

**Item 1 – Cover Page**

**Hoffman & Associates Financial & Estate  
Advisors, Inc.**

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**March 4, 2024**

This Brochure provides information about the qualifications and business practices of Hoffman & Associates Financial & Estate Advisors, Inc. [“Hoffman”]. If you have any questions about the contents of this Brochure, please contact us at (805) 648-5300. 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.

Hoffman & Associates Financial & Estate Advisors, Inc. is a registered investment adviser. Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Hoffman & Associates Financial & Estate Advisors, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Hoffman & Associates Financial & Estate Advisors, Inc. is 134563.

## Item 2 – Material Changes

The material changes in this brochure from the last annual updating amendment of Hoffman & Associates Financial & Estate Advisors, Inc. on 03/15/2023 are described below. Material changes relate to Hoffman' & Associates Financial & Estate Advisors, Inc.'s policies, practices, or conflicts of interests.

- Hoffman & Associates Financial & Estate Advisors, Inc. has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- Hoffman & Associates Financial & Estate Advisors, Inc. provides discretionary and non-discretionary services.
- Charles Schwab & Co., Inc. Advisor Services has acquired TD Ameritrade. Due to this acquisition clients of the firm have transitioned from TD Ameritrade to Charles Schwab & Co., Inc. Advisor Services. (Items 12 and 14)

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jason D. Griffith, Chief Compliance Officer, at (805) 648-5300.

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## **Item 4 – Advisory Business**

Hoffman & Associates Financial & Estate Advisors, Inc. [“Hoffman”] is owned by Ross F. Hoffman. Mr. Hoffman has over 35 years in the Financial Services industry and has been the sole owner of Hoffman since 1996. Hoffman has been providing advisory services since 1984.

As of December 2023, Hoffman managed \$1,278,071 on a discretionary basis and \$23,848,652 on a non-discretionary basis.

### **Investment Management Services:**

Hoffman manages investment portfolios for individuals, including high net worth individuals, trusts, qualified retirement plans, charitable organizations, and businesses. Hoffman will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. Hoffman uses investment and portfolio allocation software to evaluate alternative portfolio designs. Hoffman evaluates the client's existing investments with respect to the client's investment policy statement. Hoffman works with new clients to develop a plan to transition from the client's existing portfolio to the desired portfolio. Hoffman will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

Hoffman will typically create a portfolio of no-load mutual funds and may use model portfolios if the models match the client's investment policy. Hoffman will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Hoffman primarily recommends portfolios consisting of passively managed asset class and index mutual funds. Hoffman primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover.

Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests, they be retained for a personal reason.

Hoffman manages mutual fund and equity portfolios on a discretionary or non-discretionary basis according to the investment policy selected by the client.

A client may impose any reasonable restrictions on portfolios, including restrictions on the types of securities in which Hoffman may invest client's assets and on specific securities, which the client may believe to be appropriate.

Hoffman may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds and may utilize a third party fixed income manager. Hoffman will prepare a Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

On an ongoing basis, Hoffman will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. Hoffman will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. Hoffman will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

#### **Financial Planning Services:**

In addition to managing the client's investment portfolio, Hoffman may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

**For California residents:** In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. This is because, in certain situations, an investment adviser would receive additional compensation based upon the client's decision to act on the adviser's financial planning advice. The client has the right to follow or not follow financial planning advice, is under no obligation to act upon the investment adviser's recommendations in general and, if the client elects to act on any of the recommendations, the client can choose to effect the transaction through the investment adviser or a third party. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

#### **Employee Benefit Retirement Plan Services:**

Hoffman also provides advisory services to participant-directed employee retirement benefit plans. Hoffman will analyze the plan's current investment platform and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. Hoffman will recommend investment

options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

Hoffman will recommend changes in the plan's investment vehicles as may be appropriate from time to time. Hoffman generally will review the plan's investment vehicles and investment policy as necessary.

Hoffman will generally recommend a third-party administrator for plan administration, which may provide online bundled services and an opportunity for plan sponsors to provide diversified portfolios to their participants along with daily account access, valuation, and investment education. These third parties may also offer non-advisory consulting services, including plan design and document services, discrimination testing and other required plan administration services. These services are separate and distinct for Hoffman's advisory services.

Hoffman will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

#### **Other Financial Services:**

Portfolio Analysis: Hoffman may conduct an analysis of a client's current portfolio and make recommendations for changes to the asset allocation.

### **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

Advance fee payments will never exceed \$500 for work that will not be completed within six months.

The specific manner in which fees are charged by Hoffman is established in a client's written agreement with Hoffman. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which Hoffman calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account

statements) of the client's account on the last business day of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

For Investment Management and Employee Benefit Plan Services, Hoffman will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients will either (i) pay fees directly to Hoffman or provide written limited authorization to have fees withdrawn from the account. Certain third-party administrators will calculate and debit Hoffman's fee and remit such fee to Hoffman. Please see Item 15 below for additional information regarding direct fee deduction.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

Hoffman's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees and other fund expenses, which are disclosed in a fund's prospectus. All fees paid to Hoffman for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to Hoffman's fee, and Hoffman shall not receive any portion of these commissions, fees, and costs.

### **Advisory Fees**

#### **Investment Management Services:**

The annual fee for investment management services, regardless of the specific types of securities in the portfolio, will be charged as a percentage of assets under management according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
On the first \$500,000*	1.25%
On the next \$500,000	1.00%
On the next \$3,000,000	0.75%
Above \$4,000,000	0.50%

\*Client accounts where the total balance of all accounts falls below \$500,000 will be accepted only on a case-by-case basis and charged no greater than the maximum fee schedule listed above.

### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

<b>Assets Managed</b>	<b>Third Party Annual Fee</b>	<b>Hoffman Annual Fee</b>	<b>Total Annual Fee</b>
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.075%	0.25%	0.325%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

**For California Residents:** Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.

### **Other Financial Services Fees:**

**Portfolio Analysis:** This is an analysis of a client's current portfolio and recommendations for change in its asset allocation. The negotiable fee ranges from \$1,000 to \$2,000, depending on the size and complexity of a client's analyzed portfolio. The fee is paid in advance. The fee is fully refundable within 10 days after the report is presented based upon client satisfaction. If the fee is refunded the report must be returned and not shared or used.



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

Hoffman does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) and does not engage in side-by-side management. All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

Hoffman provides services to individuals, including high net worth individuals, trusts, qualified retirement plans, charitable organizations, and businesses.

Hoffman generally requires a minimum account size of \$500,000 for Investment Management Services. Complete fixed income portfolio management of individual fixed income securities generally requires a minimum investment of \$400,000 although individual bonds may be purchased in certain circumstances. These minimum account sizes may be negotiable under certain circumstances.

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

### *Methods of Analysis and Investment Strategy*

Hoffman' services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Hoffman' investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Hoffman recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. Hoffman selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or fixed income securities to implement this investment strategy.

Although all investments involve risk, Hoffman' investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, investment directly in fixed income securities to represent the fixed income class. Hoffman' investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that Hoffman' strategy seeks to minimize.

In the implementation of investment plans, Hoffman therefore primarily uses institutional, no-load mutual funds and, as appropriate, portfolios of fixed income securities. Hoffman may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and Hoffman may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

Hoffman' strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, Hoffman relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, Hoffman may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by Hoffman may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Hoffman's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Hoffman may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hoffman or the integrity of Hoffman's management. Hoffman has no information applicable to this Item.

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

Associated persons of Hoffman, including Mr. Ross F. Hoffman, are registered as registered representatives of Fortune Financial Services, Inc. (a registered broker-dealer, member FINRA/SIPC). As such, these individuals, in their separate capacity as registered representatives, will be able to effect securities transactions for advisory clients, for which they will receive separate compensation.

Hoffman is also licensed as an insurance agency and associated persons of Hoffman in their individual capacities are licensed insurance agents; Hoffman and these individuals are therefore able to recommend and sell insurance products to Hoffman clients. In this

separate insurance capacity, Hoffman and licensed individuals will be able to receive separate compensation resulting from implementing insurance product transactions on behalf of advisory clients.

These outside business activities create a conflict of interest due to the compensation that Hoffman and/or its associated persons receive. Hoffman mitigates this conflict by acting in the client's best interest, consistent with its fiduciary obligation as an investment adviser. Moreover, the implementation of any and all recommendations is solely at the discretion of the client, meaning clients have the right to utilize or decline to utilize the services of any representative of Hoffman in an outside capacity and have the right to purchase services or products recommended by Hoffman through another provider.

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

Hoffman has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Hoffman' Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth Hoffman' practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with Hoffman may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of Hoffman that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, Hoffman requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal.

Hoffman' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. Hoffman requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

Hoffman will provide a complete copy of its Code of Ethics to any client or prospective upon request.

It is Hoffman' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Hoffman will also not cross trades between client accounts.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

For Investment Management Services, Hoffman participates in the Schwab Advisor Services (“SAS”) program offered to independent investment advisors by Charles Schwab & Company, Inc., member FINRA/SIPC. Schwab is an unaffiliated SEC-registered broker-dealer and FINRA member broker-dealer. The Schwab program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. Hoffman regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty.

While Hoffman has no formal soft dollars program in which soft dollars are used to pay for third party services, Hoffman may receive research, products, or other services from custodians in connection with client securities transactions. Hoffman also has access to supporting software, research, historical market analysis, risk/return analysis, and other continuing education from third party advisers (and their affiliates) that Hoffman has recommended in the past and continues to utilize. There can be no assurance that any particular client will benefit from these “soft dollar benefits,” whether or not the client’s transactions paid for it, and Hoffman does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. Hoffman benefits by not having to produce or pay for the research, products or services, and Hoffman will have an incentive to recommend a custodian based on receiving research or services. This constitutes a conflict of interest; however, this conflict is mitigated because soft dollar benefits can help Hoffman in its portfolio management and Hoffman will always act in the best interest of its clients, including in connection with selecting custodians. Clients should be aware that Hoffman’s acceptance of soft dollar benefits may result in higher commissions charged to the client. Please see additional disclosure under Item 14 below.

These trading platforms are essential to Hoffman's service arrangements and capabilities, and Hoffman may not accept clients who direct the use of other custodians, although Hoffman will not request the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid. It should be understood that Hoffman will not have authority to negotiate commissions among various custodians or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific custodians. SAS does not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts held at the custodian. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker.

Hoffman does not have any arrangements to compensate any custodian or broker-dealer for client referrals.

Hoffman does not retain any client trade error gains. Hoffman makes clients whole with respect to trade error losses incurred by client caused by Hoffman.

Hoffman generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which Hoffman arranges transactions.

#### **Employee Benefit Retirement Plan Services:**

Hoffman does not typically arrange for the execution of securities transactions for participant-directed 401k plans as a part of this service. For participant-directed 401k plans, the individual plan participant is responsible for initiating any securities transactions.

### **Item 13 – Review of Accounts**

#### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by an Investment Adviser Representative; Hoffman also reviews the account with each client

quarterly or annually, depending on client preference. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third-party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed at least annually, and according to the standards and situations described above for investment management accounts.

#### **Reports:**

#### **Investment Management Services:**

All clients will receive quarterly performance reports, prepared by Hoffman that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

#### **Employee Benefit Retirement Plan Services:**

Plan sponsors are provided with quarterly information and annual performance reviews. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

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

### **Other Compensation**

As indicated under the disclosure for Item 12, SAS respectively provides Hoffman with access to institutional trading and custody services, which are typically not available to retail investors. The services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

SAS also makes available to Hoffman other products and services that benefit Hoffman but may not benefit its clients' accounts. Some of these other products and services assist Hoffman in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Hoffman' fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Hoffman accounts. The recommended brokers also makes available to Hoffman other services intended to help Hoffman manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Hoffman does not, however, enter into any commitments with SAS for transaction levels in exchange for any services or products from brokers. While as a fiduciary, Hoffman endeavors to act in its clients' best interests, Hoffman' requirement that clients maintain their assets in accounts at SAS may be based in part on the benefit to Hoffman of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by SAS and TSA, which creates a conflict of interest. Hoffman addresses this conflict by ensuring that it acts in the best interests of its clients, including in recommending custodians, consistent with its fiduciary duty.

Hoffman does not compensate non-advisory personnel (solicitors) for client referrals.

## **Item 15 – Custody**

Hoffman does not have physical custody of client funds or securities. However, when



advisory fees are deducted directly from client accounts at client's custodian, Hoffman will be deemed to have limited custody of a client's assets. For fees deducted directly from client accounts, in states that require it, Hoffman will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Utilize a custodian that sends at least quarterly statements reflecting all additions and deductions, including the amount of advisory fees.
- (C) Send the qualified custodian written notice of the amount of the fee to be deducted and send the client a written invoice upon or prior to fee deduction itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

Clients will receive all account statements from the custodian and billing invoices from Hoffman that are required in each jurisdiction. Hoffman urges clients to carefully review those statements for accuracy, as our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

Hoffman provides discretionary and non-discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, Hoffman generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, or the price per share.

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

Proxy Voting: As a matter of firm policy and practice, Hoffman does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. Hoffman, however, may provide advice to clients regarding the clients' voting of proxies upon client request.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Hoffman will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Hoffman to transmit copies of class action notices to the client or a third party. Upon such direction, Hoffman will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Hoffman' financial condition. Hoffman has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.