



Item 1 - Cover Page

Wallace Hart LLC
d/b/a
Wallace Hart Capital Management
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March 19, 2024 Brochure

This brochure provides information about the qualifications and business practices of Wallace Hart LLC, d/b/a Wallace Hart Capital Management ("Wallace Hart"). If you have any questions about the contents of this brochure, please contact us at 859-300-3030 or jeremy@wallacehart.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state authority.

Additional information about Wallace Hart also is available on the SEC's website at www.AdviserInfo.sec.gov.



Item 2 - Material Changes

This Form ADV Part 2A brochure (the "Brochure") is a document that Wallace Hart provides to its clients as required by SEC Rules.

The purpose of Item 2 of the Brochure is to provide clients with a summary of new and/or updated information that is contained in the remainder of the Brochure.

Since the filing of the previous annual amendment on March 30, 2023, Wallace Hart has made no material changes to the Brochure.

Wallace Hart will provide clients with a new Brochure as necessary based on changes, new information, or at a client's request, at any time, without charge.

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Item 4 - Advisory Business

General Information

Wallace Hart LLC, d/b/a Wallace Hart Capital Management was formed in 2016, and became registered as an investment adviser in January 2017. Jeremy Wallace and Andrew Hart are the principal owners of Wallace Hart. Please see the Part 2B brochures for more information on Mr. Wallace and Mr. Hart.

At the outset of each client relationship, Wallace Hart spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, Wallace Hart generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments Wallace Hart will make or recommend on behalf of the client in order to meet those goals. The Financial Profile and the Investment Plan are discussed regularly with each client, but are not necessarily written documents.

Financial Planning

Wallace Hart currently offers limited financial planning services to those clients in need of such service in conjunction with portfolio management services. Although Wallace Hart does not currently offer financial planning services as a stand-alone service, Wallace Hart may do so in the future. Wallace Hart's limited financial planning services normally addresses areas such as general cash flow planning, retirement planning, and insurance analysis. The goal of this service is to assess the financial circumstances of the client in order to more effectively develop the client's Investment Plan.

Portfolio Management

As described above, at the beginning of a client relationship, Wallace Hart meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Wallace Hart based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, Wallace Hart will manage the client's investment portfolio on a non-discretionary or discretionary basis pursuant to an investment advisory agreement with the client. As a discretionary investment adviser,

Wallace Hart will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on Wallace Hart in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Wallace Hart.

Pooled Investment Vehicle Advisory Services

Wallace Hart provides discretionary investment advisory services to two pooled investment vehicles: Wallace Hart Momentum Fund, LP, a Delaware limited partnership (the "Onshore Fund") and Wallace Hart Momentum Offshore Fund, LP, a British Virgin Islands limited partnership formed for the purpose of investing solely in the Onshore Fund (the "Offshore Fund" and, together with the Onshore Fund, the "Funds"). Each of the Onshore Fund and the Offshore Fund are exempt from registration under the Investment Company Act of 1940, as amended (the "1940 Act") and neither Fund's securities are not registered under the Securities Act of 1933, as amended (the "Securities Act"). As the investment adviser to the Funds, Wallace Hart, along with Wallace Hart Capital Partners, LLC, the Funds' general partner (the "General Partner") identifies investment opportunities for, and participate in the acquisition, management, monitoring, and disposition of, investments of the Funds.

Wallace Hart provides investment advisory services to the Funds pursuant to the terms of separate investment advisory agreements (each, a "Fund Agreement"). Investment

advice is provided by Wallace Hart directly to the Funds, subject to the direction and control of the General Partner, and not individually to the investors in the Funds.

Any restrictions on investments in certain types of securities are established by Wallace Hart and are set forth in each Fund's offering documents, which are provided to prospective investors prior to investment in the applicable Fund. Once invested in the applicable Fund, investors cannot impose restrictions on the types of securities in which such Fund may invest. While the Funds generally expect to use an equities-based long/short strategy investing in equities issued by mid- and large-cap publicly traded companies, currently there are no restrictions on the types of securities or sectors in which the Funds may invest.

Additional information related to the Funds is set forth below in Item 10 – *Other Financial Industry Activities and Affiliations*.

Type and Value of Assets Currently Managed

As of December 31, 2023, Wallace Hart managed approximately \$208,437,210 on a discretionary basis and \$ 26,000,000 on a non-discretionary basis.

Item 5 - Fees and Compensation

General Fee Information

Clients enter into one of two fee arrangements. **Clients may pay management fees to Wallace Hart separately from the brokerage expenses of the account.** Accordingly, client accounts pay a management fee, plus the cost of transactions in the account. The brokerage expenses may take the form of asset-based pricing, meaning that the broker/dealer charges the account a flat-rate percentage to cover all brokerage expenses, or these expenses may be assessed on a per-trade basis. Please see *Item 12 - Brokerage Practices* for additional information.

The fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, Wallace Hart and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Financial Planning Fees

If Wallace Hart provides stand-alone financial planning services to clients, these fees will be negotiated at the time of the engagement for such services and are normally based on the scope of the engagement.

Portfolio Management Fees

The annual fee schedule for all accounts for which Raymond James & Associates, Inc. ("Raymond James") serves as custodian, based on a percentage of assets under management, is as follows:

Portfolio Asset Value	Annual Fee Rate
\$0 - \$999,999	1.75%
\$1,000,000-\$2,999,999	1.50%
\$3,000,000-\$4,999,999	1.35%
\$5,000,000-\$9,999,999	1.25%
\$10,000,000+	1.00%

The annual fee schedule for all accounts for which either Fidelity Institutional Wealth Services ("Fidelity Investments") or TIAA ("TIAA") serves as custodian, which generally includes 403(b), 457 and 401(a) accounts and other employer-sponsored accounts, based on a percentage of assets under management, is as follows:

Portfolio Asset Value	Annual Fee Rate
\$0 - \$999,999	1.00%
\$1,000,000-\$2,999,999	0.85%
\$3,000,000-\$4,999,999	0.75%
\$5,000,000-\$9,999,999	0.65%
\$10,000,000+	Negotiable

Wallace Hart may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Wallace Hart deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in advance. Partial periods will be prorated based on the portfolio asset value at the beginning of the period. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either Wallace Hart or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Wallace Hart from the client will be invoiced or deducted from the client's account prior to termination.

Fees for Pooled Investment Vehicle Advisory Services

The Offshore Fund generally pays to Wallace Hart an annualized management fee of up to two percent (2%) of the net asset value of each investor's capital accounts, and with

respect to certain of the Onshore Fund's investors, the Onshore Fund generally pays to Wallace Hart an annualized management fee of up to two percent (2%) of the net asset value of such investors' capital accounts, each as set forth below, and as further described in the each Fund's offering documents (collectively, the "Management Fee").

The Management Fee is paid quarterly in advance and is deducted from the applicable Fund. Generally, the Funds pay the Management Fee on capital committed by certain of the Funds' investors and called by the General Partner to make investments ("Called Capital") for the term of the Funds. The Management fee is generally subject to waiver or reduction by the General Partner in its sole discretion, including in connection with investments made by Wallace Hart and any related persons. In the event of termination of either Fund Agreement, the Management Fee will be prorated as applicable. Any paid but unearned fees will be promptly refunded to the applicable Fund, and any fees due to Wallace Hart from the applicable Fund will be invoiced or deducted from such Fund prior to termination.

The Funds are responsible for their organizational expenses, including the fees, costs, and expenses of and incidental to the formation, qualifications to do business, and fund raising of the Funds and the General Partner. In addition, the Funds are responsible for their ordinary operating expenses, including, without limitation, the Management Fee, as applicable; fees of the Funds' independent auditors and administrator and custodial fees; fees for the maintenance of the Funds' books and accounts, including fees of any separate accountants retained for the Funds; fees of the Funds' legal counsel (including, without limitation, litigation fees of the Funds); registration and licensing fees; fees, costs, and expenses related to the sourcing, evaluation, purchasing, holding, and sale of investments; taxes (including withholding and transfer taxes); governmental fees; preparation and distribution of investors' reports and other communications with investors and the public; expenses for ongoing Fund limited partner support; the costs associated with preparing and delivering marketing materials (regardless of medium); professional fees of consultants incurred in connection with the operations of the Funds; insurance costs; costs of Fund borrowing facilities, including origination expense, legal and compliance fees, and interest; and other costs related to the operation of the Funds.

Additionally, please see Item 6 – *Performance-Based Fees and Side-By-Side Management* below for information regarding the "performance allocation" that the Funds may pay.

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

While Wallace Hart does not receive a performance-based fee, a portion of the Funds' net investment profit is allocated to the capital account of the General Partner as an "performance allocation." The General Partner is Wallace Hart's related person.

While the Funds have a long-term investment strategy, potential investors should note that the payment by the Funds of the performance allocation may nonetheless provide an incentive for Wallace Hart to make investments that are riskier or more speculative than would be the case in the absence of such an arrangement. Generally, and except as may otherwise be set forth in the partnership agreement of each Fund, this conflict is mitigated to a substantial extent by, among other things, the fact that payment of the performance allocation will be conditioned on all of the partners of the Funds first receiving the return in full of their capital contributions to the applicable Fund. In addition, provisions and procedures set forth in Wallace Hart's Code of Ethics (the "Code") require Wallace Hart to act in accordance with principals of honesty, good faith, and fair dealing.

Item 7 - Types of Clients

Wallace Hart serves individuals, pension and profit-sharing plans, corporations, trusts, estates, charitable organizations, and pooled investment vehicles.

Interests in the Funds are offered pursuant to applicable exemptions from registration under the Securities Act and the 1940 Act. Permitted investors in the Funds may include high net worth individuals, banks, thrift institutions, pension and profit-sharing plans, endowments, foundations, trusts, estates, charitable organizations, and other business entities.

The minimum investment requirement for either Fund is generally \$500,000. The General Partner, in its sole discretion, may permit investments that are less than the minimum investment commitment set forth in each Fund's offering documents.

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

In accordance with the Investment Plan, Wallace Hart will primarily invest in mutual funds, ETFs, common stock etc.

Method of Analysis – Fundamental Analysis

In making selections of individual stocks for client portfolios, Wallace Hart may use fundamental analysis, which involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Investment Strategies

Wallace Hart's strategic approach is to invest each portfolio in accordance with the Investment Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Short Sales – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Trading – generally considered holding a security for less than thirty (30) days.

Options Trading/Writing – a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Risk of Loss

While Wallace Hart seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that

client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While Wallace Hart manages client investment portfolios based on Wallace Hart's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that Wallace Hart allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that Wallace Hart's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, Wallace Hart may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. Wallace Hart will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. Wallace Hart may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will

devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. Wallace Hart may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

[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 a client's evaluation of Wallace Hart or the integrity of Wallace Hart's management. Wallace Hart has no disciplinary events to report.

[Item 10 - Other Financial Industry Activities and Affiliations](#)

Wallace Hart Capital Partners, LLC

Wallace Hart is under common control with Wallace Hart Capital Partners, LLC, the General Partner of the Funds. Jeremy Wallace and Andrew Hart are the indirect owners of Wallace Hart and the principal owners of the General Partner. Wallace Hart may recommend that our clients invest in the Funds. The relationship between Wallace Hart and the General Partner may create a conflict of interest, because Wallace Hart may be incentivized to recommend an investment in the Funds in order to generate advisory fees and Management Fees for itself as well as performance allocation for the General Partner. However, to mitigate against this conflict of interest, Wallace Hart's clients will not pay advisory fees to Wallace Hart with respect to assets invested in either Fund. Instead, with respect to assets invested in the Funds, Wallace Hart's clients will pay only the Management Fees and the performance allocation set forth in each Fund's offering documents.

[Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading](#)

Code of Ethics and Personal Trading

Wallace Hart has adopted a Code of Ethics (the "Code"), the full text of which is available to you upon request. Wallace Hart's Code has several goals. First, the Code is designed

to assist Wallace Hart in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, as amended (the "Advisers Act") Wallace Hart owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires Wallace Hart associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Wallace Hart's associated persons (managers, officers and employees). Under the Code's Professional Standards, Wallace Hart expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Wallace Hart associated persons are not to take inappropriate advantage of their positions in relation to Wallace Hart clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Wallace Hart's associated persons may invest in the same securities recommended to clients. Under its Code, Wallace Hart has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, Wallace Hart has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, Wallace Hart's goal is to place client interests first.

Consistent with the foregoing, Wallace Hart maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If associated persons trade with client accounts (*e.g.*, in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Wallace Hart's written policy.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, Wallace Hart seeks "best execution" for client trades, which is a combination

of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, Wallace Hart may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Wallace Hart's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Directed Brokerage

Clients may direct Wallace Hart to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangements that Wallace Hart has with Raymond James, Fidelity, TIAA, and Interactive Brokers are each designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Wallace Hart to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Wallace Hart that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

Wallace Hart typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, Wallace Hart may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities at the same time. If such an aggregated trade is not completely filled, Wallace Hart will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Wallace Hart or its officers, directors, or employees will be excluded first.

The Funds

Wallace Hart utilizes Interactive Brokers, LLC ("Interactive Brokers") to serve as the prime broker of the Funds' assets. Wallace Hart may replace Interactive Brokers as primer broker, or appoint an additional primer broker at any time. Interactive Brokers provides its services in accordance with the terms of the prime brokerage agreement entered into between Wallace Hart and Interactive Brokers. Interactive Brokers may also provide Wallace Hart with other services, including technology services, capital introduction services, portfolio reporting and access to electronic communications networks, which Wallace Hart expects to utilize for research and trading on behalf of the Funds. Wallace Hart is not required to direct a particular number of trades to Interactive Brokers or to continue to use Interactive Brokers as the Funds' prime broker, but has an incentive to do so based on the continued services provided by Interactive Brokers. These are not soft dollar arrangements, but are part of the institutional platforms offered by Interactive Brokers. The Funds will be responsible for commissions charged by Interactive Brokers for trade execution on behalf of the applicable Fund.

Item 13 - Review of Accounts

Individual Clients

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Wallace Hart. These factors may include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Jeremy Wallace, Wallace Hart's Manager, reviews all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions

in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, Wallace Hart provides at least an annual report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

The Funds

The investments of the Funds are generally private, illiquid, and long-term in nature, and accordingly, Wallace Hart's review of the Funds' investments is not directed toward a short-term decision to dispose of investments. However, Wallace Hart continuously reviews and closely monitors the investments of the Funds and generally maintains an ongoing oversight position in such investments. These reviews will focus on appropriateness of the Funds' investments for each Fund's portfolio and the performance of each Fund.

The General Partner intends to provide written reports to the investors in the Funds regarding the applicable Fund and its performance on a periodic basis and will provide financial statements to the Funds' investors at least annually.

Wallace Hart and the General Partner may, from time to time, in their sole discretion, provide additional information upon request relating to the Funds to one or more investors in the Funds as Wallace Hart and/or the General Partner deems appropriate.

Item 14 - Client Referrals and Other Compensation

As noted above, the Adviser may receive some benefits from Raymond James, Fidelity, TIAA, and Interactive Brokers based on the amount of client assets held at each custodian, respectively. Please see *Item 12 - Brokerage Practices* for more information. However, neither Schwab nor any other party is paid to refer clients to the Adviser.

In the past, Wallace Hart has engaged independent solicitors to provide client referrals and may do so again in the future. In these cases, if a client is referred to us by a solicitor, this practice will be disclosed to the client in writing by the solicitor and Wallace Hart will pay the solicitor out of its own funds—specifically, Wallace Hart will generally pay to the solicitor a portion of the advisory fees earned for managing the capital of the client that was referred. The use of solicitors is strictly regulated under applicable federal and state law. Wallace Hart's policy is to fully comply with the applicable requirements of the Advisers Act and state laws.

Item 15 - Custody Individual Clients

Either Raymond James, Fidelity, or TIAA is the custodian of nearly all client accounts at Wallace Hart. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Wallace Hart of any questions or concerns. Clients are also asked to promptly notify Wallace Hart if the custodian fails to provide statements on each account held. If the client authorizes us to direct the custodian to debit our fee from the client's account, then we will have limited custody of the client's assets. In this case, the client should review their account statements from the custodian to verify the accuracy of the fee as the custodian will not do so.

From time to time and in accordance with Wallace Hart's agreement with clients, Wallace Hart will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

The Funds

Wallace Hart (through each General Partner) is deemed to have custody of the assets of each Fund. The Funds' current qualified custodian is Interactive Brokers. All of the Funds' investments are currently held by the qualified custodian on behalf of the Funds. The Funds are currently audited annually by an independent public accountant, and the annual audited financial statements of the Funds are sent to the Funds' investors.

Item 16 - Investment Discretion Individual Clients

As described in **Item 4 - Advisory Business**, Wallace Hart will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving Wallace Hart the authority to carry out various activities in the account, generally including the following: (i) trade execution; (ii) the ability to request checks on behalf of the client; and (iii) the withdrawal of advisory fees directly from the account. Wallace Hart then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with Wallace Hart

and the requirements of the client's custodian. All limitations and restrictions placed on accounts must be presented to Wallace Hart in writing.

For *non-discretionary* accounts, the client may also execute an LPOA, which allows Wallace Hart to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between Wallace Hart and the client, Wallace Hart does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA in writing, subject to Wallace Hart's investment advisory agreement with the client and the requirements of the client's custodian.

The Funds

Subject to any limitations in the Funds' offering documents, Wallace Hart has discretionary authority to determine the investments to be bought or sold and the amounts to invest for each Fund, pursuant to each Fund Agreement.

Item 17 - Voting Client Securities Individual Clients

As a policy and in accordance with Wallace Hart's client agreement, Wallace Hart does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Wallace Hart with questions relating to proxy procedures and proposals; however, Wallace Hart generally does not research particular proxy proposals.

The Funds

The Funds are not able to direct the vote of the General Partner. To the extent applicable, the General Partner intends to vote proxies or similar corporate actions in the best interests of the applicable Fund, taking into account such factors as it deems relevant in its sole discretion.

Wallace Hart's proxy voting policy is designed to ensure that if a material conflict of interest is identified in connection with a particular proxy vote, that the vote is not improperly influenced by the conflict. To the extent applicable, Wallace Hart will maintain a detailed Proxy Voting Policy and a record of how proxies have been voted, each of which is available to clients upon request.



Item 18 - Financial Information

Wallace Hart does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.