

**HH Capital Management, Inc.
Investment Adviser Brochure
Part 2A of Form ADV**

**1601 Pacific Coast Highway, Suite 290
Hermosa Beach, CA 90254**

March 20, 2024

This Investment Adviser Brochure (“Brochure”) provides information about the qualifications and business practices of HH Capital Management, Inc. (“HHCM”). If you have any questions about the contents of this brochure, please contact us at (917) 328-0169. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

HHCM is an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). However, such registration does not imply a certain level of skill or training.

Additional information regarding HHCM is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

This Brochure, dated as of March 20, 2024, has been prepared in connection with HHCM's annual updating amendment to Form ADV for the fiscal year ending December 31, 2023. Since the last version of this Brochure dated March 29, 2023, this Brochure has been revised to reflect HHCM's updated the updated regulatory assets under management (please see "Advisory Business" below).

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Advisory Business

HH Capital Management, Inc., a California corporation (“HHCM”), commenced operations in 2020 with its office headquarters in Manhattan Beach, California. HHCM is owned and controlled by John Farrace (the “Principal”). This Brochure describes the business practices of HHCM.

HHCM provides investment advisory services to investors who have established a relationship with HHCM, which shall typically take the form of managed or separate accounts (each, a “Client”).

The types of services HHCM provides to Clients may vary significantly based on the nature of the investments and particular instructions or mandate of the Client, but may include one or more of the following:

- Advice regarding structuring and negotiating transactions.
- Advice regarding identifying, structuring, negotiating, and obtaining bank, institutional and other sources of financing for investments.
- Management advice and financial planning advice, including advice on utilization, management, and disposition of assets.
- Advice on the performance of investments, including financial forecasting, strategic planning, budgeting, and analysis.
- Providing other advice with respect to the business plan for Client investments.

HHCM has performed these services for a wide variety of investments, including real estate related investments, operating company investments, private and public pooled investment vehicles, loans, and public and private securities.

As of December 31, 2023, HHCM had approximately \$825 million of regulatory assets under management. HHCM does not currently manage any assets on a discretionary basis and does not offer or participate in any wrap fee projects. Clients may impose restrictions on investing in certain securities or types of securities.

Fees and Compensation

The fees applicable to each Client are set forth in detail in the relevant investment management agreement with such Client. Generally, HHCM has the authority to waive, reduce or calculate differently any of the fees described herein and/or in any investment management agreement.

Advisory Fees

HHCM will typically receive an annual advisory fee (“Advisory Fee”) from each Client for acting in an investment advisory role with respect to such Clients. The typical Advisory Fee is set at a flat annual rate.

Advisory Fees are typically paid on a monthly basis on last day of each month, with certain amounts reserved which are paid at the end of each calendar year. In the event that an advisory agreement with the Client is terminated, HHCM is will be entitled to receive the full Advisory Fee through the end of the original term of such advisory agreement.

Reimbursement of Expenses

In addition to Advisory Fees, Clients are typically required to reimburse HHCM for all out-of-pocket costs, fees and expenses, including travel expenses (lodging, meals, business class airfare and other transportation), incurred in connection with the performance of HHCM’s advisory services.

Third Party Compensation

In some cases HHCM may receive compensation from parties other than its Clients in connection with Client investments or other services provided by HHCM to the client. While this compensation may vary in form, HHCM addresses the conflicts of interest created by these payments by (x) disclosing the relevant facts and circumstances to the applicable Client and (y) crediting the amount of such fee against the Advisory Fee otherwise payable by the applicable Client.

Performance Based Fees and Side-by-Side Management

As described above under “Fees and Compensation,” HHCM receives an Advisory Fee and a reimbursement of expenses from Clients in consideration for advisory services. None of HHCM or any of its supervised person receive any performance-based fees from Clients for advisory services.

Types of Clients

HHCM provides management and investment advisory services exclusively to institutional and high net worth investors.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

HHCM advises its Clients with respect to several asset classes, including real estate, public and private investment funds, direct equity investments (in control and non-control positions), and debt. Asset allocation recommendations are determined based upon the unique circumstances of each Client.

Real estate investments range from development properties to stabilized properties, and may be in any sector, including commercial, industrial, and residential. Investments are evaluated using various approaches, including income analysis, sales comparisons and cost. HHCM also strongly emphasizes the qualifications of the developer.

Public and private investment funds opportunities are evaluated based upon a variety of factors, including historical performance and fees. When evaluating private funds, considerable weight is put upon the character and reputation of the fund's management group.

Equity positions are evaluated using a variety approaches including discounted cash flows, comparable company analyses, transaction comparisons, asset value, and sum of the parts. Consideration is also given to the weight of the position within a Client's portfolio and the investment biases of each Client.

Debt investments are evaluated using traditional credit analysis and incorporate repayment capacity, collateral, liquidity, credit rating (when available) and quality of management, among other factors.

Risks

The following is a brief overview of some of the risks associated with the methods of analysis and investment strategies used by HHCM's; however, it is not intended to serve as an exhaustive list or a comprehensive description of all risks and conflicts that may arise in connection with such methods and strategies. In addition, see "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" for additional risks associated with certain conflicts of interest.

No Assurance of Investment Return; Past Performance. The past investment performance of the Clients advised by HHCM should not be relied on as an indicator of future performance or success. There is no assurance that HHCM's investment strategies will result in returns with respect to any particular Client or that the returns will be commensurate with the risks.

Reliance on Principal. There can be no assurance that the Principal will continue to be affiliated with HHCM for any specific period of time. The loss of the Principal could have a material adverse effect on the performance of the Clients' investments.

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Public Health Risk. The ongoing COVID-19 pandemic, or the outbreak of another infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in any of the regions in which Clients' investments are made and thereby adversely affect the performance of the investments.

Adverse Conditions in Capital and Credit Markets. Capital markets can be extremely volatile, and any disarray in the credit markets, market dislocations, or the re-institution of more conservative credit requirements could adversely affect the performance of investments, particularly real estate investments. To the extent that some or all of these conditions occur and continue for any significant period of time, such conditions could (i) reduce the value of investments, (ii) significantly limit or eliminate Clients' ability to employ leverage in connection with their investment activities or (iii) reduce Clients' ability to dispose of their Investments in the ordinary course of business.

Real Estate Investment Risks. Real estate investments are subject to the risks inherent in the ownership, development and operation of real estate and real estate related businesses and assets. These risks include, but are not limited to, changes in local market conditions, the financial condition of tenants, buyers and sellers of properties, changes in interest rates and the availability of financing, the burdens of ownership of real property, general and local economic conditions, fluctuations in occupancy rates, changes in building, environmental and other laws, energy and supply shortages, various uninsured or uninsurable risks, natural disasters, epidemics or pandemics (which may have an even greater impact on some asset classes such as senior housing, office, and retail), changes in government regulations, changes in real property taxes, environmental liabilities, contingent liabilities on disposition of assets, terrorist attacks and war, construction delays, cost overruns, lease-up risks and other factors beyond the control of HHCM. Adverse changes in some or all of these conditions could materially affect investment returns.

Illiquid Investments. Investments in equity interests in private companies (including private companies whose sole or principal asset is real property) are not expected to be registered for public sale under federal, state or other applicable securities laws. Such interests may not be resold or transferred except in compliance with transfer restrictions included in the applicable organizational documents of such companies. In general, such interests represent highly illiquid investments that must be held for an indefinite period of time.

Leveraged Investments. Real estate investments typically utilize a leveraged capital structure, in which case a lender would be entitled to cash flow generated by such investments prior to the time the Client receives a return of its investment. Although such leverage presents opportunities for increasing returns, it also involves a high degree of financial risk and has the potential of increasing exposure of the investments to adverse economic factors such as rising interest rates, economic downturns, fluctuations in market conditions, deterioration in the assets underlying such investments or deterioration in the condition of an investment or its market.

Risks of Private Company Investments. Early-stage and development stage companies often experience unexpected problems in the areas of product development, manufacturing, marketing, financing, and general management, which, in some cases, cannot be adequately solved. Such companies may require substantial amounts of financing, which may not be available through

institutional private placements or the public markets. In addition, the markets that such companies target are highly competitive and in many cases the competition consists of larger companies with access to greater resources. The percentage of companies that are successful can be small.

Investments in more mature companies in the expansion or profitable stage involve substantial risks. Such companies typically have obtained capital in the form of debt and/or equity to expand rapidly, reorganize operations, acquire other businesses, or develop new products and markets. These activities by definition involve a significant amount of change in a company and could give rise to significant problems in sales, manufacturing, and general management of these activities.

The acquisition of a company's securities in a secondary purchase from one or more existing shareholders of the company, rather than directly from the company, involves additional risks, including a lack of transparency, less control over investment terms and increased complexity. Purchasers in such transactions may be provided with little disclosure concerning the operations and financial condition of the company and have little or no ability to negotiate the terms of sale (including price) and the contractual restrictions, rights and obligations attaching to such securities. As a consequence, it may be more difficult for a secondary purchaser evaluating the relative value and risks of such an investment.

Reliance on Management of Portfolio Companies. Although HHCM will monitor the performance of the managers of the portfolio companies in which Clients invest, the Clients will rely on the management teams of such portfolio companies to operate the portfolio companies on a day-to-day basis. While HHCM intends to seek investments in private companies with strong management (or recruit strong management), there can be no assurance that the management teams will continue to operate portfolio companies successfully.

Investment in Junior Securities. Investments in equity interests in private companies may be among the most junior in a portfolio company's capital structure and, thus, subject to the greatest risk of loss. Generally, there will be no collateral to protect an investment once made.

No Assurance of Future Capital for Investments. Portfolio companies may require additional financing. No assurance can be made that such additional financing will be available, and no assurance can be made as to the terms upon which such financing may be obtained. If a portfolio company cannot obtain such financing, the a Client's investment may be materially adversely affected.

Limitations on ability to exit investments. HHCM expects exits from portfolio company investments to occur in two principal ways: (i) private sales (including acquisitions of portfolio companies) and (ii) initial and secondary public offerings. At any particular time, one or both of these exits may not be available, or timing with respect to these exit mechanisms may be inopportune.

Portfolio Fund Risks. An investment in a pooled investment vehicle (a "Portfolio Fund") may (i) be dependent on a limited number of managers and other key personnel who are free to leave and difficult to replace, (ii) have difficulty in identifying and making suitable portfolio investments

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due to competition, limited resources, market conditions, unavailability of acceptable leverage, and other factors, (iii) be overly concentrated in a particular industry, market segment or geographic area, (iv) have other investors who default in making their contributions, (v) have portfolio investments that are illiquid or difficult to value, (vi) require investors to continue to make contributions notwithstanding the poor performance of the Portfolio Fund, (vii) impose severe penalties on investors for failing to make contributions as called for, (viii) lack cash to distribute to investors, and (ix) have portfolio investments that fail for any number of reasons. Projections and past performance information regarding any particular Portfolio Fund or its managers may not be accurate indicators of the future performance of the Portfolio Fund or its managers. Interests in Portfolio Funds are likely to be illiquid and required to be held for a long period of time. In addition, the success of any Portfolio Fund investment is dependent on the quality of the management of the Portfolio Fund and the ability of such management to successfully select investment opportunities.

Investments in Portfolio Funds will be subject to multiple layers of expenses and management costs that will be borne, directly or indirectly, by the Client that beneficially owns such investment. By way of example, the general partners and/or managers of the Portfolio Funds will receive carried interest distributions and be paid management fees in respect of the Client in its capacity as a limited partner (or similar investor) in such Portfolio Funds. Because HHCM receives the Advisory Fee, Investors will be subject to multiple layers of fees.

Investments in Publicly Traded Securities. Investments in publicly traded securities involve many risks, including risks arising from the volatility of financial markets. The performance of any investment in publicly traded securities may depend on a number of factors, including conditions in regional and local economies, conditions in the securities markets generally, performance of companies in particular industries or regions and political and technological developments. Risk management techniques used by HHCM may be based in part on the observation of historical market behavior, which may not predict market divergences that are larger than historical indicators. Also, information used to manage risks may not be accurate, complete or current, and such information may be misinterpreted.

Institutional Risk. There is the possibility that the institutions, including brokerage firms and banks, with which HHCM does business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair the operational capabilities or the capital position of HHCM's Clients. HHCM intends to limit the Clients' transactions with such institutions to well capitalized and established banks and brokerage firms in an effort to mitigate such risks.

Risks Relating to Loans. An investment in a loan is subject to numerous financial and other risks. In particular, loans may be exposed to losses resulting from default and foreclosure by the borrower. Therefore, the value of underlying collateral, the creditworthiness of borrowers and the priority of liens are each of great importance in determining the value of such loans. No guarantee can be made regarding the adequacy of the protection of a Client's security in the loans. Moreover, in the event of foreclosure, a Client may assume direct ownership of any assets collateralizing such foreclosed loans. The liquidation proceeds upon the sale of such assets may not satisfy the entire outstanding balance of principal and interest on such foreclosed loans,

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resulting in a loss to the Client. Any costs or delays involved in the effectuation of loan foreclosures or liquidation of the assets collateralizing such foreclosed loans will further reduce proceeds associated therewith and, consequently, increase possible losses to the Client. In addition, no assurances can be made that borrowers or third parties will not assert claims in connection with foreclosure proceedings or otherwise, or that such claims will not interfere with the enforcement of the Client's rights.

Regulatory Risks for Loans. Owning loans involves compliance with various federal, state and local laws that regulate consumer lending. Owners of loans and servicers may be subject from time to time to various types of claims, legal actions (including class action lawsuits), investigations, subpoenas and inquiries in the course of their business. It is impossible to predict the outcome of any particular actions, investigations or inquiries or the resulting legal and financial liability. If any such proceeding were determined adversely to the owner of a loan and were to have a material adverse effect on its financial condition, the ability of such servicer to service the loans could be impaired.

Fraud Associated with Loans. Of paramount concern in loan investments is the possibility of material misrepresentation or omission on the part of the borrower or loan seller. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying a loans or may adversely affect the ability of the owner of the loan to perfect or effectuate a lien on the collateral securing the loan.

Disciplinary Information

As a registered investment adviser, HHCM is required to disclose material facts about any legal or disciplinary event that is material to a Client's or a prospective Client's evaluation of HHCM's advisory business or the integrity of HHCM or its management personnel.

HHCM has no such legal or disciplinary events or findings to disclose.

Other Financial Industry Activities and Affiliations

Certain Regulated Entities

Neither HHCM nor any of its management persons is registered or has a pending application to register as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing.

Other Affiliations

There is no relationship or arrangement between HHCM or any of its management persons, on the one hand, and any affiliate or advisory affiliate of HHCM who performs any of the functions listed in Item 10.C of Form ADV, Part 2A, on the other, that both (i) is material to HHCM's advisory business or to the Funds and (ii) creates a material conflict of interest with its Clients.

Recommendation of Other Investment Advisers

HHCM has not recommended or selected other investment advisers to any Client for which it has received compensation directly or indirectly from such investment advisers.

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

Code of Ethics

General. HHCM has adopted a Code of Ethics (the “Code of Ethics”) in order to establish the standard of conduct expected of all “supervised persons” of HHCM in light of the duties of HHCM to its Clients. The Code of Ethics generally applies to all supervised persons of HHCM, including all members, officers, directors or employees of HHCM or other persons who are involved in providing investment advisory or investment management services for the benefit of its Clients.

Set forth below is a summary of the principal elements of the Code of Ethics. A complete copy of the Code of Ethics is available to any Investor or prospective Investor upon request. Requests for copies of the Code of Ethics should be directed to the Chief Compliance Officer of HHCM (the “CCO”) at the address or telephone number shown on the cover page of this brochure.

Standards of Conduct. HHCM requires all of its supervised persons to act at all times in accordance with its fiduciary duty to its clients. As a result, supervised persons should place the interests of its Clients before their own and act with honesty and integrity with respect to its Clients. A supervised person should never take inappropriate advantage of his or her position for personal benefit. In addition, a supervised person should make full and fair disclosure of all material facts, particularly where HHCM’s or a supervised person’s interests may conflict with those of any Client. Each supervised person should have a reasonable, independent basis for any investment advice provided to each Client.

All supervised persons are expected to be familiar and comply with the laws and regulations applicable to their day-to-day responsibilities, including applicable U.S. federal securities laws and regulations. If a supervised person has any question with respect to any such law or regulation, he or she should consult with the CCO.

Reporting Violations. If any supervised person becomes aware of any violation of the Code of Ethics, he or she must report such violation to the CCO.

Personal Securities Transactions. HHCM has adopted a personal securities transactions policy that addresses personal trading by “access persons” of HHCM in securities, including stocks, bonds, options, warrants, financial commodities, other derivative products and interests in privately placed offerings, limited partnerships and other entities. For this purpose, “access persons” consist of all directors, officers and partners of HHCM and all other supervised persons (i) who have access to non-public information regarding any Client’s investments or purchase or sale of securities or (ii) who are involved in making securities recommendations to any Client, or have access to such recommendations that are non-public.

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The personal securities transactions policy of HHCM requires that all access persons:

- obtain pre-clearance before directly or indirectly acquiring beneficial ownership of any security in (i) any U.S. initial public offering or (ii) any security sold in the United States in a private placement;
- comply with certain trading restrictions that generally prohibit the purchase or sale of (i) any security if an order for a Client account for the same security, same way at the same price remains unexecuted or (iii) any security that appears on the restricted list maintained by HHCM that is applicable to such access person; and
- submit to the CCO initial, quarterly, and annual reports disclosing personal securities holdings and transactions.

Participation or Interest in Client Transactions

None of HHCM or any its management persons, employees or other affiliates invest in the same securities that HHCM recommends to its Clients.

Brokerage Practices

HHCM primarily recommends and manages investments in privately offered securities and investment opportunities which are not traded on an exchange or through broker-dealers. HHCM therefore does not typically use a broker-dealer for transaction execution, and it does not routinely suggest brokers to a client. HHCM also does not engage in trade aggregation for multiple Clients.

In the event HHCM transacts in public securities, it intends to select brokers based upon the broker's ability to provide best execution for the client. Similarly, HHCM attempts to ensure that the Client pays no more than the perceived fair value for each investment as well as reasonable fees for services necessary to complete the transactions.

HHCM recognizes that the analysis of execution and implementation quality involves a number of factors, both qualitative and quantitative. In effecting transactions for the Client, HHCM takes into account a range of applicable factors when hiring third party service providers or other intermediaries for the purpose of completing transactions. Factors include general expertise and background, the type and size of the transaction involved, the stability or solvency of the service provider or counterparty, settlement capabilities, time required to complete the role sought, research services or any arrangements relating to overall performance in the best interest of the Client.

If HHCM makes an error while placing a trade for a Client, HHCM will seek to correct the error promptly in a way that mitigates any losses. HHCM will bear any costs associated with correcting any error. Gains associated with any trade error shall be retained by the affected Client. HHCM will generally not net gains and losses associated with multiple errors related to separate investment decisions, but gains and losses stemming from an interrelated set of errors may generally be netted.

HHCM, from time to time, can encounter a conflict of interest when presented with investment opportunities that fall within the investment objectives of more than one Client. In addition to the activities that HHCM will undertake on behalf of Clients, HHCM and its affiliates may also manage other accounts for existing and future Clients. HHCM addresses this conflict by allocating investment opportunities among Clients based on a number of considerations, which may include (i) any applicable investment objectives or guidelines of the applicable Clients, (ii) any investment limitations, parameters or contractual provisions of the applicable Clients, (iii) the sector, geography/location, expected return profile, expected distribution rates, anticipated cash flows, expected stability or volatility of cash flows, leverage profile, risk profile, and other features of the applicable investment opportunity and its impact on portfolio concentration and diversification, (iv) avoiding allocation that could result in de minimis or odd lot investments, and (v) legal, tax, accounting, regulatory and other considerations deemed relevant by HHCM.

Review of Accounts

Other than Client investments in publicly traded securities and public pooled investment vehicles, the Client investments are generally private, illiquid and long-term in nature. All investments are carefully reviewed by the Principal. Each Client's investments are reviewed on a continuous basis and HHCM's investment professionals meet regularly to discuss potential transactions, economic developments, current events, investment strategies, and each Client's holdings.

HHCM provides customized reporting to Investors in accordance with the terms of the applicable investment management agreement with the Client.

Client Referrals and Other Compensation

In some cases, HHCM may receive compensation from parties other than its Clients in connection with Client investments or other services provided by HHCM to the client. While this compensation may vary in form, HHCM addresses the conflicts of interest created by these payments by (x) disclosing the relevant facts and circumstances to the applicable Client and (y) crediting the amount of such fee against the Advisory Fee otherwise payable by the applicable Client.

HHCM has not engaged any third parties in connection with obtaining Client referrals.

Custody

HHCM does not maintain custody over any Client Funds or securities.

Investment Discretion

Typically, HHCM conducts its investment advisory services on a discretionary basis in a manner consistent with each Client's investment guidelines and restrictions, as set forth in the investment management agreement with each Client. The parameters of these guidelines can vary from Client to Client. A limited number of services for each Client may be non-discretionary in that they require HHCM to obtain a Client's specific consent to invest in certain types of investments..

Voting Client Securities

HHCM generally does not invest in publicly traded securities, and therefore, does not vote proxies on behalf of a Client. In a limited circumstance, HHCM may have the authority to vote proxies on behalf of a Client, but only does so pursuant to the Client's instruction.

Financial Information

A balance sheet is not required to be provided as HHCM (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to Clients and (iii) has not been subject to any bankruptcy proceeding during the past 10 years.