

## STONE HILL FIDUCIARY MANAGEMENT, LLC

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This brochure provides information about the qualification and business practices of Stone Hill Fiduciary Management, LLC ("Stone Hill"). If you have any questions about the contents of this brochure, please contact us at 516-439-5581, or by email at [carynsnewman@stonehillfiduciary.com](mailto:carynsnewman@stonehillfiduciary.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Please note, where the brochure may use the terms “registered investment advisor” and or “registered,” registration itself does not imply a certain level of skill or training.

Additional information about Stone Hill is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 21, 2024

## **Item 2 - Material Changes**

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There have been no material changes since the last annual brochure dated March 27, 2023.

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#### Item 4 – Advisory Business

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Stone Hill Fiduciary Management, LLC ("Stone Hill") is a New York-based investment advisor and independent ERISA fiduciary, established July 1, 2012. Stone Hill is owned by Sheldon Martin Geller, the President and Managing Member.

The sole business of Stone Hill is providing investment advisory services and fiduciary services under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to retirement plan sponsors ("Plan Sponsors") relating to the retirement plans of the Plan Sponsors (each, a "Plan").

Client Plan Sponsors can place limitations on discretionary authority and require approval prior to the exercise of same with respect to one or more types of Plan transactions as mutually agreed upon and as set forth in the agreement entered into by and between Stone Hill and the Plan Sponsor for investment advisory and ERISA fiduciary services.

Stone Hill acts as an ERISA Section 402(a) Named Fiduciary for Plan investments, an ERISA Section 402(a) Named Fiduciary for Plan administration, an ERISA Section 3(16) Managing Fiduciary Plan Administrator, an ERISA Section 3(21) investment advisor and an ERISA Section 3(38) investment manager on behalf of the Plan Sponsor. In the alternative, Stone Hill acts only as an ERISA Section 3(21) investment advisor. In rare cases, Stone Hill can act solely as either a 3(38) investment manager while not serving as a 3(16) Managing Fiduciary Plan Administrator, or act as a 3(21) investment adviser and a 3(16) Managing Fiduciary Plan Administrator.

Pursuant to a Managed Account Sub-Advisory Agreement, Stone Hill serves as a Sub-Adviser to an SEC-registered Investment Adviser, acting as an ERISA Section 3(21) investment advisor on behalf of the underlying Plan Sponsor.

Stone Hill assists the Plan Sponsor of a participant-directed plan in determining an appropriate investment, custodial and recordkeeping platform for the Plan, the selection of offerings in the investment menu for plan participants on the platform of the underlying Plan, and reviews and evaluates the diversification of the funds offered to Participants at a Plan-level (not a Participant-level).

Stone Hill assists the Plan Sponsor of a trustee-directed plan or an employer-directed plan as to the broad asset allocation approach, including allocation performance analysis and investment advice regarding plan assets of pension, profit sharing and retirement plan accounts subject to ERISA.

Stone Hill also provides ongoing services to Plan Sponsors, including: (i) monitoring the Plan's investment lineup pursuant to the Plan's investment policy statement, including recommendations to add or delete funds offered by the Plan to participants; (ii) providing a periodic fiduciary review, performance summary and managing fiduciary's report for the

Plan; (iii) providing an annual assessment of employer practices, operational compliance, service provider quality, fees and expenses for the Plan; and (iv) as requested, conducting requests for proposals and requests for information and performing searches and comparisons of appropriate platforms and service providers, all pursuant to a documented process based on the needs of the Plan.

Stone Hill provides appropriate guidance to Participants pursuant to the safe harbor provisions under ERISA.

As a registered investment advisor, Stone Hill is a fiduciary to its advisory clients. As a Managing Fiduciary and a Named Fiduciary, Stone Hill exercises discretionary authority and control respecting the management of the Plan and the management of its assets and has discretionary authority and discretionary responsibility in the administration of the Plan. Therefore, Stone Hill is a "fiduciary" under ERISA with respect to Plan administration and with respect to Plan investments, including to the extent it renders "investment advice" to the Plan within the meaning of Section 3(21)(a)(ii) of ERISA and the Department of Labor regulations promulgated thereunder.

Neither Stone Hill nor the Plan Sponsor provides the Participants with any investment advice. The Participants are responsible for any individual investment selections made under the participant-directed Plan.

Stone Hill renders investment advice and fiduciary guidance to the Plan Sponsor, the board of directors of the Plan Sponsor, the trustees of the trust established as a part of the Plan and the retirement plan committee appointed by the board of directors of the Plan Sponsor as to plan assets of pension, profit sharing and retirement plan accounts subject to ERISA.

Stone Hill is not a participant in any wrap fee programs.

Stone Hill has \$2,160.5 million in plan assets under management as of February 29, 2024, as follows:

Discretionary plan assets -	\$ 1,489.1 million
Non-discretionary plan assets -	\$ 671.4 million

## **Item 5 - Fees and Compensation**

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In general, the agreement between Stone Hill and the Plan Sponsor (the "Investment Advisor Service Agreement" or the "Managing Fiduciary Retention Agreement") specifies the services for which the Plan Sponsor has retained Stone Hill, the nature of the compensation arrangement between the parties, the schedule of payment for such services, the respective responsibilities of the parties to the contract, any limitations as to the

professional services rendered by Stone Hill, as well as client acknowledgement of required disclosures.

The person(s) executing the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement with Stone Hill on behalf of such Plan must represent and warrant that: (i) the person is a functional fiduciary who has power under the Plan to appoint an "investment manager," (ii) governing instruments of the Plan provide that an "investment manager" (as defined in ERISA) may be appointed; (iii) that the Plan can enter into such an agreement with Stone Hill; and (iv) the Plan Sponsor retains all authority to vote all proxies or delegates same to Stone Hill. Once the execution of an Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement between Stone Hill and the Plan Sponsor is completed, Stone Hill will commence providing the services mutually agreed upon and as set forth in the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement.

Stone Hill will provide a copy of its current Form ADV Part 2 to the Plan Sponsor at the time the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement is executed, provided that the Plan Sponsor will have five (5) business days to terminate the engagement without penalty after the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement is executed. Stone Hill, at its discretion, may withhold a pro rata advisory fee for bona fide services rendered during the period.

The annual fee for the investment advisory and/or ERISA fiduciary services provided by Stone Hill is a minimum \$25,000 fixed rate.

Under certain circumstances, the annual fixed fee may be negotiated, but will always be agreed upon prior to the implementation of an Investment Advisor Service Agreement or a Managing Fiduciary Retention Agreement.

The Stone Hill fee is charged quarterly in advance. If a Plan Sponsor were to engage Stone Hill in the middle of a quarter, the fee would be pro-rated for that period.

Pursuant to a Managed Account Sub-Advisory Agreement, Stone Hill serves as a Sub-Adviser to an SEC-registered Investment Adviser, acting as an ERISA Section 3(21) investment advisor on behalf of the underlying Plan Sponsor. As remuneration for its services under this Agreement, the client shall pay or cause to be paid to the Sub-Adviser an annual fixed management fee, paid on a quarterly basis. In turn, Stone Hill shall pay or cause to be paid to the Adviser an annual management fee equal to 10% of Stone Hill's annual management fee, paid on a quarterly basis.

The fee for the services provided by Stone Hill is set forth in the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement. The fee is payable quarterly in advance as of the beginning of the calendar quarter. Pursuant to the contract between the parties, Stone Hill will invoice advisory fees directly to the Plan Sponsor client. Invoices are payable upon presentation.

Plan Sponsor clients must consent in advance to the payment of advisory fee invoices from a designated account.

Once Stone Hill has been engaged, the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement can be terminated, upon written notice, within the first five (5) business days without penalty. However, during the five (5) business day period, Stone Hill may charge a pro rata advisory fee for bona fide advisor and fiduciary services actually rendered prior to such termination. After such five-day period has expired, the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement may be terminated at any time upon not less than 60 days advance notice by either party to the other and termination will become effective not less than 60 days after receipt of such notice.

Upon the termination of the Investment Advisor Service Agreement or Managing Fiduciary Retention Agreement, Stone Hill will have no obligation whatsoever to recommend any action with regard to, or to liquidate, the securities or other investments in the underlying Plan account. Stone Hill may, however, withhold a pro rata portion of the prepaid advisory fee, charged quarterly in advance, for bona fide advisory and fiduciary services actually rendered during the quarter prior to such termination.

Notwithstanding the foregoing, pursuant to applicable laws, Stone Hill will refund excess advance payment to the extent that bona fide services have not been provided.

Please note that all fees and expenses charged by mutual funds, exchange traded funds, collective trust funds and stable value funds to its investors are separate and distinct from fees payable to Stone Hill. These fees and expenses are described in each fund's prospectus or agreement, as the case may be, and generally include a management fee, other fund expenses, and a possible distribution fee.

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

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No performance fee is payable to Stone Hill pursuant to the advisory and fiduciary services it provides to Plan Sponsors.

## **Item 7 - Types of Clients**

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The sole business of Stone Hill is providing either non-discretionary investment advisory services or discretionary investment advisory services, and fiduciary services under the Employee Retirement Income Security Act of 1974, as amended ("ERISA") to retirement plan sponsors ("Plan Sponsors") relating to the retirement plans of the Plan Sponsors (each, a "Plan").

Stone Hill assists the Plan Sponsor in a number of ways, including (i) acting as an ERISA Section 3(21) registered investment advisor to give investment advice, (ii) as an ERISA Section 3(38) investment manager to manage plan investment, (iii) as an ERISA Section 3(16) plan administrator and managing fiduciary to manage plan administration; and (iv) as an ERISA Section 402(a) named fiduciary with full discretionary powers to select, monitor and replace service providers for the Plan in accordance with the Plan's investment policy and Plan document in the best interest of the Plan and for the exclusive benefit of Participants.

Pursuant to a Managed Account Sub-Advisory Agreement, Stone Hill serves as a Sub-Adviser to an SEC-registered Investment Adviser, acting as an ERISA Section 3(21) investment advisor on behalf of the underlying Plan Sponsor.

Stone Hill may impose a minimum dollar value (currently \$5,000,000) on assets to qualify for investment advisory and/or ERISA fiduciary services. However, the minimum dollar value may be negotiated under certain circumstances.

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

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Stone Hill assists the Plan Sponsor of a participant-directed plan by providing recommendations relating to the selection of particular mutual funds, exchange traded funds, collective trust funds and stable value funds to offer Participants pursuant to the Plan and monitoring the Plan's investment lineup pursuant to the Plan's investment policy statement, including recommendations to add or delete funds offered to Participants.

Stone Hill assists the Plan Sponsor of a trustee-directed plan or employer-directed plan by providing asset allocation services and investment advice regarding plan assets of pension, profit sharing or retirement plan accounts subject to ERISA.

Analysis, recommendations, investment advice and fiduciary guidance given by Stone Hill may be based on, but are not limited to: (i) written information submitted by the Plan Sponsor; (ii) personal interviews conducted by Stone Hill of the Plan Sponsor; (iii) applicable economic and tax consequences; and/or (iv) considerations applicable to the specific needs of the Plan. Stone Hill utilizes independent and impartial fund monitoring data bases to provide opinions about the appropriateness of recommendations.

Stone Hill does not provide legal or accounting advice, but may recommend a list of such service providers that the client may consider engaging for these services. Stone Hill suggests a client work with his or her own attorney and accountant when considering the services of Stone Hill.



Stone Hill and its agents will be available for consultation with the Plan Sponsor regarding the creation of an investment policy statement, which is intended to complement the funding goals and objectives of the Plan. The investment policy statement will not apply to, among other things, the investment of Plan assets in self-directed brokerage accounts, individual securities, privately managed portfolios and separate accounts, and employer securities. Rather, the investment policy statement of the Plan will apply to the investment of Plan assets in publicly-traded open-end mutual funds, exchange traded funds, collective trust funds and stable value funds. The purpose of the investment policy is to assist the client Plan Sponsor in effectively supervising, monitoring and evaluating Plan asset investment. Although the client Plan Sponsor has the obligation to select and monitor Plan asset investment, it delegates same to Stone Hill the responsibility to select and monitor Plan asset investment and make recommendations regarding the continued retention of the mutual funds, exchange traded funds, collective trust funds and stable value funds offered or maintained under the plan.

Investing in securities involves risk of loss that clients should be prepared to bear. The allocations to the various asset classes and market sectors could cause the fund to underperform other strategies with a similar investment objective.

The securities markets are open, interactive systems in which change is the only constant variable - a variable denominated by risk that expands exponentially through time, while investment expenses are the only certain experience. There can be no assurance that the past or projections part of an Investment Plan will provide a useful understanding of prospective results.

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

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

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

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Stone Hill has no other business activities and no financial industry affiliations.

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

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Stone Hill has adopted a written Code of Ethics that sets forth the standards of conduct expected of all employees, directors and officers and anyone else involved in making securities recommendations to clients or has access to such recommendations that are non-public (collectively, "Associated Persons"). The Code of Ethics reflects Stone Hill's belief in maintaining high professional standards of ethics and intention to place the interests of the clients first at all times.

The Code of Ethics prohibits Associated Persons from using his or her knowledge about securities transactions or holdings of a client account in trading for any account that is directly or indirectly beneficially owned by the Associated Person or any "affiliate account." Neither Stone Hill nor any Associated Person recommends, buys or sells for clients any securities in which Stone Hill or any Associated Person has a material financial interest. Stone Hill and/or its Associated Persons may not purchase or hold securities that Stone Hill recommends to clients or that Stone Hill has purchased or sold for clients (other than open ended Mutual Funds).

Stone Hill may impose sanctions on any Associated Person that has violated the Code of Ethics as deemed appropriate. Such sanctions include, but are not limited to, a letter of censure, disgorgement of profits obtained in connection with a violation, the imposition of fines, restrictions on future personal trading, termination of the Associated Person's position or relationship with Stone Hill or referral to civil or criminal authorities.

Stone Hill will provide a copy of the Code of Ethics to any client or prospective client upon request, by contacting our office.

## **Item 12 - Brokerage Practices**

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Stone Hill does not trade securities for client accounts. We do recommend recordkeepers that include their affiliated broker-dealers for client accounts.

### **Item 13 - Review of Accounts**

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Stone Hill reviews the Plan's investment account performance regularly against investment objectives that are articulated by the investment policy statement for the account.

These reviews take into consideration market performance for similar investments for the period under review.

As discussed in Item 4 – Advisory Business, Stone Hill provides ongoing services to Plan Sponsors, including: (i) monitoring the Plan's investment lineup pursuant to the Plan's investment policy statement, including recommendations to add or delete funds offered by the Plan to participants; (ii) providing a periodic fiduciary review, performance summary and managing fiduciary's report for the Plan; (iii) providing a periodic assessment of employer practices, operational compliance, service provider quality, fees and expenses for the Plan; and (iv) as requested and no less frequently than triennial, conducting requests for proposals and requests for information and performing searches and comparisons of appropriate platforms and service providers, all pursuant to a documented process based on the needs of the Plan.

Stone Hill also reviews matters relating to actual operation and administration of the Plan against terms set forth in the Plan document and vendor agreements to ensure compliance with ERISA.

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

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Stone Hill does not receive economic benefits from non-clients for providing investment advice or other advisory services to clients. Stone Hill does not directly or indirectly compensate anyone for client referrals.

### **Item 15 – Custody**

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Stone Hill works with Plan Sponsor clients of the participant-directed Plan and trustee directed Plan and assists the Plan Sponsor in the selection of a custodian. Stone Hill does not have custody of client funds, that is, Plan assets. Rather, a third-party qualified custodian has custody and sends quarterly account statements directly to Plan Sponsor clients. Clients should carefully review these account statements. Stone Hill represents to its Plan Sponsor clients that it carefully reviews these statements as well.

## **Item 16 - Investment Discretion**

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Client Plan Sponsors may place limitations on discretionary authority and require approval prior to the exercise of same with respect to one or more types of Plan transactions as mutually agreed upon and as set forth in retirement plan committee meeting minutes and/or the agreement entered into by and between Stone Hill and the Plan Sponsor for investment advisory and/or ERISA fiduciary services.

## **Item 17 - Voting Client Securities**

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Stone Hill does not accept or have the authority to vote on matters requiring shareholder voting in connection with the securities held in a client's account, or with respect to certain legal actions involving securities including, for example, voting of proxies, mergers, bankruptcies or restructuring, class actions, or similar matters. Clients will retain proxy voting authority.

Clients can contact Stone Hill if they have questions about a particular solicitation. Stone Hill will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

## **Item 18 - Financial Information**

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Stone Hill is financially capable of meeting all contractual commitments to clients. Stone Hill has never been the subject of a bankruptcy petition.