

HMS Capital Management, LLC

5130 Ashland City Hwy
Nashville, TN 37218
615.829.7200

www.hmscm.com
www.harmonyim.com

Disclosure Brochure

03/22/2024

This brochure provides information about the qualifications and business practices of HMS Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 615.829.7200. 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.

HMS Capital Management, LLC is a registered investment adviser. Registration of 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 HMS Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. HMS Capital Management, LLC's CRD # is 149764.

Material Changes

HMS no longer manages the 576 Family of Funds, no longer charges a performance fee.

Due to a change in billing vendor, HMS has changed how it calculates monthly investment fees. The Fee is collected monthly in arrears and will be adjusted for deposits and withdrawals during the billing period. Previously, HMS did not adjust fees for deposits and withdrawals.

Our current brochure may be requested by contacting Dana Brisendine, President and Chief Compliance Officer at 615.829.7200 or by email at dana@hm scm.com. We will provide you with a new brochure at any time without charge.

Additional information about us and about persons affiliated with us who are registered as our investment adviser representatives ("your advisory representative") is also available via the SEC's website, at www.adviserinfo.sec.gov. Information regarding your advisory representative can also be found in the supplements to this brochure.

Table of Contents

Advisory Business..... 2

Types of Clients..... 6

Methods of Analysis, Investment..... 6

Strategies and Risk of Loss..... 6

Disciplinary Information..... 7

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... 7

Brokerage Practices 8

Review of Accounts 11

Custody..... 11

Investment Discretion..... 11

Voting Client Securities..... 12

Financial Information 12

Advisory Business

HMS Capital Management, LLC (hereinafter, “HMSCM”, “HMS Capital”, “HMS”, “HMS Investment Advisors, we, us, our, ours”) is a Limited Liability Company organized under the laws of the state of Tennessee. Angela Robinson, Dana Moore Brisendine, and George Stadler founded the Nashville -based investment advisory firm in 2009 and are the principal owners. HMS Capital is registered with the SEC and notice filed in all appropriate states.

Investment Management Services

Through discussions, interviews and/or client questionnaires, we assist you in determining your investment goals and identifying your risk tolerance levels. We work with you to develop a detailed client profile to determine an appropriate investment model for you. We currently have **eight** different investment models that use a mix of domestic and foreign equities, fixed income securities, mutual funds, exchange traded funds and other suitable investment vehicles. We directly manage all portfolios.

The seven different investment models are:

- Focus 20 - portable alpha portfolio of multi-capitalization growth stocks
- Equity Income – portable alpha portfolio of large cap dividend producing stocks
- Innovators – multi capitalization aggressive growth portfolio
- Mid Cap Growth – medium

capitalization aggressive growth portfolio

- Core Growth – aggressive portfolio of large capitalization growth and value stocks
- Aggressive Growth – aggressive portfolio of stocks, ETFs and mutual funds
- Balanced Growth – balanced portfolio of stocks, bonds, mutual funds and ETFs
- Conservative Growth – income oriented portfolio of stocks, bonds, mutual funds, ETFs and covered call positions
- Tactical Hedge – is a portfolio overlay that can be used to help mitigate risk in the client’s portfolio. This overlay utilizes protective puts and speculative calls and can be added to any equity strategy.

We will rebalance and/or reallocate your portfolio at least annually. We may rebalance more frequently at our discretion should market conditions dictate. You are advised that transactions in the account, account reallocations and rebalancing may trigger a taxable event for you, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

In addition to direct portfolio management, we can consult with you on assets not managed by us. Your entire investment portfolio can be analyzed (at least annually) to evaluate the appropriateness of the overall asset allocation and the portion managed by HMS in light of this. Additional, aggregation software fees may apply but will be disclosed to you before any work is completed.

Financial Consulting Services

- a. We act as a financial adviser to you to provide education and strategic recommendations on the following:
General Wealth Education
 - b. Investing to meet long term goals
 - c. Budgeting
 - d. Estate planning consultation
 - e. Insurance consultation
 - f. Risk Management and Asset Protection
 - g. Tax Plan Review
- Other advise as needed

Fees for Financial Consulting Services are charged on an hourly basis at \$350/hr. with a four hour minimum Client may choose to hire HMS to provide financial planning at a rate of \$350 hour with a maximum fee of \$6,000 for financial planning.

In addition to these services, HMS also provides Family Wealth Advisor Services (Family Office).

Family Wealth Advisor Services (Family Office)

Through Family Wealth Advisor Services, HMS provides the client with education, advice on wealth related topics, and strategic recommendations. Family Wealth Advisor Services includes the following:

- Serve as the family's Gate Keeper or "Go-To" advisor
- Develop a plan for the family to make sure they reach their wealth goals
- Design and implement a wealth plan with the family's estate attorney and

tax professionals

- Assist with the selection of a Corporate or Individual Trustee for the family
- Provide financial education on a wide range of topics
- Work with the next generation to develop the plan to reach their financial goals
- Negotiate and facilitate personal and business banking relationships with several local, regional and national banks
- Provide consolidated performance reporting so the family can see all the accounts in one place
- Identify and implement risk management programs for the family
- Cash Flow Management & Budgeting
- Coordinate Income and Retirement & Social Security Income Planning
- Assist with Long Term Care Planning
- Provide Asset Allocation Oversight
- Provide Investment Oversight
- Review Insurance Needs

Fees & Compensation

The minimum fee charged by HMS Capital Management, LLC for Family Wealth Advisor Services (Family Office) is \$25,000/year. This represents 72 hours of Family Wealth Advisory Services. Additional monthly hours can be purchased.

Needs and Restrictions

In managing your investment portfolio, we consider your:

- financial situation,
- risk tolerance,
- investment horizon,
- liquidity needs,
- tax considerations,
- investment objectives, and
- any other issues important to your state of affairs.

You should notify us promptly if there are any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

Assets Under Management

As of December 31, 2023, we manage.

\$228,806,676 million in assets and have 363 client accounts we manage on a discretionary basis where we make all of the investment decisions. We have 2 legacy client accounts with approximately \$1,388,047 million in assets that we manage on a non-discretionary basis. All new accounts are only accepted on a discretionary basis. We have \$48,913,152 in assets under advisement.

Investment Management Services Fees

Equity Accounts and Balanced Accounts

Account (s) AUM/AUA Advisory Fee

We offer fee-only services based upon the value of the assets in your portfolio. Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/ broker-dealer”). Your custodian determines the values of the assets in your portfolio. Our advisory agreement gives us the authority to change the amount of fees with thirty (30) days with advance written notice. At which time you will be asked to sign a new fee schedule, or you may choose to close the account.

\$0 to \$1,000,000	2.00%
\$1,000,001 to \$10,000,000	1.50%
\$10,000,001 to \$20,000,000	1.25%
Over \$20,000,001	1.00%

Fixed Income Only Accounts

Account(s) AUM/AUA Advisory Fee

\$0 to \$5,000,000	1.50%
\$5,000,001 to \$10,000,000	1.00%
\$10,000,001 to \$20,000,000	0.75%
Over \$20,000,001	0.50%

All fees are negotiable at our sole discretion.

Payment Methods and Other Charges

For Investment Management Services, you must authorize us in writing to have the custodian/ broker-dealer pay us directly by charging your account. This authorization

is typically provided in our advisory agreement and/or in the limited power of attorney section of the custodian's new account forms.

Fees for the initial month will be adjusted pro-rata based upon the number of days in the month that the advisory agreement is in effect. The fees are charged in arrears on a monthly basis and are based upon the value of the assets as of the month end. Fees will be adjusted for deposits or withdrawals to the account during the billing period.

Your custodian also provides you with statements that show the amount paid directly to us. You should review your custodian's statement and verify that the proper amount has been deducted. Your custodian does not typically verify the accuracy of fee calculations.

Fees for Financial Consulting Services are billed as described above with the balance billed to you monthly based upon the hours completed. If more hours are requested then details of how and when all payments are to be made will be included in your advisory agreement for these services.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- internal fees and expenses charged by mutual funds or exchange traded funds ("ETFs"), and
- other fees and taxes on brokerage accounts and securities transactions.
- aggregation software fees

None of these fees are paid to, or are shared with, us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money.

You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled "Brokerage Practices," which follows later in this brochure.

Our investment advisory fees are billed in arrears. Clients may terminate the advisory agreement with five (5) days' advance

written notice. Should either party terminate the advisory agreement we have entered into before the end of a billing period, we will deduct any earned fees prior to closing the account. The amount charged to you is calculated by multiplying the market value of your account on the day the agreement is terminated by the fee percentage times the days in the prorated period. . This amount, which equals the amount we earned for the partial month is deducted from your account.

Family Wealth Advisor Services (Family Office) Fees

The minimum fee charged by HMS Capital Management, LLC for Family Wealth Advisor Services is \$25,000/year. This represents 72 hours of Family Wealth Advisory Services. The Family Wealth Advisory team consists of a Family Wealth Advisor, Portfolio Manager, Family Wealth Strategist and Administrative Assistant. Fees are due 15 days after the receipt of the Invoice. Additional monthly hours may be purchased as needed.

Types of Clients

We provide advisory services primarily to individuals, high net worth individuals, charitable organizations, corporations, and insurance companies. As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$500,000. At our sole discretion, we may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family

members to determine if your portfolio meets the minimum size requirement.

Methods of Analysis, Investment Strategies and Risk of Loss

We select specific investments for your portfolios through the use of fundamental analysis. Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security.

We select securities based upon a combination of quantitative, fundamental and technical factors. We use information from public sources, such as financial reports and industry and financial periodicals, as well as technical and charting analysis prepared by independent sources.

Our investment strategies may include long-term and short-term purchases and sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk,
- option risk

Options transactions carry a high degree of risk. In some strategies such as Tactical Hedge, HMS utilizes options to help reposition a portfolio for a short period of time. Put Options (option to sell a stock) are used when HMS believes that the risk in the market is rising. Call Options (option to buy a stock) are used when HMS believes that the risk in the market is falling. Options have unique factors that impact the value of the option such as time to maturity, rising or falling market volatility, and distance to the strike price. Thus, options can be expensive and most expire worthless. Hedging can result in lower returns due to the increased cost of the options. Options can also have negative tax consequences if a large gain is realized. Many can be subject to short term capital gains tax.

Although we manage your portfolio in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Disciplinary Information

In June of 2009 Angela Robinson was named by a client in a complaint while she was employed at SunTrust Investment Services, Inc. The complaint was denied 4 days later by the firm and no subsequent actions were taken. Specific details of this filing can be found on the SEC's Investment Adviser Public Disclosure site at www.adviserinfo.sec.gov.

Other than as listed immediately above, we have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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

We have adopted a *Code of Ethics* (“*Code*”) to address the securities-related conduct of our advisory representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an advisory representative's or employee's position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients.

Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

Brokerage Practices

We may recommend that the custodian for your account be Fidelity Brokerage Services, LLC (“Fidelity”), or Charles Schwab Corporation (“Schwab”). Fidelity, and Schwab will assist us in servicing your accounts. We are independently owned and operated and not affiliated with Fidelity, or Schwab. We are not required to affect a

minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services. We have not entered into any soft dollar agreements with Fidelity, or Schwab.

In recommending Fidelity, or Schwab as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum the custodian’s:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of Fidelity, or Schwab to execute transactions for your accounts is not the lowest possible transaction cost, but whether Fidelity, or Schwab can provide what is in our view the best qualitative execution for your account.

Fidelity, or Schwab provide us with access to its institutional trading and custody services, which includes:

- 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.

Fidelity, or Schwab do not charge

separately for holding our clients' accounts but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

Fidelity, or Schwab also make available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
 - duplicate trade confirmations,
 - bundled duplicate account statements, and
 - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
 - access to a trading desk serving advisory participants exclusively and
 - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting; and
- receipt of compliance publications.

Fidelity, or Schwab also make available to us other services intended to help us manage

and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

Fidelity, or Schwab may also make available or arrange for these types of services to be provided to us by independent third parties. Fidelity, or Schwab may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with Fidelity, and Schwab, because we do not have to produce or purchase the products and services listed above.

Because the products or services we receive may vary depending on the custodian we recommend being used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through Fidelity, or Schwab may be higher than commissions and other fees available if you use another

custodian firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by Fidelity or Schwab outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including accounts not maintained at Fidelity, or Schwab. We do not attempt to allocate these benefits to specific clients.

Directed Brokerage

You may direct us in writing to use a particular broker-dealer to execute some or all the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer. You should also know that your directed account may not be eligible for FIX trading (an automated order entry system that allows trades to be executed quickly and efficiently with various custodians). This will require your account to be traded manually and will result in your trades being executed after client accounts that do utilize FIX trading.

Bunched or Block Trading

We may engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for the accounts of our employees and advisory representatives may be included in bunched trades.

They receive the same average price and pay the same commissions and other transaction costs, as clients.

Transactions for the accounts of our advisory representatives or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a bunched trade. Bunched trades will not be effected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

Review of Accounts

Investment Management accounts are reviewed on a periodic basis as needed. The reviews focus on consistency of your portfolio investments with your investment objectives and risk tolerances. In addition, your investment constraints are considered and tested with your portfolio holdings.

These constraints include your:

- time horizon,
- liquidity needs,
- tax considerations,
- risk tolerance
- legal/regulatory constraints, and
- any other individual circumstances.

We will periodically review and update your financial circumstances and investment objectives; however, it is your responsibility to notify us of any material changes to your financial situation.

Your advisory representative is responsible for conducting reviews of your account. Investment Management and Family Wealth Services accounts receive reports at least quarterly which provide a summary of asset growth and fundamental risk exposures, along with extensive investment performance analysis.

Custody

HMS may be deemed to have custody over certain client accounts that HMS manages. This includes accounts where HMS can pay bills for clients and where an employee of HMS serves as Power of Attorney or Trustee for a client account.

Any accounts that meet these criteria are audited via an annual surprise audit by an independent third-party auditor and the findings are submitted to the SEC.

Custody is also disclosed in Form ADV because HMS has authority to transfer money from client account(s), which constitutes a standing letter of authorization (SLOA). Accordingly, HMS will follow the safeguards specified by the SEC rather than undergo an annual audit of these client accounts.

All client assets are maintained with a qualified custodian or bank. You will receive statements from the custodian\bank that holds your investment account on at least a quarterly basis. We urge you to carefully review these statements and compare them to the account statements that we may provide you. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

Investment Discretion

We offer our advisory services only on a discretionary basis (with the exception of 2 legacy accounts). This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We do not, however, have the ability to choose the broker-dealer through which transactions will be executed. Additionally, we do not have the ability to

withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.)

This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us and/or in the limited power of attorney section of the custodian's new account forms.

Voting Client Securities

We have adopted and implemented policies and procedures that we believe are reasonably designed to ensure that proxies are voted in your best interest. Proxy statements increasingly contain controversial issues involving shareholder rights and corporate governance, among others, which deserve careful review and consideration.

We do not vote proxies unless you specifically request in writing that we do so.

When we do vote proxies for clients, we generally vote with management on routine matters related to the operation of the company and not expected to have significant economic impact on the company or shareholders. In instances where material conflicts of interest may exist, we will resolve any such conflict by voting any such proxies in the best interest of the clients. In doing so, we will follow

the guidelines and factors set forth in our proxy voting procedures.

We will work with your custodian to ensure receipt of proxies. However, if the custodian is not able to facilitate this procedure, you will be notified that we will not be voting the proxies.

You may receive a record of how proxy statements were voted upon request. Also, you may receive a complete copy of our Proxy Voting Policy & Procedures upon request.

Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you.

With your written authorization, we have discretionary authority over your account. This discretion is limited to determining the types and amounts of securities to be bought or sold in your account, pursuant to your stated investment objectives.

We do not have physical custody of client funds or securities except in the case of the client bill pay or an employee of HMS serving as Trustee\POA for a client. All client assets are maintained with a qualified custodian.

We do not require prepayment of more than \$1200 in fees per client, six months or more in advance.

We have never been the subject of a bankruptcy proceeding.