



Hilltop Securities Asset Management, LLC

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Form ADV Part 2A – Disclosure Brochure

Investment Management & Related Services for Public Entities

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This Brochure provides information about the qualifications and business practices of Hilltop Securities Asset Management, LLC (“HSAM”). If you have questions about the contents of this Brochure, please contact us at 214-953-4000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

HSAM is a registered investment adviser. Registration of an Investment Adviser does not imply any particular level of skill or training. Additional information about HSAM is also available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2 – Material Changes

This Item is intended to discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes since our last update of our brochure which was August 25, 2023.

There have been no material changes since the last update of our brochure.

A new Brochure will be provided and/or made available to you as necessary based on changes or new information, without charge.

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Item 4 – Advisory Business

Firm Overview

HSAM is a Delaware limited liability company that was formed in 1991 and is a registered Investment Adviser with the United States Securities and Exchange Commission (“SEC”), pursuant to the Investment Advisors Act of 1940. Hilltop Holdings Inc. (“HTH”) has a 100% membership interest in Hilltop Securities Holdings, LLC, which operates through its wholly owned subsidiaries, Hilltop Securities Inc., Momentum Independent Network Inc., and Hilltop Securities Asset Management, LLC. HTH is a public company listed on the New York Stock Exchange (“NYSE”) under the symbol “HTH”.

HSAM currently provides investment advisory services in addition to professional and administrative services.

Investment Advisory Services

HSAM’s Investment Advisory Services specialize in providing cash flow-based investment strategies to municipal entity clients, including but not limited to cities, counties, school districts, public colleges, hospitals, utilities, and transportation authorities, nationwide. Investment strategies are tailored to each individual client following a review of their cash flow projections and recommending an appropriate strategy based on the client’s cash flow requirements. The securities invested in adhere to the client’s investment objectives, specific maturity limitations, maximum allocation percentages, credit restrictions, including, without limitation acceptable levels of risk provided within each client’s individual Investment Policy Statement (“IPS”). All provisions governing HSAM’s authority are documented in the Agreement for Investment Advisory Services by and between Investor and Hilltop Securities Asset Management, LLC. The Investment Advisor Services agreement may be tailored to accommodate specific requests of the client.

HSAM assists the client in creating monthly and/or quarterly investment reports for clients as required by the IPS, stated procedures and/or state law.

Generally, HSAM does not maintain discretionary authority and unless specifically instructed otherwise by a client, shall obtain approval from the client for the purchase or sales of securities prior to the execution of any order.

Arbitrage Rebate Compliance Services

The Arbitrage Rebate Compliance Services program provides professional services to an Issuer, in connection with the sale and delivery of certain bonds, notes, certificates, or other tax exempt obligations (“Obligations”) to determine to what extent, if any, the Issuer will be required to rebate certain investment earnings (amount of rebate referred to as “Arbitrage Amount”) from the proceeds of the Obligations to the United States of America pursuant to the provisions of Section 148(f)(2) of the Internal Revenue Code of 1986 (“Code”).

HSAM works with the Issuer to review the schedule of investments made by the Issuer to determine proceeds from the Obligations subject to the rebate requirements of the Code. HSAM

will perform these services, consistent with Code and the regulations promulgated thereunder, to determine the Arbitrage Amount under Section 148 (f)2 of the Code. HSAM provides a report to the Issuer specifying the Arbitrage Amount based on the investment schedule, the calculations of the bond yield and investment yield, and other information deemed relevant by HSAM. HSAM does not assume any responsibility for record retention requirements the Issuer may have under the Code or other applicable laws; the Issuer remains responsible for any record retention requirements.

All provisions governing HSAM's authority are documented in the Agreement for Arbitrage Rebate Compliance Services (the "Agreement") between the Issuer and Hilltop Securities Asset Management, LLC. The Agreement shall apply only to Obligations, to the extent that the Obligations do not qualify for exceptions to the rebate requirements in accordance with Section 148 of the Code and related Treasury regulations.

Bidding Agent Services

HSAM provides bidding agent services for the investment of bond or loan proceeds and other legally available funds on municipal and corporate debt transactions throughout the United States.

HSAM's services include preparation of bid solicitation documentation and specifications, establishing a target group of qualified potential investment providers, assisting in the selection of the investment provider, and working with the Issuer, bond counsel and the winning investment provider to review and negotiate satisfactory documentation.

The firm's clients are municipal and corporate debt issuers whose permitted investments are governed by the resolution or indenture authorizing each bond transaction, local investment policy and in some cases, state law.

Local Government Investment Cooperative

Local Government Investment Cooperative ("LOGIC") is duly organized and existing under the laws of the State of Texas as a business trust in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code ("ICA"), and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code ("PFIA") and operates as a local government investment pool for authorized eligible governmental entities to invest their funds. The ICA and PFIA provide for the creation of public funds investment pools (including LOGIC) and authorize eligible governmental entities ("Participants") to invest their public funds and funds under their control through the investment pools. Only eligible local governments, agencies of the State of Texas and nonprofit corporations acting on behalf of a local government or state agency may become Participants. Eligible local governments include any municipality, school district, county, special district, hospital district, junior college district, political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas and any nonprofit corporation acting on behalf of any of those entities.

LOGIC is overseen by its Board of Trustees. The Board has retained Hilltop Securities Inc., ("HTS"), Hilltop Securities Asset Management, LLC ("HSAM"), and J.P. Morgan Investment Management, LLC ("JPMIM") collectively referred to as the "Administrators," to assist the Board of Trustees in managing the pool. LOGIC was established in 1994 for the collective investment of funds by participating governments in one or more portfolios of securities or other assets.

As prescribed in the Seventh Amended and Restated Agreement for Investment Management and Related Services (the “Agreement”); JPMIM shall provide investment advice to LOGIC, HTS shall market and distribute LOGIC and provide advice to the Board of Trustees with respect to whether and how to issue units of LOGIC and concerning the structure, timing, terms, and other similar matters concerning the issuance of units in LOGIC, and HSAM shall provide participant and administrative services to LOGIC.

Responsibilities for LOGIC to be performed by HSAM and/or its affiliates and/or their sub contactors (as permitted in the Agreement)(together, the “HSAM Service Providers”) are general administrative responsibilities for LOGIC which include Enrollment, Servicing and Support of Participants; Participant Relations; Board Relations and Ongoing Organizational Maintenance, all items detailed within the Agreement.

For the avoidance of doubt, the services provided by HSAM, and its employees hereunder are not intended to and shall not include engaging in municipal advisory activities as that term is defined in Rule 15Ba-1(e) of the Securities Exchange Act of 1934. HSAM shall not be required or requested to undertake a solicitation of a municipal entity or obligated person on behalf of any entity or be required or requested to undertake any activity that would not fall within the general information exclusion above.

Employees of HSAM may serve on LOGIC’s governing board, advisory boards, or committees. For the avoidance of doubt, in-the-event that employees of HSAM serve on LOGIC’s governing board, advisory boards, or committees, they will provide advice to LOGIC in accordance with the terms of the Agreement only to the extent that they may rely upon an exclusion or exemption from the definition of municipal advisor under Rule 15-Ba-1-1(d)(2) or (3) of the Exchange Act.

Texas Short Term Asset Reserve Program

Texas Short Term Asset Reserve Program (“TexSTAR”) Cash Reserve Fund (“TexSTAR Cash Reserve” or the “Fund”) was organized on April 8, 2002, to conform with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (“ICA”) and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code (“PFIA”). The ICA and the PFIA provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities (“Participants”) to invest their public funds and funds under their control through the investment pools. Only eligible local governments, agencies of the State of Texas and nonprofit corporations acting on behalf of a local government or state agency may become Participants. Eligible local governments include any municipality, school district, county, special district, hospital district, junior college district, political subdivision, authority, public corporation, body politic, or instrumentality of the State of Texas and any nonprofit corporation acting on behalf of any of those entities.

The Texas Short Term Asset Reserve Program (“TexSTAR”) is overseen by its Board of Directors (the “Board”). The Board has retained J.P. Morgan Investment Management Inc. (“JPMIM”), Hilltop Securities Inc. (“HTS”), and Hilltop Securities Asset Management, LLC (“HSAM”), collectively referred to as the “Administrators”) to operate and manage the TexSTAR local government investment pool.

Each Administrator agrees to provide services under the Amended and Restated Agreement for Investment Management and Related Services (the “Agreement”) in accordance with TexSTAR’s Terms of Participation and Bylaws, Investment Policy, and Operating Procedures. JPMIM shall

provide investment advice to TexSTAR, HTS shall market and distribute TexSTAR and in addition, shall provide advice to the Board with respect to whether and how to issue units of TexSTAR and concerning the structure, timing, terms, and other similar matters concerning the issuance of units in TexSTAR and HSAM shall provide participant and administrative services to TexSTAR.

HSAM will assume general administrative responsibilities for TexSTAR which include Enrollment, Servicing and Support of Participants; Participant Relations; Board Relations and Ongoing Organizational Maintenance, all items detailed within the Agreement.

For the avoidance of doubt, the services provided by HSAM and its employees hereunder are not intended to and shall not include engaging in municipal advisory activities as that term is defined in Rule 15Ba-1(e) of the Securities Exchange Act of 1934. HSAM shall not be required or requested to undertake a solicitation of a municipal entity or obligated person on behalf of any entity or be required or requested to undertake any activity that would not fall within the general information exclusion above.

Employees of HSAM may serve on TexSTAR's governing board, advisory boards, or committees. For the avoidance of doubt, in-the-event that employees of HSAM serve on TexSTAR's governing board, advisory boards, or committees, they will provide advice to TexSTAR in accordance with the terms of the Agreement only to the extent that they may rely upon an exclusion or exemption from the definition of municipal advisor under Rule 15-Ba-1-1(d)(2) or (3) of the Exchange Act.

Florida Short Term Asset Reserve Program

By execution of an Interlocal Agreement and Trust Instrument (as amended and restated, the "Interlocal Agreement"), City of Ocoee, Florida and Haines City, Florida established an intergovernmental investment pool pursuant to Section 163.01, Florida Statutes to be known as the Florida Short Term Asset Reserve ("FLSTAR") for the collective investment of funds by participating units of local government (each a "Participant").

FLSTAR is governed by a Board of Trustees (the "Board") which has retained the services of J.P. Morgan Investment Management Inc. ("JPMIM"), Hilltop Securities Inc. ("HTS"), and Hilltop Securities Asset Management, LLC ("HSAM"), collectively referred to as the "Administrators," to operate and manage the FLSTAR local government investment pool pursuant to the terms and conditions set forth in the Amended and Restated Agreement for Investment Management and Related Services (the "Agreement").

JPMIM shall provide investment advice to FLSTAR, HTS shall market and distribute FLSTAR and provide advice to the Board with respect to whether and how to issue units of FLSTAR and concerning timing, terms and other similar matters concerning the issuance of units of FLSTAR, and HSAM shall provide participant and administrative services to FLSTAR.

HSAM will assume general administrative responsibilities for FLSTAR which include Enrollment, Servicing and Support of Participants; Participant Relations; Board Relations and Ongoing Organizational Maintenance, all items detailed within the Agreement.

For the avoidance of doubt, the services provided by HSAM and its employees hereunder are not intended to and shall not include engaging in municipal advisory activities as that term is defined in Rule 15Ba-1(e) of the Securities Exchange Act of 1934. HSAM shall not be required

or requested to undertake a solicitation of a municipal entity or obligated person on behalf of any entity or be required or requested to undertake any activity that would not fall within the general information exclusion above.

Notwithstanding the forgoing, employees of HSAM may serve on FLSTAR's governing board, advisory boards, or committees. For avoidance of doubt, in-the-event that employees of HSAM serve on FLSTAR's governing board, advisory board, or committees, they will provide advice to FLSTAR in accordance with the terms of the Agreement only to the extent that they may upon rely upon an exclusion or exemption from the definition of municipal advisor under Rule 15-Ba-1-1(d)(2) or (3) of the Exchange Act.

Item 5 – Fees & Compensation

Investment Advisory Services

HSAM offers four types of fee structures tailored to fit the specific needs of each client; all are negotiable on a case-by-case basis and all fees are billed in arrears.

- Fixed and/or sliding scale percentage fee based on assets under management, assessed quarterly.
- Fixed annual fee billed in monthly or quarterly increments.
- A transaction-based fee based on the size and maturity of each investment and a contractual basis point fee schedule.
- An hourly charge or other fixed fee for a particular service(s), which is typically utilized for consulting services.

Asset based fees are negotiated using the following Fee Schedule as a guideline:

Assets Under Management

Less than \$25 million	0.25%
\$25 million to \$50 million	0.20%
\$50,000,001 to \$100 million	0.15%
\$100,000,001 to \$250 million	0.10%
\$250,000,001 to \$500 million	0.06%
Over \$500 million	0.04%

Clients may incur certain administrative and custodial charges imposed by their custodians and/or depository institution. Mutual fund and public fund investment pools charge internal management fees disclosed in a fund's prospectus or information statement.

Arbitrage Rebate Compliance Services

HSAM's fees for arbitrage rebate compliance services is based upon a fixed annual fee per issue. The annual fee is charged based upon the number of years that proceeds exist subject to rebate from the delivery date of the issue to the computation date.

HSAM's fees are payable upon delivery of the report. The first report will be made following one Calculation Period from the date of delivery of the Obligation and on each Calculation Date

thereafter during the term of the Agreement. The fees for computations of the Arbitrage Amount which encompass more, or less, than on Calculation Period shall be prorated to reflect the longer, or shorter, period of work performed during that period.

The fee for each of the Obligations included in the Agreement shall be based on the table below. Additionally, due to significant time saving efficiencies realized when investment information is submitted in an electronic format, HSAM passes the saving to its clients by offering a 10% reduction in fees if information is provided in a spreadsheet or electronic text file format.

Description	Fee
<i>Annual/IRS Computation Date Fee</i>	<i>\$ or See Note Below</i>
<i>Comprehensive Arbitrage Compliance Services Include:</i>	
<ul style="list-style-type: none"> ➤ Commingled Funds Analysis & Calculations ➤ Spending Exception Analysis & Calculations ➤ Yield Restriction Analysis & Calculations (for yield restricted Project Funds, Reserve Funds Escrow Funds, etc.) ➤ Parity Reserve Fund Allocations ➤ Transferred Proceeds Calculations ➤ Universal Cap Calculations ➤ Debt Service Fund Calculations (including earnings test when required) ➤ Preparation of all Required IRS Paperwork for Making a Rebate Payment/Yield Reduction Payment ➤ Retention of Records Provided for Arbitrage Computations ➤ IRS Audit Assistance ➤ Delivery of Rebate Calculations Each Year That Meets the Timing Requirements of the Audit Schedule ➤ On-site Meetings, as Appropriate, to Discuss Calculation Results/Subsequent Planning Items 	<i>Included</i>
<i>Other Services Available:</i>	
IRS Refund Request – Update calculation, prepare refund request package, and assist Borrower as necessary in responding to subsequent IRS Information Services.	<i>\$750.00</i>

Bidding Agent Services

HSAM abides by U.S. Treasury regulation § 1.148-5(e)(2)(iii)(B)(1) regarding fees charged for serving as bidding agent for the investment of tax-exempt debt proceeds. For Bidding Agent Services for tax-exempt proceeds, the fee amount is the lesser of (i) \$49,000 or (ii) 0.2 percent of the initial amount invested. In addition, we may charge fees in excess of the stated fees when performing bidding agent services for funds that are not restricted by the U.S. Treasury regulations.

Local Government Investment Cooperative

The Administrators fee hereunder for LOGIC shall be accrued daily and paid monthly at an annual rate of 9.75 basis points (0.0975%), based on the total of all participants' balances in LOGIC at the end of each day.

Texas Short Term Asset Reserve Program

The Administrators' fee hereunder for TexSTAR shall be accrued daily and paid monthly at an annual rate of 12 basis points (0.12%) based on the total of all participants' balances in

TexSTAR at the end of the day. The allocation of such fees shall be determined pursuant to a separate agreement among the Administrators.

Florida Short Term Asset Reserve Program

The Administrators' fee hereunder shall equal the sum of the Administrators' fees due and payable by each Portfolio of FLSTAR.

The Administrators' fee from the Government Fund shall be accrued daily and paid monthly at an annual rate of 10 basis points (0.10%), based on the total of all participants' balance in the Government Fund at the end of each day.

The Administrators' fee from the Prime Fund shall be accrued daily and paid monthly at an annual rate of 13 basis points (0.13%), based on the total of all participants' balance in the Prime Fund at the end of each day.

Item 6 – Performance Based Fees & Side by Side Management

HSAM's advisory services do not incorporate performance-based fees; side-by-side management does not apply to those services currently provided by the Firm.

Item 7 – Types of Clients

HSAM provides investment services to institutional investors, corporate and municipal entity clients, including but not limited to cities, counties, school districts, public colleges, hospitals, utilities, transportation authorities, private colleges, non-profit entities, and for-profit developers.

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

Methods of Analysis & Investment Strategies for Investment Advisor Services

HSAM reviews the investor's Investment Policy Statement, cash and investment positions, and cash flow projections. HSAM will recommend appropriate investment strategies based on these and other determining factors. HSAM will advise the client on current market conditions, analyze risk/return relationships between various investment alternatives and attend meetings of the governing body of the client where investments are discussed. HSAM will assist in the selection of investment securities, advise on the overall portfolio, all in a manner consistent with the client's Investment Policy Statement ("IPS") and execute the transactions as directed by the client.

Risk of Loss for Investment Advisor Services

There can be no assurance that our investment strategy will be successful, that any client will achieve its investment goals and objectives or that losses will not occur. Any investment in securities can involve significant risks and it is often not possible to mitigate all risks. Certain risks may arise with the investment including but not limited to the following:

Market Risk – Risk that investments will lose value as-a-result-of a decline in the overall market.

Credit Risk – Risk of default or decline in security value due to conditions outside of investors control (e.g., bankruptcy, rating downgrades, regulatory changes).

Interest Rate Risk – The risk that changes in interest rates may reduce or increase the market value of a bond.

Issuer Risk – The risk that the Bond issuer could default on its obligations to pay coupons or repay the principal on the bond.

Liquidity Risk – Risk an investment cannot be sold at or near fair market price.

Reinvestment Risk – The possibility that an investor will be unable to reinvest cash flows received from an investment, such as coupon payments or interest, at a rate comparable to their current rate of return.

Event Risk – The possibility that an unforeseen event will negatively affect a company, industry, or security.

Cybersecurity Risk – The loss of confidentiality, integrity, or availability of information, data, or information or control of systems and reflect potential adverse impacts to organizational operations and assets and client information.

Item 9 – Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events deemed material to your evaluation of HSAM or our management personnel. HSAM and its management personnel do not have any reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

HSAM is a wholly owned subsidiary of First Southwest Holdings LLC, which is a wholly owned subsidiary of Hilltop Securities Holdings, LLC, ultimately, a wholly owned subsidiary of Hilltop Holdings Inc.

HSAM is affiliated with Hilltop Securities, Inc. a broker-dealer subsidiary registered with the Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”) and a member of the New York Stock Exchange (“NYSE”). Momentum Independent Network is an introducing broker-dealer subsidiary also registered with the SEC and FINRA. Hilltop Securities and Momentum Independent Network are both registered with the Commodity Futures Trading Commission (“CFTC”) and are members of the National Futures Association (“NFA”). Additionally, Hilltop Securities and Momentum Independent Network are investment advisers registered with the SEC under the Investment Advisors Act of 1940. In addition, HSAM maintains affiliations with other financial services companies wholly owned by Hilltop Securities Holdings, LLC.

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

Code of Ethics

HSAM has adopted a Code of Ethics under Rule 204A-1 of the Advisers Act expressing HSAM's commitment to ethical conduct in addition to other policies and procedures outlining our practices surrounding personnel securities transactions, insider trading and general employee policies. HSAM's Code of Ethics describes its fiduciary duties and obligations to its clients, and sets forth, among other things, HSAM's practice of monitoring the personal securities transactions of access persons, defined as those who provide investment advice or have access to certain related information.

Under HSAM's Code of Ethics, all access persons have a duty to act in the best interest of our clients and all potential conflicts and violations of the Code of Ethics must be reported to HSAM's Chief Compliance Officer ("CCO") or the Compliance Department. All access persons are required to provide written acknowledgement of the Code of Ethics annually, or as amended.

HSAM clients or prospective clients can obtain a copy of our Code of Ethics by contacting the Compliance Department at:

Hilltop Securities Asset Management, LLC
Attn: Compliance Department
717 Harwood Street
Suite 3400
Dallas, TX 75201

Participation or Interest in Client Transactions and Personal Trading

HSAM requires all access persons to report all their personal securities holdings for accounts they control or in which they have a material interest, to the Compliance Department no later than 10 days after being deemed an access person, annually thereafter, and to report all personal securities transactions quarterly including any new accounts opened during that time frame. HSAM does not allow participation directly or indirectly in initial public offerings or limited offerings. Compliance will periodically review each statement provided by an access person to identify improper trades or trade patterns.

Item 12 – Brokerage Practices

Selection of Brokers

When HSAM places orders for the execution of transactions for the Portfolio (other than situations where the Investor specifically instructs otherwise in writing), HSAM may allocate transactions to brokers and dealers for execution on markets, at prices that in the judgment of HSAM will be in the best interests of the Investor, taking into consideration, the selection of brokers and dealers, the available prices and rates of brokerage commissions and other relevant factors, without having to demonstrate that factors are of a direct benefit to the Investor. Subject to the foregoing, HSAM will arrange for the execution of securities transactions for the Portfolio through brokers or dealers that HSAM reasonably believes will provide best execution.

Best Execution

As an Investment Advisor, HSAM has a fiduciary duty to seek best execution for client transactions, under the circumstances of the specific transaction. HSAM seeks best execution through established policies and procedures in addition to evaluating certain factors such as opportunity for a better price than quoted, market conditions, speed of execution and likelihood of trade execution.

Research and Soft Dollar Benefits

HSAM does not engage in any soft dollar arrangements.

Directed Brokerage Arrangements

HSAM does not have any direct brokerage arrangements.

Aggregation of Orders

Transactions for each Investor account will generally be executed independently unless HSAM decides to purchase or sell securities at approximately the same time (“block trade”). HSAM may, but is not obligated to, aggregate such orders to achieve lower overall execution costs and commission rates typically associated with larger orders. Transactions will be average priced and allocated among investors included in the block trade in proportion to the purchase or sale placed for each Investor in the block.

Item 13 – Review of Accounts

Portfolio managers perform daily and on-going oversight of client trades and investment reports through our investment management and order entry systems. HSAM clients receive an investment report no less than quarterly providing market commentary, portfolio overview, asset allocation, credit rating summary, benchmark comparison, fund overview, detail of security holdings, earned income, investment transactions, investment transaction totals, amortization and accretion, projected cash flows and projected cash flow totals. HSAM portfolio managers will meet to review the investment report at the predetermined need of each client. In addition, HSAM portfolio managers will attend client board meetings at the entity’s request

to provide portfolio updates or insight on investment decisions applicable with the entity's investment policy statement.

Client investment reporting is generated through Clearwater Analytics investment accounting and reporting software. Investment policy compliance is monitored through Clearwater Analytics compliance system. Each client's investment policy statement is modeled in Clearwater and is monitored by HSAM personnel to verify the portfolio holdings comply with the investment policy statement.

Item 14 – Client Referrals and Other Compensation

HSAM does not have any formal referral arrangements with our affiliated broker-dealer or any other party.

Item 15 – Custody

HSAM does not maintain or accept custody of client funds or securities. Clients will receive account statements from their respective custodians. Clients should carefully review their statements and contact their custodian regarding any questions or discrepancies.

Item 16 – Investment Discretion

Generally, HSAM does not maintain discretionary authority and unless specifically instructed otherwise by a client, shall obtain approval from the client for the purchase or sales of securities prior to the execution of any order.

Item 17 – Voting Client Securities

As a matter of Firm policy, HSAM does not vote proxies on behalf of clients.

Item 18 – Financial Information

HSAM 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. In addition, HSAM has not been the subject of any bankruptcy proceeding.