



HOLLENCREST
CAPITAL MANAGEMENT

Item 1: Cover Page

**Firm Brochure
(Part 2A of Form ADV)**

**Form ADV Annual Update as of December 31, 2023
Brochure Dated March 25, 2024**

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Hollencrest Capital Management, LLC (“HCM” or the “Firm”). If you have any questions regarding the contents of this Brochure, please contact Susan Nakamura, Chief Compliance Officer, at 949-823-7751 or via e-mail at suen@hollencrest.com.

The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

HCM is an investment adviser registered with the SEC; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about the Firm and its Supervised Persons is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Form ADV Brochure updated for the Form ADV Annual Update for December 31, 2023 for Hollencrest Capital Management, LLC (“Hollencrest” or “HCM” or the “Firm”) and dated March 31, 2023 contains the following material changes made since the Firm’s last annual update for December 31, 2022:

- Effective 4/1/23, Hollencrest implemented updated standard fee schedules typically applicable to new client relationships.

HCM will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of the Firm’s fiscal year, and any other time the Firm experiences material changes, along with either a copy of this Brochure or an offer to provide a copy of the Brochure. For more information about the Firm, please visit www.hollencrest.com.

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Item 4: Advisory Business

A. Description and Overview

Hollencrest Capital Management, LLC (“HCM” or the “Firm”) is a California limited liability company registered with the SEC as an investment adviser. The Firm was founded in 1999 and is located in Newport Beach, California. HCM offers a range of wealth management and investment advisory services for its clients.

The following individuals comprise the Firm’s Senior Management; the Firm’s founders have worked together since 1994:

- Gregory P. Pellizzon, Managing Director, Chief Executive Officer, Senior Portfolio Manager, Founder
- Peter J. Pellizzon, Managing Director, Chief Operations Officer, Portfolio Manager, Founder
- Robert Wolford, Managing Director, Director of Marketing, Portfolio Manager, Founder
- Cameron Akers, Managing Director, Chief Investment Officer
- Susan Nakamura, Chief Compliance Officer, Director of Portfolio Administration

In addition to its registration with the SEC as an investment adviser, HCM is an insurance agency licensed with the California Department of Insurance.¹

B. Types of Advisory Services Offered

HCM provides a broad and robust range of services designed to meet the unique objectives of the Firm’s clients. HCM offers the following main advisory services:

- Wealth Management
- Consulting Services
- Services for the Ultra-Affluent
- Business Owner Advisory Services

1. *Wealth Management*

There are three components to the Firm’s wealth management services: (a) risk assessment and management; (b) portfolio design; and (c) strategic planning. Initially, HCM works with a wealth management client (herein referred to as “Client”) to understand the Client’s risk tolerances and investment objectives and review current investments and liabilities in order to assess the Client’s long-term wealth management needs. From there, HCM creates one or more portfolios comprised of investments that HCM believes are best suited to meet the Client’s current risk profile and investment goals. The Firm’s assessment takes into account the following information, among other things, which helps to formulate its recommendations and security

¹ The Firm is licensed with various states as an insurance agency and has an affiliated licensed insurance agency, Hollencrest Insurance Services, LLC (“Hollencrest Insurance Services”). Hollencrest Insurance Services recommends life insurance products through its strategic partner, TRC Financial. Clients of HCM are under no obligation to purchase insurance products through Hollencrest Insurance Services or TRC Financial.

selections:

- Individual and family needs and wishes
- Total return objectives
- Risk tolerance
- Financial information (e.g., other assets, tax liabilities, cash flow needs, debts, financial obligations)
- Personal and family planning
- Gifting strategies and philanthropic activities
- Any other information applicable to the Client's investor profile

HCM generally manages Client portfolios on a fully discretionary basis. The types of investments HCM utilizes for its Clients' portfolios include traditional securities, such as domestic and foreign equity and fixed income securities, and cash/cash equivalents. HCM also utilizes mutual funds and exchange traded funds ("ETFs"), and sometimes invests in exchanged traded notes ("ETNs"), real estate investment trusts ("REITs"), options, futures and warrants in order for Clients to gain exposure to certain asset classes or investment thesis. In addition, HCM uses non-traditional and at times illiquid investments, including alternative investments, variable annuities, commodities, hedge funds, funds of funds, private equity securities, venture capital funds, direct equity and loan investments, and private real estate investments for some clients. HCM is tax conscious and considers ways to help Clients improve their tax efficiencies when managing portfolios. The asset mix in Client portfolios vary and can be concentrated in a small number of investments or diversified across a variety of investments. Although HCM does not impose a minimum account size or minimum annual fee, HCM typically recommends Clients open accounts with a minimum of \$1 million in investable assets.

Additionally, HCM's services and interactions regarding retirement accounts and employee benefit plans governed under Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (e.g., 401(k) accounts, IRA accounts) are designed in an effort to comply with the concerns of the Department of Labor's ("DOL") references to Registered Investment Advisors as having the role of Fiduciary.

Private Investments/Alternatives

For Clients who meet certain qualifications and when appropriate, HCM recommends that a portion of such Client's assets be invested in private investments, including but not limited to, private equity and venture capital funds and direct investments, loan funds, alternative funds and direct investments in real estate ("Private Investments/Alternatives"). It is important for those Clients that receive a recommendation to invest in Private Investments/Alternatives to read the applicable offering documents (and/or agreements they are party to) prior to investing to understand the risks and conflicts of interest pertaining to the Private Investments/Alternatives.

There are times when HCM (and/or its affiliates and employees) participates in Private Investments/Alternatives. In many instances, these are investment opportunities whereby the Firm only receives income or returns in accordance with the terms of the offering. On other occasions, HCM is involved as the general partner or as a passive non-controlling member of the general partner or manager and will participate alongside Clients. In the event that HCM is compensated for its services in this capacity and recommends the Private Investment/Alternative to a Client, a conflict of interest exists due to HCM having a direct financial interest for recommending the Private

Investment/Alternative. HCM mitigates this conflict by disclosing its role as the general partner or as a passive non-controlling member of the general partner or manager, as well as a description of any compensation to be received by Hollencrest, prior to or simultaneously with making the recommendation to a Client. Also, in the event that HCM is compensated for its services in relation to Private Investments/Alternatives, HCM does not charge asset-based fees for wealth management (discretionary) or consulting services (see “Item 5: Fees and Compensation”) on those specific assets held by Clients.

Additionally, Private Investments/Alternatives incur sourcing and diligence expenses. These expenses relate more generally to investment sourcing and diligence for alternative investment strategies and include fees, costs, and expenses of identifying, investigating (including conducting due diligence with respect to), evaluating, structuring, and negotiating potential investments for such strategy. Sourcing and diligence expenses incurred with respect to the pursuit of particular investments that are never actually completed are referred to as “broken deal” expenses. Examples of such “broken deal” expenses include fees and expenses of any legal, investigative, financial, accounting, consulting, or other advisors or lenders, investment banks and other financing sources in connection with arranging financing for transactions that are not completed; any travel and accommodation expenses; and any deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, uncompleted transactions. These types of broken-deal expenses are borne by the Client investor accounts, any affiliated funds and other co-investment vehicles that participate in the relevant investment strategy. The proportions of such expenses are generally allocated pro-rata and vary from period to period. There are instances where an investment deal does not close due to a majority Client investor rescinding his/her commitment. If the majority Client investor cannot be replaced by another investor, the deal is essentially “dead” and any broken deal expenses are borne by that Client.

Once a Private Investment/Alternative is completed there are other transaction-related expenses, including certain organizational expenses (e.g., those related to the establishment of a multi-investment platform for a strategy); legal, accounting and other professional fees and expenses; travel costs, lodging, ground transportation and meals; fees and expenses of consultants; and costs and expenses of research and technology (such as costs of specialty data subscription and license-based services and risk analysis software). Transaction-related expenses for completed investments not reimbursed by a third-party are generally allocated pro-rata based on the percentages of the investment held by the relevant Client investors.

The Hollencrest Private Investment Committee (the “Investment Committee”) establishes investment guidelines and supervises the Firm’s investment activity in regard to private investments and alternative assets. The Investment Committee regularly monitors investment results, reviews compliance with the Firm’s investment objectives and guidelines, and reports to Senior Management. The Investment Committee establishes due diligence protocols for private investments and alternative assets, and monitors these investments after funding. In addition, the Investment Committee determines appropriate valuation methodologies for hard to price, illiquid assets through its Private Investment Valuation Sub-Committee on an as-needed basis.

2. Consulting Services

HCM provides consulting services to Clients (herein referred to as “Consulting Clients”) who desire customized, non-discretionary services in the following areas:

- Development of Investment Policy Statements (“IPS”), guidelines, objectives, or risk tolerances
- Preparation of an asset allocation study for long-term assets or a particular strategy (including evaluation of assets held at other securities firms)
- Investment review services
- Investment performance measurement for specific accounts and/or pools of assets
- Consolidated reporting
- Transaction and position reconciliations of outside assets
- Assistance with evaluating and selecting a trustee, custodian, actuary, administrator, or other advisory/service provider

In addition, the firm’s consulting advisory services provide financial/wealth management advice and consultation on an “incidental” (as-needed) basis which does not involve continuous monitoring of clients’ investments. These services include, but are not limited to, investment analysis and asset allocation and selection as well as “non-securities advice”, such as consultation on such matters as risk management, retirement and education funding, cash flow management, debt reduction, tax planning, and estate planning.

3. Services to the Ultra-Affluent

HCM offers certain non-investment related services to ultra-high net worth families. The Firm defines “ultra-affluent” as Clients having \$10 million or more in investable assets. These services include the following:

- Planning services including analysis of detailed financial and other quantitative and qualitative information to assist and support clients in the decision-making process for long term planning – these planning services include utilizing the MoneyGuide / Wealth Studios platform to generate analysis and reports for the benefit of the client.
- Providing strategic advice on acquiring assets, including assisting with valuations, negotiations, and deal structuring.
- Assisting with structuring and running family meetings, including defining core values, teaching wealth responsibility, and motivating next generation family members.
- Mentoring and managing succession issues.

4. Business Owner Advisory Services

HCM offers non-investment related business owner advisory services which consist generally of financial planning, consultation, and advisory services related to a business owner’s continued ownership interest in, or a potential business-related transaction regarding, their business. In connection with the business owner advisory services, HCM will assist the business owner as follows to the extent applicable to their situation:

- Assisting the business owner with understanding general cash flow requirements, asset allocation, retirement funding, estate planning considerations, philanthropic considerations, and related financial planning, in each case as such matters relate to the business owner’s interest in the business.
- Assisting the business owner with determining options and strategies for the transfer of ownership of or control over their business, including a transfer to family members.
- Assisting the business owner with introductions to brokers, dealers, and investment banks (each a

“BD”), and assisting the business owner with the evaluation and engagement of a BD to assist with a potential business-related transaction. Following the engagement of a BD, HCM provides ongoing, as-needed consultation services to the business owner including interpretive advice regarding the business, any business-related transaction, or the BD.

C. Hollencrest Bayview Partners, LP

HCM is the investment adviser and general partner (“GP”) to Hollencrest Bayview Partners, LP (“Bayview Fund”), a privately offered alternative fund of funds. HCM will recommend Bayview Partners to clients while taking into consideration the Client’s needs, including total return objectives, risk tolerance, and other assets and obligations of the client. Admission as an investor in Bayview Partners is not open to the general public and investors must meet the definition of an Accredited Investor. The SEC’s definition of Accredited Investor is put forth in Rule 501 of Regulation D of the Securities Act of 1933. An Accredited Investor can generally be a bank, brokerage, registered investment adviser (RIA), some employer-sponsored retirement plans, and some trusts. To be an Accredited Investor at the individual level, a person must have an annual income of \$200,000, or \$300,000 on joint basis, for the past two consecutive years and be able to demonstrate that this income level will continue. An individual can also be considered an Accredited Investor if he or she has a net worth exceeding \$1 million, either individually or jointly with his/her spouse. The SEC also allows individuals who are a general partner, executive officer, or director for the issuer of unregistered securities. In some cases, if a person can demonstrate education and experience with unregistered securities, they may be considered an Accredited Investor. Clients are under no obligation to consider or make an investment in the Bayview Fund. It is important that each prospective client investor read and understand the offering materials prior to investing.

Bayview Partners is not intended as a complete investment program and is designed only for Clients who are sophisticated persons in connection with financial and business matters and are able to bear the economic risks associated with their investments. In its capacity as adviser to Bayview Partners, HCM is responsible for managing the assets in the Fund. HCM does not show preferential treatment of the Fund over its other advisory Clients, either in selection of recommended securities, or in the employment of trading and investment strategies.

The Fund’s portfolio invests in, including but not limited to, the following asset types:

- Mutual funds
- Closed-end funds
- Exchange Traded Funds (ETFs)
- Loan funds
- Individual equity securities
- Individual fixed income securities
- Bridge lending
- Futures
- Real estate loans and mortgages
- Alternative investments (e.g., hedge funds, private equity, venture capital funds, private real estate, and direct investments)

Apex Fund and Custody Services LLC (the “Administrator” or “Apex”) is the third-party administrator (“TPA”) of the Fund. The qualified custodian of the securities account for Bayview Partners is Fidelity Brokerage Services LLC, a member of NYSE and SIPC.

D. Other Privately Offered Pooled Investment Vehicles

HCM serves as investment adviser to other privately offered pooled investment vehicles focused on single investment strategies, typically focused on private equity or venture capital, which are formed as limited partnerships or limited liability companies (where HCM also acts as the general partner or manager). Generally, HCM's pooled investment vehicles are made available to Client investors who are "accredited investors" under the Securities Act of 1933, as amended (the "1933 Act"), and "qualified clients" under the Investment Advisers Act of 1940, as amended ("Advisers Act"). In most cases, Client investors must also be "qualified purchasers" under the Investment Company Act of 1940, as amended. These pooled investment vehicles are not made available to the general public and are not registered investment companies. HCM's private pooled investment vehicles are managed by HCM in its sole discretion.

E. Administrative Services to the National Philanthropic Trust (NPT)

HCM provides administrative services to NPT, a Donor Advised Fund and Not-For-Profit Organization, through the Administrative Service Program (DAF Administrative Services) pursuant to a separate consulting agreement. Under this program, HCM provides asset allocation services, executes orders, issues grant requests, and provides other administrative services on behalf of NPT. In addition, HCM helps to facilitate payments to third-party advisers for their services related to selecting and facilitating donations to NPT from individuals, trusts, or other legal entities who donate cash or securities to NPT.

F. Private Real Estate Investments

HCM serves as investment adviser related to privately offered real estate investments. HCM will provide due diligence, asset management, and other advisory services in its capacity as an adviser related to these investments.

HCM typically has a passive non-controlling ownership interest in the general partner formed by the sponsor for each such real estate investment through which HCM is compensated. For any such arrangement where HCM receives income related to an investment also offered to a Client, and such Client participates in that investment, HCM will not charge the Client an asset-based advisory or consulting fee for that investment. Please refer to "Item 5: Fees and Compensation" for additional information.

G. Outside Assets

Clients sometime have certain assets that pre-date the inception of their relationship with HCM or that Clients have independently decided to purchase without a recommendation from HCM ("Outside Assets"). Outside Assets are likely to possess a higher degree of risk than is appropriate for a Client's current investment objectives or financial situation. At the mutual agreement of HCM and a Client, the Firm will agree to provide certain services with respect to such Outside Assets. Specific services provided by HCM, per discussion with the Client, could include monitoring, consulting, and/or reporting.

H. Affiliated Investments

Senior management and consultants of HCM ("Hollencrest Affiliated Persons") have for their own individual benefit invested in outside business ventures and hold equity ownership interests in said ventures. These investments are outside the scope of investment advisory services offered through HCM as an investment advisor (the "Affiliated Investments"). Generally, HCM Clients are not entitled to be involved in these Affiliated

Investments. Nonetheless, there are HCM Clients that have invested in one or more of said ventures with equity interests after the initial investment of Hollencrest Affiliated Persons, albeit in circumstances in which they typically invested directly and did not invest through HCM. In addition, as part of an offering to raise capital for one of these ventures, certain HCM Clients have been extended the opportunity to invest (based upon specific internal criteria established by HCM) in convertible promissory notes for that particular Affiliated Investment. Given the existing initial investment of Hollencrest Affiliated Persons, HCM requires these Clients to acknowledge in writing the existence of certain conflicts of interest as well as to agree that the Client's election to invest in this venture is non-discretionary in nature.

I. General Information on Advisory Services

1. Information Received by Clients

HCM will not assume any responsibility for and is not obligated to verify the accuracy of any information provided by a Client or from a Client's other professionals (e.g., attorney, accountant, etc.) and HCM is expressly authorized to rely on such information. Under all circumstances, Clients are responsible for promptly notifying HCM in writing of any material changes to the Client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a Client notifies HCM of changes in the Client's financial circumstances, the Firm will review such changes and, if needed, recommend revisions to the Client's portfolio.

2. Client Agreements

Engagement of HCM to provide advisory services requires Clients to enter into a written agreement with HCM setting forth the terms and conditions under which the Firm shall render its services (collectively, the "Agreement"). The Agreement between HCM and the Client remains in effect until terminated by either party pursuant to the terms of the Agreement. Neither HCM nor the Client will assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of HCM shall not be considered an assignment.

3. Recommendation of Service Providers

To the extent requested by a Client, HCM will recommend the services of other professionals (e.g., attorneys and accountants) for certain non-investment purposes. The Client is under no obligation to engage the services of any such recommended service provider and HCM does not receive compensation from recommended service providers.

4. Independent Consultants / Third-party Service Providers

Certain independent consultants and third-party service providers associated with HCM will be used or recommended by the Firm to its advisory Clients. For example, an independent consultant of HCM owns a real estate consultation firm, which provides certain services on behalf of real estate private investments recommended by HCM to its Clients. While the real estate consultation firm is not an affiliated entity, under these circumstances HCM's independent consultant is receiving an economic benefit as a result of HCM's recommendation of these real estate private investments. This arrangement poses a conflict of interest of which investors should be aware.

J. Assets Under Management (as of Dec 31, 2023):

Type	AUM in US Dollars
Discretionary RAUM	\$1,072,044,910
Non-Discretionary RAUM	\$1,297,878,513
Assets under Advisement	\$449,658,579
Total	\$2,819,582,002

Regulatory assets under management (“RAUM”) figures are the gross market values available at the time of fee calculations for the period ending December 31, 2023 of the accounts and assets (which include assets on which no fees are assessed) designated as discretionary and non-discretionary in the Agreements between HCM and its Clients, or per client instruction for client designated non-discretionary assets. In addition to RAUM, HCM has assets under advisement which refer to non-discretionary assets that are part of the firm’s overall advisory services and/or client reporting but not eligible for being counted as RAUM.

Item 5: Fees and Compensation

A. Fees for Wealth Management (Discretionary) or Consulting Services

1. Wealth Management Services

Annual fees are billed quarterly in arrears and are based upon the value (“asset-based fees”) of Client assets under management (“AUM”) at the end of the quarter, as stipulated in the written Agreement HCM has with each Client. The Firm’s standard tiered fee schedules based on AUM are as follows:

Assets Under Management Clients With Balanced, Equity, or Other Portfolios *	Tiered Annual Fee
On the first \$3,000,000	1.50% (one hundred fifty basis points)
On the assets from \$3,000,001 to \$5,000,000	1.25% (one hundred twenty-five basis points)
On the assets from \$5,000,001 to \$10,000,000	1.00% (one hundred basis points)
On the assets from \$10,000,001 to \$20,000,000	0.85% (eighty-five basis points)
On the assets from \$20,000,001 and above	0.75% (seventy-five basis points)

Assets Under Management Accounts Designated Cash Management Only *	Annual Fee Rate
On All Assets in the Account	0.20% (twenty basis points)

* Notes: The Firm’s Fee Schedule for Clients With Balanced, Equity, or Other Portfolios was updated effective 4/1/23, to be typically applied to new Client relationships, per Agreement between Hollencrest and Client. The Fee Schedule for Accounts Designated Cash Management Only also became effective 4/1/23, to be applied to Client accounts designated Cash Management Accounts (CMA) per Agreement between Hollencrest and Client.

In accordance with the fee schedule for a portfolio that includes both non-cash investments, and including cash and cash equivalent investments, a Client with \$25 million in assets managed by HCM would pay 1.50% on the first \$3 million, 1.25% on the next \$2 million, 1.00% on the next \$5 million, 0.85% on the next \$10

million, and 0.75% on the remaining \$5 million. A Client with \$25 million in assets managed by HCM in an account designated as a Cash Management Account would pay 0.20% on the entire \$25 million.

Although HCM has established the above standard fee schedules, the Firm retains the discretion to negotiate management fees on a client-by-client basis, which include asset-based and fixed fee schedules. Client facts, circumstances, and needs are considered in determining the fee schedule. These include account size, investment strategy, type of client, and/or the nature of the relationship between the Client and HCM. HCM's wealth management fees do not include service charges or other transaction costs which are borne solely by the Client. The specific annual fee schedule is identified in the Agreement between HCM and each Client. For those Clients who have assets in accounts or portfolios which are reported on but not covered by an Agreement with HCM, such assets would not be included in the fee calculation; the reporting would be provided as a complimentary service at the request of the Client.

In addition, at the sole discretion of HCM, wealth management fee arrangements for the Firm's senior management, employees, employee family members, and/or Friends of the Firm are negotiated, waived, or reduced, which is not made available to other Clients.

2. Consulting Service Fees

Consulting fees are assessed based upon one of the following methodologies:

- Tiered Annual Fee (based on the value of the assets² to which HCM provides consulting services) - such fees are billed on a quarterly basis based on the value of the assets as of quarter-end.

Consulting Assets Under Management	Tiered Annual Fee
On the first \$50,000,000	0.35% (thirty-five basis points)
On the assets from \$50,000,001 and above	0.25% (twenty-five basis points)

- Annual Fixed Fee – the fee can be any amount, typically ranging \$100 to \$250,000 or more per year. Consulting Client specific requests, such as unique/manual asset reporting or monthly reports, increase the applicable fee which will be set forth in the Consulting Client's written Agreement.

Each type of consulting fee arrangement is customized to the Consulting Client. Tiered and fixed consulting fees are negotiated and differ from the fee descriptions presented, per specific circumstances and attributes of the Consulting Client and his/her relationship with the Firm. Annual consulting fees are billed quarterly in arrears based on the number of days in a calendar quarter that services are provided.

In addition, at the sole discretion of HCM, consulting fee arrangements for the Firm's senior management, employees, employee family members, and/or Friends of the Firm are negotiated, waived, or reduced, which is not made available to other Clients.

3. Fees Related to Private Investments/Alternatives

When HCM makes recommendations in Private Investments/Alternatives to its Clients, investors should be aware that HCM sometimes receives remuneration due to agreements that it has entered into with sponsors and acquirers of the investment opportunity or in its capacity as general partner or passive non-controlling member of the general partner or manager. For example, HCM typically serves as an equity financing partner

² Assets include real estate, retirement plans, life insurance cash values, trusts, estates and other assets.

for a real estate investment opportunity for which it will receive compensation and may or may not have a passive non-controlling interest in the general partner. Under these arrangements, HCM will receive some or all of the following: an acquisition fee or due diligence fee (generally ranging from 0.75% to 1.25% of the purchase price of the property, which is paid through escrow at the closing); distributions of monthly or quarterly asset management fees (generally ranging from 0.75% to 1.25% of property revenues for the period); distributions of profit participation from the general partner (e.g., HCM will receive a percentage of the amounts paid to the general partner in excess of the priority return as that term is defined and described in the offering memorandum); and/or a disposition fee (a percentage based upon the sales price of the property). Clients should review the terms of any Private Investment/Alternative and accompanying disclosure statements to understand the fees and expenses associated with the investment prior to investing.

In certain Private Investment/Alternative deal structures, HCM and/or MJP5 Advisors (a consulting firm owned by Jerrold Pellizzon, an independent contractor to HCM) are entitled to receive distributions of expendable income, net proceeds, distributions of the acquisition fee, distributions of the asset management fee, and other fees as outlined in the operating agreement or other disclosure documents and fee agreements. Any questions related to fees received by HCM and/or MJP5 Advisors should be directed to the Firm.

In the past, HCM has served as a finder for an investor. Under these circumstances, HCM was paid a referral fee and additional fees based on the terms and conditions of the offering. Additional fees included a percentage of distributable funds and capital proceeds once the investor received its special return and other conditions as set forth in applicable agreements provided to and executed by the investor. HCM no longer serves as a finder or receives finder fees.

4. Fees Related to the Services for the Ultra-Affluent

Other than the typical and ordinary asset management or consulting fees assessed per their Agreement, there are no additional fees charged to HCM's ultra-affluent Clients for services that are performed on their behalf.

5. Fees for Providing Business Owner Advisory Services

As previously mentioned in "Item 4: Advisory Business", HCM periodically assists business owners with their privately-owned business. HCM typically introduces the business owner to a BD and assists the business owner with the evaluation and engagement of a BD for a potential business-related transaction, such as selling their business. For these services Client will pay HCM a separate, flat Business Owner Advisory Services Fee ("BOAS Fee") pursuant to the terms of "Business Owner Advisory Services" section/addendum of the advisory contract entered into by the Client and HCM. BOAS Fees for HCM's Business Advisory Services are due and owing by Clients as accrued irrespective of whether Clients ultimately enter into a business-related transaction with the assistance of their BD. BOAS Fees are negotiable in HCM's sole discretion. HCM in its sole discretion will offer deferred payment options or discounts of BOAS Fees against its standard managed account advisory fees depending upon the overall nature of a Client's relationship with HCM. Clients should review the terms of their respective Business Owner Advisory Services Agreement with respect to the same. Please note that separate and apart from the Business Owner Advisory Services and BOAS Fee, Client will independently incur separate fees and expenses with the BD ("BD Fees") for services rendered by the BD for Client ("BD Services"). BD Fees and BD Services are separate from and not included as part of the BOAS Fee or Business Advisory Services provided by HCM. Clients should review the terms of their respective agreements with Client's BD with respect to BD Fees and BD Services that Client will incur in connection with Client's retention of a BD to assist Client with a potential business-related transaction.

B. Fees related to the Bayview Fund

As outlined in “Item 4: Advisory Business”, HCM provides portfolio management services to the Bayview Fund. As such, HCM receives an annual fee based on a percentage of the fund’s assets. All fees payable to HCM by the Bayview Fund are described in the fund’s private offering memorandum, along with a description of the timing of payments. Potential Client investors should read and understand the fund’s offering documents before investing.

1. Asset Based Fee

HCM receives asset-based fees from Bayview Partners in an amount equal to 1.00% of the Fund’s net assets on an annual basis. These fees are assessed monthly, in arrears, and will be adjusted pro-rata for any subscriptions or redemptions made during the month.

2. Performance Fee

HCM receives 10% of the Fund’s net profit each year, net of the asset-based fee.

3. Expense Reimbursement

HCM is reimbursed for any expenses relating to the Fund’s formation and operation.

4. Additional Fees Payable by the Fund

Services provided by HCM to Bayview Partners do not include service charges or other transaction costs/expenses which are borne solely by Bayview Partners and the LP investors. Certain transaction costs are paid by Bayview Partners to custodians, brokers, third-party investment advisers, and other third parties, which include, but are not limited to, the following:

- Custodial Fees
- Odd-Lot differentials
- Transfer taxes
- Wire transfer and electronic fund processing fees
- Other fees and expenses that are applicable and incurred

In addition to transaction costs borne by the Fund, these investments also charge additional fees and expenses. These additional expenses and fees are in the form of, but not limited to, the following:

- Advisory/management fees
- Distribution fees
- Administrative and operational expenses

C. Fees for Family and Friends of HCM and HCM Employees

Family members or friends of HCM executive officers and employees receive the same or similar advisory services as LP investors for fees that are zero or negotiated at a rate lower than available to HCM clients.

These lower advisory fees charged to family or friends are not available to HCM clients. In addition, HCM officers, directors, and/or employees are able to invest in Bayview Partners without meeting the requirements of a Qualified Client due to their employment with HCM (or be charged the performance fee by the investment adviser/GP). In these cases, the HCM-related persons are not charged performance fees that other qualifying investors pay. Qualified Client is defined in Rule 205-3 of the Investment Advisers Act of 1940. Currently, an individual or entity is a Qualified Client if he, she, or it:

- i. has \$1,000,000 or more of assets under management with the investment adviser after the investment in the fund;
- ii. has a net worth of \$2,100,000 prior to the investment in the fund (excluding the value of his or her primary residence);
- iii. is a qualified purchaser; or
- iv. is an officer or director of the fund manager or is an employee who participates in the investment activities of the investment adviser and has been doing so for 12 months.

D. Fees for Investment Management Services to Other Privately Offered Pooled Investment Vehicles

As outlined in “Item 4: Advisory Business”, HCM provides portfolio management services to other privately offered pooled investment vehicles. As such, HCM receives an annual fee based on a percentage of the fund’s assets as well as a carried interest or profit participation. All fees payable to HCM by the privately offered pooled investment vehicles are described in each fund’s private offering memorandum, along with a description of the timing of payments. Potential client investors should read and understand the fund’s offering documents before investing.

E. Fees for Administrative Services to the National Philanthropic Trust (NPT)

NPT pays HCM an administrative fee for its services based on assets as valued at the end of the quarter by the qualified custodian. HCM receives 5 to 25 basis points of the total assets introduced to NPT by the third parties.

F. Fees for Certain Outside Assets

Depending on the nature of the Outside Asset, its investment structure, and characteristics of the relationship between the Client and HCM, the Firm may or may not charge management fees on the asset, which will be discussed with and disclosed to the Client at relationship inception, time of investment, signing of investment documentation, or anytime thereafter.

G. Employee Compensation

Certain employees of HCM receive additional discretionary compensation in excess of their base salary based on the employee’s contribution to assets under management at the Firm, private deal structures sourced and created for Client investment, or other functions that benefit the Firm in the normal performance of their jobs. The determination of the additional discretionary compensation is a subjective process conducted by the Firm’s senior management. In 2021, the Firm created a vehicle, HCM Class B Member, LLC (HCM Class B), which owns 5% of HCM, to permit employees, as members of HCM Class B, to hold small percentages of firm ownership and to receive quarterly distributions of firm profits based on their percentage ownership. Although currently the

ownership percentages are not material in nature, it is anticipated that this program will be developed further in the future. In addition, as referenced in "Item 4: Advisory Business", the Firm is licensed with various states as an insurance agency through its affiliated licensed insurance agency, Hollencrest Insurance Services (HIS). HCM senior management who are officers of Hollencrest Insurance Services receive compensation for the sale of insurance products through its strategic partner TRC Financial.

H. Additional Information about Fees and Expenses

1. Conflicts of Interest

The receipt of additional compensation itself creates an inherent conflict of interest relative to the judgment of the Firm and certain employees when making certain recommendations and/or placing discretionary trades in or for a Client's account. The conflict is due to the fact that there is an incentive to make certain recommendations and/or place transactions based on the actual or potential compensation to be received rather than on a Client's needs. HCM ascertains that its compensation arrangements are fair, reasonable, and fully disclosed. HCM believes that any additional compensation provided does not compromise the Firm's fiduciary duty to its Clients.

2. Additional Third-Party Expenses

The different fees discussed above are specific to what HCM charges and do not include certain charges imposed by third parties, such as custodial fees, third-party asset management fees, and mutual fund fees and expenses. Client assets also are subject to transaction fees, brokerage fees and commissions, retirement plan administration fees (if applicable), mutual fund deferred sales charges and 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For investments made in mutual funds and ETFs, Clients are charged fund management fees, distribution fees, and other expenses as described in each fund's prospectus.

All custodial fees and any other charges, brokerage fees, and commissions incurred in connection with transactions for a Client's account are generally paid out of the assets in the account and are in addition to the advisory fees charged by HCM for its services. Clients should review the fees charged to their account(s) in order to understand the total amount of all fees charged.

3. Payment of Fees

Pursuant to the Agreement entered into between the Client and HCM, Clients typically grant HCM authority to invoice the Client's custodian directly for payment of HCM's fees. The custodian debits the fees from the Client's account(s) as soon as practicable following the date the fee amount(s) are received from HCM after the last business day of each calendar quarter. Clients can request for HCM to submit an invoice directly to the Client, or their designee, for payment of fees instead of fees being withdrawn directly from their account(s). Clients are allowed to have more than one Agreement with HCM, as long as fee levels and responsibilities are defined separately by each Agreement for the specific accounts and assets covered under that Agreement. For accounts opened or closed during a calendar quarter, the fee is pro-rated for the actual number of days in the quarter that HCM's services were provided.

Clients receive a periodic (at least quarterly) account statement from their custodian, reflecting among other things, any fees withdrawn by the custodian and paid to HCM. Clients are urged to compare statements received by their custodian, with any reports sent by HCM. For more information on the reports HCM provides

to its Clients, please refer to “Item 13: Review of Accounts”.

Assets Excluded from HCM’s Management Fee. Management fees are not charged on the following assets:

- Assets invested by a Client in the Bayview Fund and any assets invested in other proprietary products where HCM provides investment management services and control
- Assets invested by a Client in privately offered pooled investment vehicles managed by HCM through which HCM receives remuneration
- Certain Affiliated Investments where Hollencrest Affiliated Persons invest side-by-side with Clients
- Other assets excluded by mutual arrangement between HCM and the Client

HCM does not reduce its advisory fees to offset compensation the Firm or its employees receive due to transactions with affiliates. Please refer to “Item 10: Other Financial Industry Activities and Affiliations” for information on how HCM and its employees address this conflict.

I. Termination

A Client or HCM can terminate the Agreement between the parties at any time by providing written notice typically five (5) business days prior to the effective date of termination. All transactions placed at a Client’s custodian up through the date HCM receives a termination notice will be completed by their custodian. Upon termination, fees incurred prior to termination will become due and payable to HCM and will be invoiced or deducted, as applicable, prior to the effective date of termination.

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

A. Performance-Based Fees

HCM does not charge performance-based fees to any of its Clients. However, as the adviser and general partner to the Bayview Fund, HCM receives a performance-based fee, also called an incentive fee (see “Item 5: Fees and Compensation”). The owners of HCM directly share in the fees charged to the Bayview Fund, including the performance-based/incentive fees.

Clients and investors in the Bayview Fund should understand that certain conflicts of interest exist due to these performance fee arrangements. Performance fee arrangements create an incentive for HCM to make investments that are riskier or more speculative than might be the case in the absence of a fee based on performance.

To address these conflicts, HCM has adopted certain procedures designed to mitigate the effects of these conflicts (please refer to “Item 10: Other Financial Industry Activities and Affiliations”). As part of its fiduciary duty to Clients, HCM and its representatives will endeavor at all times to put the interests of its Clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of its Clients. Additionally, Clients should be aware that certain HCM-related persons (as outlined in “Item 4: Advisory Business”) invest in the Bayview Fund and are not charged performance-based fees if they do not meet the federal qualification requirements.

Also, some of the Private Investments/Alternatives that Clients participate in charge performance/incentive-based fees, which are outlined in the respective product’s offering documents and should be reviewed by Clients prior to investing. Such performance-based fee/incentive allocation structures create an incentive for the managers of

the Private Investments/Alternatives to make underlying investments that are riskier or more speculative than would be the case in the absence of such an arrangement.

B. Side-by-Side Management

Regarding side-by-side management, HCM provides advisory services for a variety of Clients and HCM has outlined in this Brochure that both HCM and its employees receive different types of fees. Managing Clients that are charged different types of fees creates conflicts of interest between HCM and its Clients, in addition to the ones listed above. For example, the receipt of performance-based fees could incentivize the Firm to trade more frequently and/or allocate more favorable investments to those accounts. To address and help mitigate these conflicts of interest, HCM has adopted policies and procedures regarding portfolio management and trading and implemented the following:

- HCM's portfolio management process is designed to help ensure the fair allocation of investment opportunities amongst Clients, the consistency of portfolios with Client investment objectives and selected strategies, proper disclosures by the Firm, and compliance with applicable regulatory requirements.
- Every effort is made to aggregate orders for Clients, with each participating account receiving an average share price for executed trades. Clients receive different prices due to timing or reasoning behind each trade.
- HCM's COO or his/her designee conducts a periodic review of Client accounts, the portfolio management process, and allocation of investment opportunities to ensure that all activities are performed in accordance with the Firm's written policies and procedures and federal securities regulations.

As previously mentioned in "Item 4: Advisory Business", Hollencrest Affiliated Persons are invested in an outside business venture whereby certain Clients invested alongside after their initial investment. Insofar as Hollencrest Affiliated Persons are existing stakeholders in this venture, HCM and its Affiliated Persons have a conflict of interest when recommending this particular Affiliated Investment and/or investing side-by-side with HCM Clients. HCM seeks to mitigate potential, apparent or actual conflicts of interest between investment activities of its Affiliated Persons on the one hand and the firm or its Clients on the other by, among other activities, disclosing the conflicts associated with such Affiliated Investments of Hollencrest Affiliated Persons in offering-related disclosure documents, including details regarding their equity interests, ownership rights, and conflicts associated with their pre-existing investment. In addition, as a conflict mitigant, HCM excludes or implements "carve outs" of Client funds invested in this venture from its definition of billable assets under management and charges no advisory fees on said investments.

Item 7: Types of Clients

The Firm's advisory and consulting services currently are offered to individuals, families, high net worth and affluent clients, trusts and estates, corporate pension and profit-sharing plans, retirement accounts (e.g., IRAs), other employee benefit plans governed under ERISA (e.g., 401(k)s), non-profit entities, foundations and endowments, institutional entities, and business owners.

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

A. Methods of Analysis

HCM has developed a portfolio management approach that is based upon Modern Portfolio Theory, and in which HCM works with Clients to assess the kind and amount of expected risk and return that are believed reasonable based upon the Client's circumstances. HCM uses a Client's specific situation and other quantitative, technical, and qualitative factors in order to determine portfolio structure, which is typically comprised of an allocation of assets amongst a matrix of different investment portfolios, ranging from Moderately Aggressive to Conservative risk profiles. In certain instances, HCM will create a fully customized portfolio to meet a Client's specialized investment needs.

HCM documents a Client's unique needs and obligations and asset mix in an Investment Policy Statement (IPS) and an IPS Confirmation Letter (which documents restrictions and other special parameters if applicable), which together govern the management of the portfolio, including the portfolio construction, asset allocation, and associated holdings. HCM also monitors the investments in all of the Clients' portfolios on a continual basis; should changes occur to Firm investment recommendations for specific investments, HCM will make changes to a Client's portfolio accordingly.

A Client's personal and family obligations are critically important to the portfolio management services HCM provides. It is each Client's responsibility to notify HCM immediately if there is a change in their investment objective or risk profile, or whenever a significant life event occurs that could trigger a reevaluation of the Client's circumstances and the IPS. Examples include: the death of a spouse, an inheritance, a change of or loss of a job, lawsuits, birth of a child, and the need for dependent care (e.g., for the Client or a parent).

HCM incorporates a wide range of data and attributes in conducting its analysis for the purposes of asset allocation and security selection. HCM utilizes data from a number of sources. HCM then applies proprietary screens and analysis methodologies to the data gathered. HCM uses the output of this analysis to guide its investment decisions and recommendations for the Firm's Clients. Information sources include, but are not limited to: Bloomberg, Ned Davis Research, Investor's Business Daily, Yardeni Research, outside manager commentary, industry research, and other similar services and resources.

B. Investment Strategies

Depending on the Client's IPS, HCM employs various trading strategies (position acquisition or liquidation) including, but not limited to, long-term purchases (held over 1 year), short-term purchases (held under 1 year), securities that will be liquidated within approximately 30-days of purchase, short selling, margin, options, and hedging through the use of futures contracts. Additionally, some of HCM's recommendations for Private Investments, structured notes, closed-end funds, mutual funds, ETFs, and ETNs engage in alternative or riskier strategies utilizing leverage, derivatives (e.g., options and futures), and/or hedging.

Leverage is the use of debt to finance an activity. For example, a type of leverage occurs when a Client buys a security on margin. Typically, derivatives are considered riskier than other types of investments because they are more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the original investment. Hedging, on the other hand, occurs when an investment is made in order to try to reduce the risk of adverse price movements in a security. However, there is no guarantee that hedging would reduce risk and can lead to losses that exceed the original investment. For example, hedging

is used when a Client takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment. Other types of investments or funds employ alternative techniques which carry even higher degrees of risk.

There are times when Clients will want to use margin in their account(s) or when HCM recommends using margin. The use of margin is not suitable for all investors due to the increased risk. Moreover, the use of margin in an investment advisory account affects a Client's asset-based fee. If margin is used to purchase additional securities, the total value of eligible account assets increases, thereby increasing the Client's asset-based fee. The receipt of a higher asset-based fee by HCM creates a conflict of interest since HCM is incentivized to recommend the use of margin. In addition, having a margin account will incur some associated costs. Clients will be charged margin interest by the custodian on the debit balance in their custodial account.

C. Participation or Interest in Client Transactions

Where appropriate, HCM will, but is not obligated to, provide co-investment opportunities. HCM recommends to Bayview Partners, HCM clients, and/or other third parties investment opportunities in which one or more of HCM's officers, directors, partners, or employees (and/or members of their families), directly or indirectly have an ownership stake or other interest (as an existing or concurrent new investment). Such investments will involve additional risks not present in investments where a third-party is not involved, including the possibility that co-investors have interests or objectives that are inconsistent with other co-investors or are in a position to take (or block) action in a manner contrary to certain investment objectives.

In general, Bayview Partners, HCM clients, HCM employees, and/or other third parties that have expressed an interest in co-investments ("interested investors") will be offered the opportunity to participate in such investments, as appropriate. HCM will determine at its sole discretion the allocation of each investment opportunity in a manner that it believes is fair and equitable to its interested investors consistent with HCM's obligations and will take into consideration factors such as the following: investment restrictions and objectives, available investment opportunities and capacity, strategy considerations, and timing for funding. Thus, co-investment opportunities will not be offered to all interested investors in every case. Co-investors will participate in investments with management fees and/or carried interest that are different from those charged to Bayview Partners and/or will permit HCM to retain other fees allocated to such co-investors. The amount of such management fees, carried interest, and/or retained fees will not offset the management fees and/or carried interest paid by Bayview Partners. In addition, HCM employee investments are not subject to carried interest and in most cases do not pay management fees.

D. Risk of Loss

Each investment strategy has certain risks and consequences to a Client's account. Clients should be aware of the following:

Margin: Margin is a loan on a Client's account assets provided by a Client's custodian. The use of margin increases the expenses charged to a Client's account, because interest ("margin interest") is calculated on the margin (negative or short) balance. Clients electing to have their accounts go "on margin" should contact the Firm to discuss all of the details and effects of that arrangement.

Taxability: Some accounts, assets and transactions may generate activity that can affect a Client's taxability. HCM often offers recommendations and/or implements transactions in Client accounts that are designed to help meet

specific tax-related needs, although HCM does not qualify as a tax advisor or expert and HCM does not provide professional tax advice. In addition, future tax legislation and/or IRS guidance may affect a Client's taxability. Any tax issues relating to Client assets should be discussed with a tax professional.

General Investment Risks: Investing has many associated investment risks. As such, Clients may lose money on their investments. HCM cannot predict future portfolio performance or insulate its Clients and their accounts from loss. Past performance is no guarantee of future results. The Firm cannot guarantee its Clients' goals or investment objectives will be met. Any investment bears the potential for loss of some or the entire invested amount. Clients should be prepared to bear this loss. General investment risks include, but are not limited to:

- *Interest-Rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a stock, bond, mutual fund, ETF or other security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- *Inflation Risk:* When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power erodes at the rate of inflation.
- *Equity Risk:* Equities are subject to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of each strategy's equity securities can fluctuate significantly from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors contribute to price volatility and commonly, the higher the price volatility, the riskier the security.
- *Foreign Risk:* Investments in overseas markets (international securities) pose special risks, including currency fluctuation and political risks, and such investments can be more volatile than that of a U.S.-only investment. The risks are generally intensified for investments in emerging markets.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. Currency risk is also referred to as exchange rate risk.
- *Political and Legislative Risk:* Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning and with significant impact.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- *Business Risk:* This risk is associated with a particular industry or a particular company within an industry. Most commonly, a business risk is that a company will go bankrupt or perform below expectations. Every company carries the business risk that it will produce insufficient cash flow in order to maintain operations. Business risk can come from a variety of sources, some systemic and others related to the specific company or industry.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is an active market for the asset. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial Risk:** Excessive borrowing to finance a business's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet debt obligations may result in bankruptcy and/or declining market value.
- **Call Risk:** This involves the risk that a bond will be called by its issuer. A callable bond has a provision which allows the issuer to purchase the bond back from the bondholders at a predetermined price. Generally, issuers call bonds when prevailing rates are lower than the cost of the outstanding bond. Call provisions allow an issuer to retire high-rate bonds on a predefined call schedule.
- **Prepayment Risk:** Some types of bonds are subject to prepayment risk. Similar to call risk, prepayment risk is the risk that the issuer of a security will repay principal prior to the bond's maturity date. When principal is returned early, future interest payments will not be paid on that part of the principal.
- **Derivatives Risk:** Options, futures and other derivatives involve risks and are not suitable for everyone. Such trading can be speculative in nature and carry substantial risk of loss, including the loss of principal.
- **Cybersecurity Risk:** Investment advisers, including HCM, must rely in part on digital and network technologies (collectively, "cyber networks") to conduct their businesses. Under certain circumstances, such cyber networks may be at risk of cyber-attacks that could potentially seek unauthorized access to digital systems for purposes such as misappropriating sensitive information, corrupting data or causing operational disruption. Cyber-attacks may potentially be carried out by persons using techniques that could range from efforts to electronically circumvent network security or overwhelm websites to intelligence gathering and social engineering functions aimed at obtaining information necessary to gain access. HCM maintains an information security program and certain technological and physical safeguards intended to protect the confidentiality of its internal data. Nevertheless, cyber incidents could potentially occur, and under certain circumstances may result in unauthorized access to sensitive information about HCM or its Clients.

Risks Involving Investments in Private Investments: Private Investments apply investment processes and strategies, which are generally considered illiquid, risky, and speculative. These risks are disclosed in the Private Investment's offering documents. Such strategies utilized by Private Investments include, but are not limited to, hedging, leverage, short sales, uncovered options, futures, forward foreign exchange contracts, private loans, private equity, venture capital, direct investments in private companies, real estate investments, and other non-liquid investments. These strategies carry a risk of total loss of principal. Each Private Investment has varying degrees of illiquidity depending on the type of investment vehicle and its underlining assets outlined in the offering documents. The illiquidity of certain Private Investments may result in a Client's investment being "locked up" for a defined period of time or for the life of the Private Investment. The illiquidity of each Private Investment depends on a few factors, including but not limited to, the security type and investor demand of the Private Investment's underlying assets. Additional risks of Private Investments include without limitation: higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations and limited regulatory oversight.

Risks Surrounding The Bayview Fund: The Bayview Fund's investment objectives, risks, fees and other important information are described in the Fund's private offering documents provided to prospective investors. It is important that each potential qualified investor read and understand the offering materials prior to investing.

Risks Associated with Other Privately Offered Pooled Investment Vehicles: Client investors should be aware that an investment in a privately offered pooled investment vehicle through an LP or LLC involves a high degree of risk. Consequently, the investment should be considered speculative and involves substantial risk. There is no

guarantee that a privately offered pooled investment vehicle will achieve its investment objectives or not sustain losses, and a Client investor must be able to bear the loss of some or all of their investment, which could include the loss of all of their capital commitment plus the amount of any expense obligation.

Risks Associated with Real Estate Private Investment Vehicles: In addition to the general risks involving a real estate private investment vehicle listed below, Clients should consider the principal risks associated with a specific private investment vehicle as outlined in the respective offering materials provided to Clients prior to investing. General risks involving a real estate private investment vehicle include:

- The value of the real estate property is generally appraised upon purchase. Over time, the value of the real estate property can vary widely depending on market conditions. There is no guarantee or assurance that the carried value reflects a value that a buyer would be willing to pay.
- If the real estate investment is obtained by a loan and the borrower (i.e., private fund, LLC or LP) is unable at any time to make the loan payments, it may cause the holder of the note (e.g., bank) to foreclose or take other actions to protect the investment.
- A real estate investment may be impacted by economic conditions, neighborhood values, interest rates, the supply of and demand for properties of like kind, the ability of the borrower to obtain necessary alternative financing and certain city, state and/or federal regulations.
- There is also the possibility of uninsured losses from disasters such earthquakes, floods, tsunamis, terrorist attacks, etc.

Item 9: Disciplinary Information

HCM is required to disclose any legal or disciplinary event(s) or information that is material to a Client's evaluation of HCM and the Firm's advisory and consulting business.

HCM wishes to disclose the following matters:

On December 21, 2015, the National Futures Association ("NFA") issued a complaint against HCM and Peter Pellizzon ("Pellizzon"). The complaint alleged that HCM violated NFA Compliance Rule 2-2(f) based on communications by a former HCM employee, Nita Charlton-Gomes ("Charlton-Gomes"). Charlton-Gomes sent NFA's registration department a copy of a fabricated e-mail she claimed she received from an NFA employee who did not in fact exist. This fabricated e-mail showed the NFA's approval of another HCM employee's registration. Charlton-Gomes initially hid this fabricated e-mail from Pellizzon and HCM and then repeatedly lied to Pellizzon regarding the fabricated e-mail when the NFA questioned its validity. Pellizzon and HCM only learned of the violation when the NFA uncovered the fabricated e-mail. Charlton-Gomes' deception caused the NFA and HCM to incur significant costs to investigate and resolve the matter. The complaint alleged that HCM and Pellizzon did not adequately supervise the Firm's investigation of the circumstances surrounding Charlton-Gomes' submission of information to the NFA, in violation of NFA Compliance Rule 2-g (a).

On or about March 16, 2016, HCM, without admitting or denying, agreed as to a finding by the Business Conduct Committee of the NFA ("Conduct Committee") that HCM violated NFA Compliance Rule 2-4 by failing to observe high standards of commercial honor and just and equitable principles of trade in the conduct of its commodity futures business and swaps business. HCM further agreed to the order of the Conduct Committee to pay compensation of a \$125,000 reimbursement for the NFA's investigative costs and to resolve the NFA's charges. Separately, on March 24, 2016, based on the conduct of Charlton-Gomes described herein, Nita Charlton-Gomes was found by the Financial Industry Regulatory Authority ("FINRA") to have violated FINRA Rule 2010. Charlton-

Gomes consented to a lifetime bar from association with any FINRA member broker-dealer in all capacities. In December 2015, Charlton-Gomes was terminated from employment at HCM. Pellizzon was not found to have violated any NFA or FINRA rules and no penalties were assessed against him.

On November 18, 2019, Greg Pellizzon, a managing member of Hollencrest Capital Management (the Firm), voluntarily entered into a settlement of an administrative proceeding with the Financial Industry Regulatory Authority (FINRA) referred to as a letter of acceptance, waiver, and consent (AWC). The AWC alleges Mr. Pellizzon's inadvertent non-disclosure of a customer complaint from 2014 when Mr. Pellizzon was affiliated with Hollencrest Securities (the Firm's former broker-dealer). The AWC acknowledged that Mr. Pellizzon, in failing to make the disclosure, relied upon the advice of legal counsel. Notably, the Firm itself had timely reported the customer complaint in October 2014 and identified Mr. Pellizzon as being named in the complaint, but in reliance on legal counsel the Firm and Mr. Pellizzon non-willfully omitted to report on his own Form U-4 at the same time. The Firm also accurately reported that in November 2014 the complaint was settled without any admission of wrongdoing nor any payment by Mr. Pellizzon or the Firm. Moreover, the client suffered no financial damages in this matter. Nonetheless, based on the non-willful reporting omission, Mr. Pellizzon agreed without admitting or denying to having violated Article V, Section 2 of FINRA's By-Laws and FINRA Rules 1122 and 2010. Pursuant to the terms of the AWC, Mr. Pellizzon has served a 20 business day suspension from association with any FINRA Broker-Dealer member firm. If Mr. Pellizzon were to ever re-associate with a FINRA Broker-Dealer member firm, Mr. Pellizzon will pay a \$5,000 deferred fine. Notably, Hollencrest has not been found by FINRA to have been engaged in any wrongdoing in connection with this matter, nor is Mr. Pellizzon currently affiliated with any FINRA Broker-Dealer member firm.

Item 10: Other Financial Industry Activities and Affiliations

A. Conflicts of Interest Surrounding Other Business Activities and Affiliations

As disclosed in this Brochure, HCM, its senior management, and certain employees are actively engaged in other business activities and have affiliations with other financial service firms. Moreover, HCM has and will enter into particular business deals and transactions with certain Clients. These activities create a material conflict of interest in providing investment advice and other services to Clients. HCM manages these conflicts of interests through various means, including Firm compliance policies and procedures, internal control monitoring, and employee training.

In addition, Clients should be aware of the following:

- Clients are not obligated to use HCM, Hollencrest Insurance Services, or any other HCM affiliate, including any employees who are licensed as insurance agents or are otherwise affiliated with HCM, to implement the Firm's recommendations through such entities or persons.
- HCM is actively engaged in businesses other than investment advisory (as an insurance agent and other activities) through which additional compensation is received by the Firm.
- Gregory Pellizzon, Peter Pellizzon, and Robert Wolford each have a 33.33% ownership interest in Power Play Partners, a company which was organized solely for the purpose of making private loans to commercial borrowers. Day-to-day activities are managed by a separate, unaffiliated individual. Additional compensation is received as a result of this activity.

- HCM's senior management also serves as executive officers of Hollencrest Insurance Services (HIS), an affiliated licensed insurance agency in the State of California. HIS works with strategic partner TRC Financial, and, when appropriate, HCM will recommend certain insurance products to Clients, for which they will receive compensation. Clients have no obligation to purchase insurance products from HIS or TRC Financial.
- HCM from time to time recommends that Clients invest in annuities. Clients should understand that HCM receives management fees for some annuities per agreement between HCM and the annuity provider.
- As disclosed in this Brochure, HCM and its senior management are affiliated with the Bayview Fund, for which HCM serves as the investment manager and the general partner. Since HCM sometimes recommends that qualified Clients invest their assets to this fund, Clients should understand that HCM and senior management receive additional compensation from this fund.
- As disclosed in this Brochure, HCM from time to time recommends that qualified Clients invest their assets in certain private investment opportunities through which HCM is compensated as general partner or member of the general partner. HCM's compensation is in addition to, or greater than, compensation received under a typical asset-based fee relationship. Clients should understand that HCM's receipt of compensation represents a conflict.
- As disclosed in this Brochure, certain HCM executive officers are invested in private investments / alternative assets whereby Bayview Partners, certain LP investors, and clients have invested alongside.
- As disclosed in this Brochure, Hollencrest Affiliated Persons are invested in an outside business venture whereby certain Clients have invested alongside. Hollencrest Affiliated Persons have approximately 35% common and preferred equity ownership interest in this Affiliated Investment.

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

A. Personal and Proprietary Trading

HCM, like many investment advisers, follows its own advice and its employees and their family members will purchase like or same securities as the Firm's Client accounts. However, HCM recognizes that the Firm and its access persons have a fiduciary duty to their Clients and an obligation to adhere to high ethical standards of business conduct. The term "access persons" is defined as HCM supervised persons (i.e., employees, officers, directors, partners, and other people that HCM is required to supervise) who have access to non-public information regarding client transactions or holdings, make securities recommendations to Clients, or have access to such recommendations. In addition, an "access person" can be a designated third-party. Accordingly, HCM has adopted a Code of Ethics (the "Code") to help mitigate and address actual and potential conflicts of interest that exist as a result of its access persons' personal trading activities, among other things.

Pursuant to the Code, HCM has established policies and procedures for the Firm and its access persons that require pre-clearance of certain personal securities transactions (including Private Investments), require reporting of personal securities transactions and disclosure of personal securities holdings, disallow participation in initial public offerings (IPOs), prohibit insider trading, require reporting of outside business activities, establish guidelines for gift and entertainment and reporting requirements, require disclosure of political contributions, and prohibit employees from giving preference to employee or Firm trades over Clients (i.e., front-running).

Furthermore, HCM updates and maintains a prohibited trading list and a restricted watch list which are distributed

to all access persons on a periodic basis. The prohibited trading list has securities that access persons are prohibited from trading and/or recommending for their personal account or immediate family member's account because the Firm possesses material non-public information ("MNPI") and/or has some other conflict of interest. The restricted watch list consists of securities being considered for trading or actively traded in client accounts. These restricted securities are traded by access persons but must be pre-cleared for approval by a member of management prior to executing the trade(s).

The Firm's Code does permit access persons to own securities that are not suitable or recommended for its Clients. The Code also sets forth conduct standards for access persons to act with integrity, competence, diligence, respect, and ethics at all times. At no time may an access person use his or her employment at HCM (or its affiliates) to unduly enrich themselves.

For more information or to receive a copy of the Firm's Code of Ethics, please contact HCM.

Item 12: Brokerage Practices

A. Broker-Dealer Discretionary Authority

Pursuant to the Agreement for discretionary Clients, HCM is granted authority by its Clients to select appropriate broker-dealers to execute transactions on their behalf. HCM uses this authority, subject to the obligation of best execution, to select those broker-dealers which HCM believes are best suited based on execution services and/or prices, taking into account commission rates and other transaction costs. Clients are also able to designate specific broker-dealers for Hollencrest to execute securities transactions on their behalf.

B. Recommendations of Custodians

HCM primarily recommends the following qualified custodians (i.e., a broker-dealer or bank) to its Clients:

- Charles Schwab & Company

Each Client is free to select their own qualified custodian(s) and HCM will work to accommodate any Client or potential client that has requirements and/or preferences to maintain accounts and securities with another qualified custodian(s). In some cases, where appropriate, applicable, and allowable, HCM will utilize Delivery Versus Payment (DVP) / Receive Versus Payment (RVP) accounts held at one of the above executing brokers to accommodate trading activity for accounts custodied at institutions other than the above executing brokers. DVP/RVP is a common form of settlement for securities. HCM's goal is to provide efficient trading opportunities and best execution to its Clients. In these cases, the broker-dealer typically assesses an additional fee to the Client to settle transactions conducted via the DVP/RVP account.

HCM is independently owned and operated and is not affiliated with any custodian. The custodian will hold Client assets in a brokerage account and buy and sell securities when HCM or the Client instructs them to. While HCM requires that Clients use a qualified custodian, the Client will decide where to open their account by entering into an account agreement directly with the custodian. HCM does not open the account for a Client, although the Firm will assist a Client in doing so.

C. Selection of Brokers for Client Transactions

When placing transactions for Clients, HCM utilizes various criteria to determine which broker-dealer the Firm will

execute transactions. The following factors are considered:

- Broker-dealer's financial strength, integrity and stability
- Market access
- Transaction confirmation and statement practices
- Reasonableness of commission charges or spreads; ability to negotiate commissions
- Research received
- Capability to execute, clear and settle trades
- Ability to promptly and reliably effect transactions
- Consistency of process (minimal trade errors)
- Nature of the security or instruments being bought or sold
- Timing of the transaction
- The confidential treatment of block trades

D. Best Execution

Although HCM will strive to achieve the best execution possible for Client securities transactions, this does not require the Firm to solicit competitive bids and HCM does not have an obligation to seek the lowest available commission rate. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services. Consistent with the foregoing, while HCM will seek competitive rates, it will not necessarily obtain the lowest possible commission rates for client transactions. HCM is not required to negotiate "execution only" commission rates, thus the Client is deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker-dealer which are included in the commission rate. HCM has determined that having its recommended brokers (i.e., Schwab) execute most trades is consistent with the Firm's duty to seek "best execution" of Client trades.

To ensure that brokerage firms utilized by HCM are conducting overall best qualitative execution, HCM will periodically (and no less often than annually) evaluate the trading process and broker-dealers utilized, taking into account the full range of brokerage services offered. HCM also conducts a Best Execution analysis of Client transactions.

E. Cross Transactions

HCM will occasionally effect "cross transactions" for Clients. A cross transaction occurs when an adviser arranges a trade between two different advisory clients. HCM has policies and procedures to address potential conflicts of interest which might arise from effecting trades between Client accounts and as such, HCM will:

- Engage in cross transactions only when HCM believes that the cross trade is mutually beneficial and suitable for all accounts involved.
- Obtain blanket consent from each Client (via disclosure in the written Agreement between HCM and the Client) to effect cross transactions. Consent can be revoked at any time upon delivery of a written notice to the Firm.

- Provide certain disclosures to Clients regarding the cross transactions executed.
- Provide each Client for whom HCM conducted or engaged in a cross transaction an annual written report identifying the total number of cross transactions since the last notification.

HCM does not permit cross transactions in its ERISA Client accounts and monitors trading to ensure that any Client accounts involved in cross transactions are not ERISA accounts. In addition, HCM does not permit cross transactions for its Consulting Clients.

F. Aggregated or Block Trading

The aggregation or blocking of client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner. Consistent with the Firm's duty to seek best execution for its Clients, HCM aggregates client transactions where possible and when advantageous to Clients. In these instances Clients participating in any aggregated transactions will receive an average share price. Portfolio managers will aggregate orders unless restricted by such factors as investment strategy, account objectives, account restrictions, cash balances, relevant policies, order instructions (i.e., limit price or market), and order size. Other factors include price sensitivity, tax considerations, and the Client's risk profile. Clients can limit the Firm's authority to aggregate/block transactions if such limitations or restrictions are provided to HCM in writing and if HCM agrees to those limitations. If a Client limits the ability to block transactions, the trade execution timing and price received will differ from the transactions HCM places on behalf of Clients who do not restrict the Firm's ability to block trades.

G. Allocation of Investment Opportunities in Private Investments/Alternatives

Generally when HCM recommends Private Investments/Alternatives to certain HCM Clients, such investments are available only to a limited number of sophisticated investors who meet the definitions of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). Private Investments/Alternatives are considered "limited offerings," since they only accept a limited amount of funds for investment. When determining which Clients receive a recommendation to invest in a Private Investment/Alternative, HCM considers a number of factors, including but not limited to a Client's sophistication, risk tolerances and qualifications, investment objectives, size of the account, and the amount of available assets in Client accounts. HCM's goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in Private Investments to Clients is mainly subjective and not all qualifying Clients will be provided an investment opportunity.

H. Directed Brokerage

As indicated above, Clients are able to designate a particular broker-dealer through which transactions in the Client's account can be placed for execution. Instructions to direct brokerage activity are usually provided to HCM as part of the Client Agreement. When a Client directs brokerage, HCM is not in a position to freely negotiate commissions or spreads, select brokers based on its discretion, block trades, receive volume discounts, or achieve best execution. In addition, directed brokerage trades are not aggregated with those of the Firm's other Clients who do not direct brokerage. HCM reserves the right to decline a Client's request to direct brokerage.

I. Mutual Fund Share Class Selection

Before transacting in any mutual fund for a Client, HCM must have a reasonable basis to believe that the

transaction or investment strategy is suitable for the Client. HCM must also take into account any actual and potential conflicts that exist when multiple fund share classes are available to Clients to ensure that proper disclosures have been provided and that “best execution” is achieved.

Even though the transaction fees associated with mutual funds are payable to the account custodian, and **not** HCM, the Firm still undertakes a review to determine what share class is most appropriate for the Client, considering such factors as the intended purchase amount, the amount of the transaction fee, the difference in expense ratios, the intended holding period, and the availability of the institutional share class.

As a best practice, HCM will transact in the least expensive mutual fund share class in a fund family available to the Client at the time of purchase (as long as eligibility requirements are met).

J. Transactions for Bayview Fund

HCM is the investment adviser and general partner of the Bayview Fund. The public security transactions for Bayview Fund are placed at TD Ameritrade Inc. or Fidelity Brokerage Services LLC. Private investments and alternative assets are not transacted through a broker-dealer so the terms of these deals are described in the offerings documents for each investment. Please see the Fund’s offering documents for additional details.

K. Incidental Benefits Received from Broker-Dealers

HCM will sometimes select a broker-dealer based upon the value of various services or products beyond transaction execution and price, among other things, offered by such broker-dealer where it believes the broker-dealer will provide overall best execution, considering all relevant factors. In certain circumstances, the broker-dealer provides services or products viewed as an incidental benefit for selecting and using that broker-dealer. This circumstance creates a conflict of interest since the amount of compensation paid to such broker-dealer will be higher than what another, equally capable broker-dealer might charge. The following discussion is intended to provide Clients with certain important information regarding such practices as it relates to HCM’s selection and use of its preferred broker-dealer, Schwab.

1. Schwab Brokerage and Custodian Arrangement

a) Client Custody and Brokerage Costs at Schwab

For Client custodial accounts, Schwab generally does not charge separately for custody services but is compensated by its account holders through commissions and other fees on securities trades that are executed through Schwab or that settle into Client Schwab accounts. Certain trades (for example, many equities, mutual funds, and ETFs) will not incur Schwab commissions or transaction fees (except under special circumstances as disclosed by Schwab). Schwab is also compensated by earning interest on the uninvested cash in a Client’s account in Schwab’s Cash Features Program. In addition to commissions, Schwab charges custodial Clients a flat dollar amount as a “prime broker” or “trade away” fee for each trade that HCM executes with a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the Client’s Schwab account. These fees are in addition to any commissions or other compensation a Client will pay the executing broker-dealer.

b) Prime Broker Services Available to HCM from Schwab

To increase resources available to HCM, primarily for bond trading, Schwab gives HCM access to their Prime Broker platform. HCM thoroughly evaluates brokerage firms as potential trading resources. Brokers meeting our guidelines then open a Prime Brokerage Account, facilitated by Schwab. Currently, the firms meeting HCM's guidelines, and which are re-evaluated at least annually, are:

- **Brownstone Investment Group**
- **Mischler Financial Group, Inc.**
- **Piper Jaffray & Co**
- **R. W. Pressprich & Co.**
- **Raymond James & Associates Inc.**
- **Stifel Nicolaus & Co**

c) Products and Services Available to HCM from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms. They provide HCM and its Clients custodied at Schwab with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help HCM manage or administer Clients' accounts (including accounts not maintained at Schwab) while others help HCM manage and grow its business. Schwab's support services are generally available on an unsolicited basis and at no charge to HCM. In order to avoid an inadvertent violation of trade settlement rules for a securities transaction, Schwab will employ trading practices that delay immediate access to funds due to their "settled funds only" policy. Below is a more detailed description of Schwab's support services:

- *Services that Benefit HCM Clients.* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of Client assets. The investment products available through Schwab include some to which HCM might not otherwise have access or that would require a significantly higher minimum initial investment by HCM Clients.
- *Services that Will Not Directly Benefit HCM Clients.* Schwab also makes available to HCM other products and services that benefit the Firm but will not directly benefit its Clients. They include investment research, both Schwab's own and that of third parties. In addition to investment research, Schwab also makes available software and other technology that:
 - provides access to client account data (e.g., duplicate trade confirmations and account statements)
 - facilitates trade execution and allocates aggregated trade orders for multiple client accounts
 - provides pricing and other market data
 - facilitates payment of fees from clients' accounts
 - assists with back-office functions, recordkeeping, and client reporting
- *Services that Generally Benefit Only HCM.* Schwab also offers other services intended to help HCM manage and further develop its business enterprise. These services include:

- educational conferences and events
- consulting on technology, compliance, legal and business needs
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers
- marketing consulting and support

Schwab will provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services. Schwab will discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab will also provide HCM with other benefits such as occasional business entertainment of HCM personnel.

d) HCM's Interest in Schwab's Services

The availability of these services from Schwab benefits HCM because HCM does not have to produce or purchase them. The Firm does not have to pay for Schwab's services so long as HCM keeps a total of at least \$10 million of Client assets in accounts at Schwab. The \$10 million minimum will give HCM an incentive to recommend that a Client maintain their account with Schwab based on the Firm's interest in receiving Schwab's services that benefit its business rather than based on a Client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. HCM believes, however, that its selection of Schwab as a recommended custodian and broker is in the best interests of the Firm's Clients. It is primarily supported by the scope, quality, and price of Schwab's services, and not Schwab's services that only benefit HCM. HCM does not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab's quarterly service fees presents a material conflict of interest.

Item 13: Review of Accounts

A. Periodic Reviews and Client Meetings

Client accounts are monitored and reviewed on an ongoing basis by HCM's portfolio managers. The Firm's investment professionals generally schedule Client meetings on a periodic basis or by request to discuss a Client's portfolio, performance, market conditions, financial circumstances, and investment objectives, among other things, to assess whether HCM's investment decisions and services are consistent with the Client's current objectives and goals. These meetings can be formal or informal. Most Clients elect to have telephonic or face-to-face meetings with their portfolio manager on a quarterly basis, but meetings can occur more or less frequently and include the attendance of other HCM professionals and outside consultants, advisors, or strategic partners with the Client's authorization.

B. Client Reports

HCM typically provides Clients a selection of reporting materials provided for periodic Client meetings or at a Client's request, which typically include consolidated performance reports and additional information designed to meet the Client's specific needs, questions, and concerns.

The reports provided by HCM are separate from and in addition to the monthly or quarterly account statements

and trade confirmations Clients receive directly from their qualified custodian. Clients should compare HCM's holdings or transactions report with their custodial statements for accuracy and notify HCM immediately of any questions or concerns. Statements vary based on accounting procedures, reporting dates, or valuation methodologies for certain securities. Clients should rely upon the statements received from their qualified custodian(s) for account asset valuation and for all income, holdings, and cost basis information, including capital gains or loss information.

Item 14: Client Referrals and Other Compensation

A. Client Referrals

Solicitor relationships are governed by the requirements of the SEC's updated marketing rule. Currently Hollencrest has no solicitor arrangements.

B. Other Compensation

As previously disclosed under "Item 5: Fees and Compensation", HCM has served as a finder of Private Investments/Alternatives for certain investors. Under these circumstances, HCM was paid a referral fee and additional fees based on the terms and conditions of the offering. HCM no longer serves as a finder or receives finder fees.

As referenced in "Item 4: Advisory Business", the Firm is licensed with various states as an insurance agency and HCM also has an affiliated licensed insurance agency, Hollencrest Insurance Services. HCM senior management who are officers of Hollencrest Insurance Services receive compensation from the sale of insurance products through its strategic partner, TRC Financial.

As discussed under "Item 12: Brokerage Practices", HCM uses certain custodians in which it receives incidental benefits in the form of investment research, products and/or services which assists HCM in the performance of its advisory services. The receipt of such services is deemed to be the receipt of an economic benefit by HCM, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to certain broker-dealers based on the receipt of such benefits rather than on a Client's interest in receiving most favorable execution. For example, HCM recommends that Clients use Schwab as their custodian and broker of record. While there is no direct link between the investment advice given to Clients and HCM's recommendation to use Schwab as their custodian, certain incidental benefits are received by HCM due to these arrangements.

As discussed under "Item 4: Advisory Business", when HCM makes recommendations in Private Investments/Alternatives to its Clients, HCM sometimes receives remuneration due to agreements that it has entered into with sponsors and acquirers of the investment opportunity or in its capacity as general partner or passive non-controlling member of the general partner or manager. For example, HCM typically serves as an equity financing partner for a real estate investment opportunity for which it will receive compensation and may or may not have a passive non-controlling interest in the general partner. Under these arrangements, HCM will receive some or all of the following: an acquisition fee or due diligence fee (generally ranging from 0.75% to 1.25% of the purchase price of the property, which is paid through escrow at the closing); distributions of monthly or quarterly asset management fees (generally ranging from 0.75% to 1.25% of property revenues for the period); distributions of profit participation from the general partner (e.g., HCM will receive a percentage of the amounts paid to the general partner in excess of the priority return as that term is defined and described in the offering memorandum); and/or a disposition fee (a percentage based upon the sales price of the property). Clients should

review the terms of any Private Investment/Alternative and accompanying disclosure statements to understand the fees and expenses associated with the investment prior to investing. HCM mitigates this conflict by disclosing its role as the general partner or as a passive non-controlling member of the general partner or manager, as well as any compensation to be received by Hollencrest, prior to or simultaneously with making the recommendation to a Client. Also, in the event that HCM is compensated for its services in relation to Private Investments/Alternatives, HCM does not charge any asset-based fees for wealth management (discretionary) or consulting services (see “Item 5: Fees and Compensation”) on those specific assets held by Clients.

As discussed under “Item 10: Other Financial Industry Activities and Affiliations”, when HCM makes recommendations of annuities to its Clients, when HCM enters into an agreement with the annuity provider, HCM receives management fees from the annuity provider, typically at a 1% annual rate.

Item 15: Custody

Pursuant to Rule 206(4)-2 under the Investment Advisers Act (the “Custody Rule”), HCM is deemed to have custody of Client assets due to the operational nature of its business model and services provided to its Clients, which include but are not limited to assisting with Client authorized wires and third-party checks, withdrawing fees per Client authorization, and other similar services. In order to meet regulatory requirements for the Custody Rule, HCM has engaged a Public Company Accounting Oversight Board (PCAOB)-registered public accountant to perform annual surprise audits in compliance with the Custody Rule. To mitigate any potential conflicts of interest, all Client assets are maintained with a qualified custodian. Generally, HCM recommends Schwab for custodial services, but other qualified custodians can be used to custody assets.

Clients must arrange for and establish a custodial account and furnish HCM with information and authorization regarding the accounts held at the designated qualified custodian, prior to execution of any investment recommendations. There are exceptions for certain Client assets (e.g., 401(k) plans, private placements) that are held-away but managed or monitored by HCM. HCM meets the additional requirements of the Custody Rule by maintaining Client assets with qualified custodians. These qualified custodians maintain actual custody of Client assets. Clients will receive account statements directly from these custodians at least quarterly. They will be sent to the email or postal mailing address provided to the custodian. Clients should carefully review those statements promptly when received. HCM also urges Clients to compare custodial account statements with any account/portfolio reports Clients receive from HCM.

In addition, the Bayview Fund (the Firm’s affiliated alternative fund) and the other pooled vehicles managed by Hollencrest provide certain audit reports to HCM in accordance with the Custody Rule. For more information, including custody information related to HCM’s affiliates, please contact the Firm.

Item 16: Investment Discretion

HCM provides discretionary portfolio management services to Clients, the Bayview Fund, and other pooled investments. In exercising its client discretionary authority, HCM determines the following: (1) the type of securities to be bought and sold; (2) the dollar amounts of the securities to be bought and sold; (3) the broker-dealers through which transactions will be executed; and (4) whether a Client’s transaction should be combined with those of other Clients as a “block” trade. For the Bayview Fund and other pooled investments, HCM manages the fund’s assets in accordance with the investment objectives and guidelines as outlined in the fund’s offering documents.

HCM's discretionary authority is subject to conditions imposed by a Client or a prospective client, including restricting or prohibiting transactions in securities of a specific company or industry and/or directing trade execution through a specific broker-dealer. While HCM allows Clients to impose reasonable restrictions, each Client assumes responsibility for informing HCM in writing of any changes to these restrictions. However, there are instances when a Client imposes certain restrictions that limit or prevent the Firm from meeting and/or maintaining the Client's investment objectives. If the Firm feels that a Client has requested restrictions that are too prohibitive, HCM reserves the right to not accept and/or terminate management of the Client's account. Prior to entering into an Agreement with HCM, Clients should consider their tolerance for: (1) a long-term investment time horizon (minimum five to seven years); (2) stock market volatility; and (3) portfolio variance whereby at any time the assets are worth more or less than the original amount invested.

Limited Power of Attorney: HCM is authorized to exercise discretionary authority via a limited power of attorney contained in written Discretionary Agreements executed between HCM and its Clients. HCM is designated as a Client's attorney-in-fact with discretionary authority to effect investment transactions in a Client's account, which authorizes HCM to give instructions to third parties in furtherance of such authority.

As previously disclosed, HCM provides its Consulting Clients with customized, non-discretionary consulting services. As such, Consulting Clients have the sole authority to follow or disregard any consulting recommendations made by HCM and retain the authority and discretion over all trade execution decisions. There are times when HCM will suggest that trade execution of HCM's recommendations are conducted by HCM personnel on their behalf. Consulting Clients are advised that a conflict of interest exists when HCM recommends its own investment management products or services due to the remuneration the Firm will receive when such services are utilized by the Consulting Client.

Item 17: Voting Client Securities

HCM has adopted proxy voting policies and procedures as required by Advisers Act Rule 206(4)-6 and ensures that proper documentation is maintained relating to how proxies are voted. In the absence of a Client's specific request to vote proxies or of specific voting guidelines from the Client, HCM votes proxies in the economic best interests of Clients. The Firm's general principles are as follows:

- In reviewing proxy proposals, HCM considers the opinion of and effect on management, the effect on shareholder value and the issuer's business practices.
- HCM votes all proxies from a specific issuer the same way for each Client absent qualifying restrictions from a Client. Clients are permitted to place reasonable restrictions on HCM's voting authority.
- Generally, HCM votes in accordance with management recommendations.

For ERISA plans where sole proxy voting authority rests with HCM, the Firm votes in accordance with the above guidelines subject to the fiduciary responsibility standards of ERISA unless instructed otherwise by the Client based on the plan's governing documents.

HCM will identify any conflicts that exist between the interests of the Firm and the interests of its Clients by determining if the Firm or its employees have any financial, business or personal relationship with the issuer of each security requiring a proxy vote. For example, such a conflict would exist if an HCM employee also sits on a Board of a public company. If a material conflict of interest exists, HCM will decide if disclosure to affected Clients is required and the appropriate proxy voting procedure to follow given the facts and circumstances. HCM also can choose not to vote proxies in certain situations or for certain accounts, such as when a Client has retained the

right to vote the proxies, or when a proxy is received for a Client account that has been terminated. HCM does not entertain any vote solicitations from third parties.

If Clients have questions related to proxy voting or would like to receive a copy of the Firm's proxy voting policies and procedures, please contact HCM. Clients can also obtain information on how their proxies were voted by making a written request, including their name and account number.

Item 18: Financial Information

HCM does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance, and therefore is not required to provide, and has not provided, a balance sheet. HCM does not have any financial commitments or issues that would reasonably impair the Firm's ability to meet contractual commitments and fiduciary obligations to its Clients. In addition, neither HCM nor any senior management person has been the subject of a bankruptcy proceeding.

HCM has entered into a significant, material financing arrangement with Emigrant Partners, LLC ("EP") to provide financing for the Firm and to become a strategic long-term partner for us. This financing arrangement will allow HCM to remain independent and to significantly expand the Firm's advisory capabilities and infrastructure. EP is designated as a "Special Member" of HCM for the purposes of HCM's Operating Agreement and in that capacity, has no current equity interest or financial or other interest (other than its rights under the credit agreement) in the Firm except as a party to the Operating Agreement with rights set forth therein and rights of enforcement thereunder. The loan also has a non-voting equity conversion option that will become effective on the earlier of an event of default under the credit agreement or within ninety days prior to the maturity of the loan issued under the credit agreement between HCM and EP. The loan is scheduled to mature in 2030 which date is to automatically be extended for two successive periods of five years each provided there is no default under the credit agreement at such time. We firmly believe this financing arrangement will continue to allow HCM to provide top-tier independent wealth management services to our clients.