;
- Placing discretionary orders only after obtaining client's written trading authorization contained within the advisory agreement or via separate amendment;
- Not borrowing money or securities from, or lending money or securities to a client;
- Not placing an order for the purchase or sale of a security if the security is not registered, or the security or transaction is not exempt from registration in the specific state;

The Firm and the IAR will:

- Allocate securities in a manner that is fair and equitable to all clients.
- Not effect agency-cross transactions for client accounts.

All Investment Advisor Representatives of Hamilton, Manor & Associates are required to sign an acknowledgment of their understanding and acceptance of these terms.

Fees for services are typically based on the value of assets under management and will vary by engagement. The amount of the fee will be set out in the client agreement executed by the client at the time the relationship is established. The advisory fee is negotiable between the investment advisor representative and the client, and is payable in advance as described in the client agreement. LPL Financial is responsible for calculating and deducting advisory fees from client accounts held at LPL Financial. Client will provide LPL Financial with written authorization to deduct fees and pay the advisory fees to the RIA firm. The advisory fee is paid directly by LPL Financial to the RIA firm (not the individual). The RIA firm will then share the advisory fee with its advisors/associated persons.

Investment advisor representatives may also be licensed insurance agents. In the capacity of an insurance agent, they may recommend the purchase of certain insurance-related products on a commission basis.

The purchase of a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from investment advisor representative of the firm. Clients may purchase investment products recommended by investment advisory representatives through other, non-affiliated broker/dealers or insurance agents.

LPL Financial will generally serve as the broker/dealer on transactions in an advisory account. In such

case, LPL Financial may charge the client transaction charges in connection with trade execution through LPL Financial.

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

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None of the advisors at Hamilton, Manor & Associates accepts performance-based fees – that is, fees based on a share of capital gains or capital appreciation of assets (such as a client that is a hedge fund or other pooled investment vehicle). We also do not participate in side-by-side management, where an advisor manages accounts that are both charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or fixed fee or an asset-based fee.

#### **Item 7 – Types of Clients**

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Hamilton, Manor & Associates generally provides advice for individuals, high net worth individuals, trusts, and small businesses as well as pension and profit sharing plans. However, the advisory services offered by Hamilton, Manor & Associates are also available to banks and thrift institutions, estates, charitable organizations as well as state and municipal government entities as the opportunity may arise.

Advisory Programs account minimums are as follows:

- Asset Management: \$0.00
- Optimum Market Portfolios Program (OMP): \$15,000
- Personal Wealth Portfolios Program (PWP): \$250,000
- Model Wealth Portfolios Program (MWP): \$100,000
- Manager Access Select Program (MAS): \$100,000 (in certain instances, the minimum account size may be lower or higher).
- Manager Access Network Program (MAN): \$100,000 (in certain instances, the minimum account size may be lower or higher).

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

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A client's portfolio may include assets of publicly held companies in the United States and foreign markets. This may include both equities and fixed income assets. Other options may include domestic and foreign debt instruments (i.e. government and corporate bonds), real estate investment trusts and mutual funds or private placements that invest in natural resources or managed futures (markets such as, and not limited to, currency, commodity, agriculture and energy).

Each market may function and change in different ways depending on supply and demand, current events and investor behaviors. While our goal is to help increase a client's net worth, there is potential for losses in market, principal, and interest values. These changes may also affect a client's tax situation and filings.

The most commonly purchased share class of mutual funds are typically held for one year and may be exchanged (no transaction cost to client) during the year to properly align an account with its asset allocation model. Holding commonly recommended mutual funds for less than a year can result in contingent deferred sales charges and short term gains / losses in non-qualified accounts.

Analysis and strategies are generally based on:

- publicly available data
- a client's net worth

- risk tolerance
- goals for investment account funds
- commentary and information obtained from analysts at preferred mutual fund or variable annuity firms

The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we regularly review the portfolio and if appropriate, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The firm may use one or more of the following methods: fundamental analysis and technical analysis, cyclical analysis and charting analysis in order to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short term trading strategy based on the particular objectives and risk tolerance of each individual client.

- **Fundamental Analysis** – involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.
- **Technical Analysis** – involves the analysis of past market data; primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.
- **Cyclical Analysis** – involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.
- **Charting Analysis** - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.

Investing in securities involves risk of loss that clients should be prepared to bear. There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.

The firm's methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations.

#### **Risk of Loss**

- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** – the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** – the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.
- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Market Risk** – the risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.

#### **Types of Investments (Examples, not limitations)**

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in

securities such as stocks, bonds, money market instruments and similar assets.

- **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell.

Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature

- **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange.

Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.

- **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund’s concentration in the real estate industry.
- **Unit Investment Trust (UIT)** – An investment company that offers a fixed, unmanaged portfolio, generally of stocks and bonds, as redeemable “units” to investors for a specific period of time. It is designed to provide capital appreciation and/or dividend income. UITs can be resold in the secondary market. A UIT may be either a regulated investment corporation (RIC) or a grantor trust. The former is a corporation in which the investors are joint owners; the latter grants investors proportional ownership in the UIT’s underlying securities.
- **Equity** – investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange Traded Funds (ETFs)** – an ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Exchange-Traded Notes (ETNs)** – An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a

variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.

- **Fixed Income** – investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Options** – Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Options Trading/Writing** – is a securities transaction that involves buying or selling (writing) an option. If you write an option and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.
- **Structured Products** – Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely

performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **Hedge Funds and Managed Futures** – Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Annuities** – are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Variable Annuities** – If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Non-U.S. Securities** – present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.
- **Margin Accounts** – Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous



to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.

- **Long-Term Purchases** – are securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short-Term Purchases** – are securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Other investment types may be included as appropriate for a particular client and their respective trading objectives.

### **Item 9 – Disciplinary Information**

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Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an advisory firm or the integrity of a firm's management.

Any such disciplinary information for the company and the company's investment advisor representatives would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>. There are no legal or disciplinary events to disclose.

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

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Investment adviser representatives of Hamilton, Manor & Associates may receive compensation for the sale of securities or other investment products in their capacity as a registered representative of LPL Financial.

Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. Insurance products will only be offered in states where the representative offering insurance is properly licensed.

A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation adviser and/or our supervised persons may earn and may not necessarily be in the best interests of the client. Such potential conflicts of interest are subject to review by the Chief Compliance Officer.

Neither Hamilton, Manor & Associates nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

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Hamilton, Manor & Associates maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty

and trust. The code of ethics includes guidelines regarding personal securities transactions of its employees and investment advisor representatives. The code of ethics permits employees and investment advisor representatives or related persons to invest for their own personal accounts in the same or different securities that an investment advisor representative may purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or

investment advisor representatives in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. Hamilton, Manor & Associates addresses this conflict of interest by requiring in its code of ethics that employees and investment advisor representatives report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

Neither Hamilton, Manor & Associates nor a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest.

An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

#### **Item 12 – Brokerage Practices**

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Hamilton, Manor & Associates receives non-soft dollar support services and/or products from LPL Financial, many of which assist the Hamilton, Manor & Associates to better monitor and service program accounts maintained at LPL Financial. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research;
- pricing information and market data;
- software and other technology that provide access to client account data;
- compliance and/or practice management-related publications;
- consulting services;
- attendance at conferences, meetings, and other educational and/or social events;
- marketing support;
- computer hardware and/or software; and,
- other products and services used in furtherance of investment advisory business operations.

These support services are provided to Hamilton, Manor & Associates based on the overall relationship between Hamilton, Manor & Associates and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Hamilton, Manor & Associates to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

These non-soft dollars are a benefit to Hamilton, Manor & Associates because the firm does not have to produce or pay for the research, products or services. Consequently, Hamilton, Manor & Associates

may have an incentive to select, recommend or expand the brokerage services of LPL Financial as a result of receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution. Our firm examined this potential conflict of interest when we chose to enter into the relationship with LPL and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Although the non-soft dollar investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker/dealers.

Clients may pay a commission to LPL Financial that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Our recommendation of LPL Financial to our clients is based on our clients' interests in receiving best execution and the level of competitive, professional services LPL Financial provides. Our firm does not receive client brokerage commissions (or markups or markdowns) to obtain research or other products or services. Neither does our firm receive brokerage commissions for client referrals.

Securities transactions in advisory accounts are generally executed through LPL Financial as the qualified custodian and broker/dealer. Investment adviser representatives of Hamilton, Manor & Associates may also maintain advisory accounts at other third party custodians. In the event that a client elects a custodian other than LPL Financial, Hamilton, Manor & Associates anticipates to establish a payment structure similar to the structure already established with LPL Financial.

Investment adviser representatives do not maintain discretionary authority in determining the broker/dealer with whom orders for the purchase and sale of securities are placed for execution or the commission rates at which such transactions are effected.

Each client that chooses LPL Financial will be required to establish an account if not already done. Please note that not all advisors have this requirement.

For advisory services, the Applicant and its related persons may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When

transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. The Applicant and its related persons may determine not to aggregate transactions, for example, based on the size of the trades, number of client accounts, the timing of trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If the Applicant or its related persons do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

Clients may direct their brokerage transactions at a firm other than LPL Financial. However, we may be unable to achieve more favorable executions of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

Certain investment advisor representatives may have received a repayable or forgivable loan from LPL Financial in order to assist with transitioning their business onto the LPL Financial custodial platform. Because of this economic benefit, there is a conflict of interest in recommending to clients that they use LPL Financial as a custodian. However, to the extent an investment adviser representative recommends you use LPL Financial for such services, it is because they believe that it is in your best interest to do so based on the quality and pricing of the execution, benefits of an integrated platform for brokerage and advisory accounts, and other services provided by LPL Financial.

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### **Item 13 – Review of Accounts**

Reviews are conducted on an ongoing basis by Keith Hamilton, the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise Hamilton, Manor & Associates of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis.

Client review periods vary between 3 months to 1 year depending on market conditions, the client's funding needs and changes in investment objectives. Occasionally a review may result in a "no change" recommendation. If a client has a change in their financial situation Hamilton, Manor & Associates will perform a review to make sure that the portfolio is appropriate for the client and meets the cash needs of the time. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

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

Hamilton, Manor & Associates may receive an economic benefit from LPL Financial such as, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist IAR in providing various services to clients.

Hamilton, Manor & Associates and employees may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representative, client workshops or events, marketing events or advertising initiatives, including

services for identifying prospective clients. Product sponsors may also pay for, or reimburse Hamilton, Manor & Associates for the costs associated with, education or training events that may be attended by Hamilton, Manor & Associates employees and investment advisor representatives and for Hamilton, Manor & Associates sponsored conferences and events.

Such gifts represent a conflict of interest however IARs of Hamilton, Manor & Associates have a fiduciary duty to act in the client's best interest.

Hamilton, Manor & Associates does not have any agreements in place to pay solicitors a portion of advisory fees. Hamilton, Manor & Associates does not directly or indirectly compensate any person who is not a supervised person for client referrals. However, Hamilton, Manor & Associates may receive compensation based on referring clients to a third party investment adviser. As described in Item 4 above, this compensation is disclosed in a separate disclosure document and is typically equal to a percentage of the investment advisory fee charged by that third-party adviser or a fixed fee. The disclosure document provided by Hamilton, Manor & Associates will clearly state the fees payable to Hamilton, Manor & Associates and the impact to the overall fees due to these payments.

Since the compensation paid to Hamilton, Manor & Associates may differ depending on the agreement with each third-party adviser, Hamilton, Manor & Associates has a conflict of interest and an incentive to recommend one third-party advisors over another; however, the firm has a fiduciary duty to act in the best interests of the client.

Hamilton, Manor & Associates will ensure that any third party investment adviser is properly registered and/or notice-filed with the SEC or applicable state regulator.

Certain investment adviser representatives may have received an economic benefit from LPL Financial in the form of a repayable or forgivable loan. Please see detailed discussion of the conditions and potential conflicts of interest in Item 12 Brokerage Practices.

### **Item 15 – Custody**

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Hamilton, Manor & Associates does not have actual or constructive custody of client funds. LPL Financial will serve as the qualified custodian of client assets on behalf of the Hamilton, Manor & Associates. Hamilton, Manor & Associates may also provide advisory services on assets held at different third party custodians.

However, Hamilton, Manor & Associates does not yet have a custodial relationship with a custodian other than LPL Financial. In advance of managing assets at an additional custodial, Hamilton, Manor & Associates plans to establish a fee payment structure similar to the structure already established with LPL Financial.

Hamilton, Manor & Associates urges you to carefully review the statements provided by the qualified custodian.

LPL Financial as the qualified custodian sends statements at least quarterly to clients showing all disbursements in account including the amount of the advisory fees paid to advisor, the value of client assets upon which advisor's fee was based, and the specific manner in which advisor's fee was calculated. Clients provide authorization to LPL Financial permitting advisory fees to be deducted from client advisory account. LPL Financial calculates the advisory fees and deducts them from

client's account every quarter.

LPL Financial is responsible for directly calculating and deducting advisory fees from client accounts held at LPL Financial based on instructions provided by the client not the advisor. Client will provide LPL Financial with written authorization to deduct fees and pay the advisory fees to Hamilton, Manor & Associates. Hamilton, Manor & Associates does not have the direct ability to have management fees withdrawn by the custodian.

#### **Item 16 - Investment Discretion**

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The client can determine to engage Hamilton, Manor & Associates to provide investment advisory services on a discretionary basis. Prior to Hamilton, Manor & Associates assuming discretionary authority over a client's account, the client shall be required to grant permission by executing an Advisory Agreement, naming Hamilton, Manor & Associates as the client's attorney and agent in fact, granting Hamilton, Manor & Associates full authority to buy and/or sell the type and amount of securities on behalf of a client, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Hamilton, Manor & Associates does not have discretionary authority to determine the broker or dealer to be used for a purchase or sale of securities for a client's account or the commission rates to be paid to a broker or dealer for a client's securities transaction. Clients who engage Hamilton, Manor & Associates on a discretionary basis may, at any time, impose restrictions, in writing, on Hamilton, Manor & Associates discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the use of margin, etc.). Clients may also elect to have a non-discretionary account where, if accepted, Hamilton, Manor & Associates will secure the client's permission prior to effecting any securities transactions in the client's account.

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

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Hamilton, Manor & Associates does not vote client proxies but third party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact Hamilton, Manor & Associates at (858) 551-1040 to discuss any questions they may have with a particular solicitation. To request assistance on a proxy voting issue please contact the offering company.

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

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Hamilton, Manor & Associates may or may not have discretion over client funds as indicated in the advisory agreement. Hamilton, Manor & Associates does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance or otherwise have actual or constructive custody of client funds. There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has Hamilton, Manor & Associates been the subject of a bankruptcy petition.

Registered as Keith Hamilton, Inc.



Doing Business As: Hamilton, Manor & Associates

CRD No. 155865

7979 Ivanhoe Avenue | La Jolla, California 92037

(858) 551-1040 – phone | (858) 456-2739 – fax

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## **Appendix 1 – Wrap Fee Program Brochure (SWM II)**

**January 08, 2024**

This Form ADV2A - Appendix 1 (“Wrap Fee Brochure”) provides information about the qualifications and business practices for Hamilton, Manor & Associates (or the “the firm”) when offering services pursuant to a wrap program. This Wrap Fee Brochure shall always be accompanied by the firm disclosure brochure, which provides complete details on the business practices of Hamilton, Manor & Associates. If you did not receive the complete firm disclosure brochure or you have any questions about the contents of this Wrap Fee Brochure or the firm disclosure brochure, please contact us at (858) 551-1040 or [questions@hamilton-manor.com](mailto:questions@hamilton-manor.com). 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 the firm 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 our CRD No. 155865. Registration does not imply a certain level of skill or training.

## **Item 2 - Material Changes**

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If the firm amends this brochure so that it contains material changes from the last annual update, the changes will be identified in this item.

Clients will receive, at no charge, a summary of any material changes within 120 days of the firm's fiscal year end and promptly (generally within 30 days) after any material changes throughout the year.



### **Item 3 – Table of Contents**

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#### **Item 4 – Services, Fees and compensation**

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The firm provides investment advisory services where the asset management fee and ticket charges are “wrapped” into a single fee. This Wrap Fee Program Brochure is provided as a supplement to the firm Disclosure Brochure (Form ADV 2A) to provide further details of the business practices and fee structure.

This Wrap Fee Program Brochure references back to the firm Form ADV 2A in which this Wrap Fee Program Brochure serves as an Appendix. Please see Item 4 of the ADV 2A for details on the firm’s investment philosophy and related services.

Hamilton, Manor & Associates is the sponsor and portfolio manager of this Wrap Fee Program, receives investment advisory fees paid by clients and pays the custodian for the costs associated with normal trading activity. Participation in this wrap fee program may cost more or less than purchasing such services separately.

#### **Item 5 – Account Requirements and Types of Clients**

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Please see Item 7 – Types of Clients in the Form ADV 2A Disclosure Brochure.

#### **Item 6 - Portfolio Manager Selection and Evaluation**

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The firm serves as sponsor and portfolio manager for the services under this Wrap Fee Program. The firm does not charge performance-based fees.

The firm does not accept proxy-voting responsibility. Clients will receive proxy statements directly from the custodian. the firm can assist in answering questions relating to proxies, however, the client retains the sole responsibility for proxy decisions and voting.

#### **Item 7 – Client Information Provided to Portfolio Managers**

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Hamilton, Manor & Associates is the sponsor and sole portfolio manager for the Program. There is no other portfolio manager where client information can be shared.

#### **Item 8 – Client Contact with Portfolio Managers**

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Hamilton, Manor & Associates is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at the firm.

#### **Item 9 – Additional Information**

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The backgrounds, disciplinary information (none) and other financial industry activities and affiliations is available 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 our CRD No. 155865 as well as Items 10 and 14 of the Form ADV Part 2A.

Please also see Item 9 of the firm Disclosure Brochure as well as Item 3 of each Investment

Advisor Representatives Form ADV 2B Brochure Supplement for additional information on how to research the background information.

The firm has implemented a Code of Ethics that defines our fiduciary commitment to each Client. The details of the firm Code of Ethics can be found under Item 11 of the ADV 2A. – Disclosure Brochure.

Client accounts are monitored on a regular and continuous basis by the firm under the supervision of the Chief Compliance Officer (“CCO”). Details of the review policies and practices are provided in Item 13 of the Form ADV 2A – Disclosure Brochure.

Please see Item 14 – Other Compensation in the Form ADV 2A – Disclosure Brochure (included with this Wrap Fee Brochure) for details on additional compensation that may be received by the firm or its Investment the firm Representatives. Each Investment Advisor Representative’s Form ADV 2B Brochure Supplement contains details on any financial industry outside business activities and the associated compensation.

- Hamilton, Manor & Associates does not pay a referral fee for the introduction of clients.
- Financial information is available in Item 18 of the Form ADV Part 2A – Disclosure Brochure.