



PART 2A OF FORM ADV: FIRM BROCHURE

HANCOCK INVESTMENT ADVISORS, LLC

383 Marshall Avenue
St. Louis, MO 63119

Telephone: 314-997-3191
Email: clewis@hsgstl.com
Web Address: www.hsg-hia.com

3/26/2013

This Brochure provides information about the qualifications and business practices of Hancock Investment Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 314-997-3191 or clewis@hsgstl.com. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Hancock Investment Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by an identifying number, known as a CRD number. Our firm's CRD number is 117958.

Item 2. Material Changes

This Brochure provides you with a summary of Hancock Investment Advisors, LLC's services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest.

This Brochure is required to be updated at least annually, or sooner when material changes to our business take place. Each year we will deliver to you, by no later than April 30th, either: (i) a free updated Brochure that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes and an offer to provide a free copy of the updated Brochure and how to obtain it.

We have revised the following Items of this Brochure to reflect changes to our business since our last annual update of this Brochure on March 31, 2012:

- Items 4: For our high net worth clients, we may recommend a private investment partnership that in turn invests in hedge funds and other alternative investments.
- Item 10: We own a minority equity interest in the investment manager of the above-referenced private investment partnership, and we also provide non-discretionary investment consulting services to the investment manager for a percentage of the management fees it receives from the private partnership.

Item 3. Table of Contents

Page

| | | |
|---------|--|----|
| Item 1 | Cover Page..... | 1 |
| Item 2 | Material Changes..... | 2 |
| Item 3 | Table of Contents | 3 |
| Item 4 | Advisory Business | 4 |
| Item 5 | Fees and Compensation | 7 |
| Item 6 | Performance-Based Fees and Side-By-Side Management..... | 8 |
| Item 7 | Types of Clients | 9 |
| Item 8 | Methods of Analysis, Investment Strategies and Risk of Loss | 9 |
| Item 9 | Disciplinary Information | 12 |
| Item 10 | Other Financial Industry Activities and Affiliations | 12 |
| Item 11 | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading..... | 13 |
| Item 12 | Brokerage Practices | 14 |
| Item 13 | Review of Accounts | 15 |
| Item 14 | Client Referrals and Other Compensation | 16 |
| Item 15 | Custody..... | 16 |
| Item 16 | Investment Discretion..... | 16 |
| Item 17 | Voting Client Securities..... | 16 |
| Item 18 | Financial Information | 17 |
| Item 19 | Requirements for State-Registered Advisers | 17 |

Item 4. Advisory Business

Hancock Investment Advisors, LLC (“Adviser”) is a SEC-registered investment adviser with its principal place of business located in St. Louis, Missouri. Adviser began conducting business in 2001.

Manchester Holdings, LLC, the sole owner of Adviser, is owned by the following individuals: Clinton J. Lewis, Steven M. Rull and Joseph D. Garea.

Adviser offers the following advisory services to our clients:

PORTFOLIO MANAGEMENT

Investment Process

Adviser provides financial advisory services to individuals, families, and businesses, each with diverse investment goals and objectives. You and your Hancock adviser collaborate throughout the investment process to work towards your financial goals. The following steps detail a typical investment process:

1. Consultation Meeting

At the beginning of the advisory relationship, your Hancock adviser holds consultation meetings to gather information needed to establish an investment strategy that best suits you, your family and any related businesses. Topics discussed include background, age, health, family situation, existing investments, financial expectations, legal, social or regulatory concerns and your overall views on the world of investing. Your Hancock adviser walks you through the steps to ensure that you are comfortable and confident with your portfolio and investment choices throughout the process.

2. Creation of the Investment Policy Statement (IPS)

A summary of this information, as well as the proper allocation and distribution of your assets, is included in your Investment Policy Statement (“IPS”). Your IPS provides the foundation for making disciplined investment decisions. While long-term in nature, your IPS will be reviewed and modified as necessary.

3. Portfolio Implementation

Your Hancock adviser then creates a portfolio tailored to the guidelines set forth in your IPS. We combine external research with internal evaluations to determine the appropriate selection of investments. Investments may include common and preferred stocks, fixed income securities (including government, municipal, mortgage-backed and corporate bonds), open end and closed end mutual funds, ETFs, money market funds and alternative investments.

4. Portfolio Monitoring

Following the investment of assets, your Hancock adviser regularly monitors your portfolio for adherence to the objectives established in your IPS. Should a change in guidelines or investments be warranted, Adviser will discuss the possibility of amending your IPS or rebalancing your asset mix.

5. Portfolio Reporting

Our advisory clients receive customized portfolio summary reports on a quarterly basis, directly from Adviser. These reports include portfolio-specific details, including performance, holdings, asset allocation, and market value. Depending on a client's preferences, Hancock advisers are also available on a frequent basis for portfolio and market updates.

Conservative Equity Strategy

The Conservative Equity Strategy serves as the core, or foundation, of our clients' portfolios. The Strategy's objective is to provide stable growth and income, intended to outperform the risk-free rate of return plus inflation over time. Target investments include companies with both a history and future likelihood of increasing earnings and dividends. Turnover is expected to be in the lower range of normal activity.

A typical Conservative Equity Strategy portfolio will be invested in a concentrated portfolio of 20-30 companies. No security will comprise more than 5% of the portfolio at initial purchase. No more than 20% of the portfolio will be invested in a single industry. Options may be used to protect and/or augment returns, by selling covered calls against established positions. To the extent investments that we consider to be attractive are unavailable, the portfolio will hold cash. Should any security trade at or above an amount that we believe to be the maximum fair market value for that security, it will generally be sold. Adviser typically sells the security of any issuer that reduces its dividends.

Conservative Equity Strategy accounts are managed by Adviser on a discretionary basis. Once a client's account has been established, we review the portfolio quarterly, and if necessary, rebalance the portfolio based on the Conservative Equity Strategy.

Mutual Fund Asset Allocation Strategies

- Income Generation Strategy
- Income Focus with Growth Strategy
- Income and Growth Strategy
- Growth Focus with Income Strategy
- Asset Growth Strategy

Each Strategy is available in three risk levels: Conservative, Moderate and Aggressive.

Each Strategy is an actively managed, globally diversified portfolio of 8 to 20 mutual funds and ETFs. Adviser begins with a strategic allocation to the major asset classes. Each Strategy is designed to capture capital gains and/or income in pursuit of a client's long-term investment goals. Efficient, low cost funds typically are utilized. Clients will be asked to complete a Risk Tolerance Questionnaire to determine the appropriate risk level. Fund shares will be purchased on a "no load" basis through Pershing, LLC, clearing broker to Hancock Securities Group, LLC ("Hancock Securities"). Any mutual fund distribution or "12b-1 fees" received by Adviser or its affiliated broker-dealer will be credited against, and will reduce, the advisory fees.

Adviser has partnered with Spouting Rock Wealth Advisors, LLC ("Spouting Rock"), a registered investment adviser in which Adviser owns a minority interest, to conduct due diligence on funds recommended by Adviser to its clients. Spouting Rock receives a portion of the advisory fees paid to Adviser pursuant to a consulting agreement between the parties.

Information About All Strategies

To ensure that a particular investment Strategy remains suitable for a client and continues to be managed in a manner consistent with the client's financial circumstances, Adviser will:

- send written requests, on a quarterly basis, to participating clients requesting updated information regarding changes in the client's financial situation and investment objectives;
- contact each participating client, at least annually, to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions; and
- ensure that a portfolio manager who is knowledgeable about the management of client's portfolio is reasonably available to consult with participating clients.

Alternative Investment Strategies

For our high net worth clients, we may recommend an investment in a private investment partnership that in turn invests in hedge funds and other alternative investments. The private partnership is managed by Spouting Rock. Adviser has owns a minority interest in Spouting Rock, and Adviser has entered into a non-discretionary investment consulting agreement with Spouting Rock. For its consulting services to Spouting Rock, Adviser receives a fee equal to 37.5% of the management fee paid by the partnership.

In addition to advisory fees paid to Adviser for providing investment supervisory services, including with respect to client's assets invested in the partnership, the partnership pays its own management fees, which may be duplicative, and operating expenses as outlined in its offering documents, copies of which will be provided to clients in advance of investing. In an effort to mitigate the conflict of interest outlined above, Adviser will reduce the asset-based advisory fee that it charges with respect to clients' assets invested in the partnership by the amount of consulting fees that Adviser receives from Spouting Rock.

BROKERAGE SERVICES

Hancock advisers are separately registered representatives of Hancock Securities, a registered broker-dealer and member FINRA/SIPC. Adviser will assist clients in establishing a brokerage account with Hancock Securities. Securities transactions will be executed for clients' accounts through Hancock Securities on an agency basis. You will pay brokerage commissions, per ticket or clearing charges and other securities transaction fees on trades executed by our affiliated broker-dealer. You will receive a brokerage confirmation for each securities transaction in your account that states the total dollar amount paid. Your Hancock adviser will receive a usual and customary portion of these brokerage commissions.

Clients may establish a brokerage relationship with any bank, broker-dealer or trust company selected by Client, subject to acceptance by Adviser.

INSURANCE SERVICES

Hancock advisers are separately licensed insurance brokers through Hancock Securities, and they also are licensed agents of various insurance companies. Your Hancock adviser may provide advice on and sell life insurance policies, variable annuities and other insurance products. You will pay commissions on these insurance products. Your Hancock adviser will receive a usual and customary portion of these insurance commissions.

AMOUNT OF MANAGED ASSETS

As of February 28, 2013, Adviser managed \$114,989,013 of clients' assets on a discretionary basis and \$12,973,507 on a non-discretionary basis.

Item 5. Fees and Compensation

Our annual fee for each Strategy is based upon a percentage of assets under management, according to the following schedule:

| <u><i>Assets Under Management</i></u> | <u><i>Annual Fee</i></u> |
|---------------------------------------|--------------------------|
| Up to \$199,999 | 1.50% |
| \$ 200,000 - 499,999 | 1.25 |
| \$ 500,000 - 1,999,999 | 1.00 |
| \$ 2,000,000 - 3,999,999 | 0.75 |
| \$ 4,000,000 - 6,999,999 | 0.65 |
| \$ 7,000,000 and above | 0.50 |

A minimum of \$50,000 of assets under management is required to establish an account. Account sizes may be negotiable under certain circumstances. Adviser may aggregate certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

General Fee Information: Although Adviser has established the above fee schedules, Adviser retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include, among other things, the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition and reports. The annual fee schedule applicable to each client is identified in the Investment Advisory Agreement between Adviser and the client (the "Advisory Agreement").

Our advisory fees are billed quarterly in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from clients' accounts in accordance with their authorization in the Advisory Agreement.

Affiliated Compensation and Commissions. Management personnel and other related persons of Adviser are licensed as registered representatives, and/or licensed as insurance brokers, of Hancock Securities, our affiliated broker-dealer and licensed insurance broker. In such capacities, these individuals may implement investment recommendations for advisory clients through Hancock Securities for usual and customary compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation) or purchase insurance products for advisory clients. This presents a conflict of interest to the extent that these individuals receive brokerage or insurance commissions for such purchases in addition to advisory fees. Adviser's advisory fees are not reduced by the amount of commissions received by Hancock Securities.

Adviser receives a portion of the management fees paid by a private limited partnership recommended by Adviser, under its consulting agreement with Spouting Rock, the partnership's investment manager.

Adviser may share its advisory fees with an affiliated adviser that provides fixed income portfolio management services to clients. Adviser shares its advisory fees received on Mutual Fund Asset Allocation Strategies with Spouting Rock.

Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. Clients may purchase investment products Adviser recommends through other brokers or agents not affiliated with us. The implementation of any or all recommendations is solely at the discretion of the client.

Termination of the Advisory Relationship. An Advisory Agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, Adviser's advisory fees are paid in advance of services provided. Upon termination of any client's account, any prepaid, unearned fees will be promptly refunded by Adviser. In calculating a client's reimbursement of fees, Adviser will pro rate the reimbursement according to the number of days remaining in the billing period.

Fees of Other Investment Companies. All fees paid to Adviser for investment advisory services are separate and distinct from the fees and expenses charged by open and closed end mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our advisory fees to fully understand the total amount of fees paid in connection with the advisory services we provide.

Additional Fees and Expenses. In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and securities transaction fees and ticket or clearing charges imposed by executing broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which an independent investment manager effects transactions for the client's account(s).

Grandfathering of Minimum Account Requirements. Pre-existing advisory clients are subject to Adviser's minimum account requirements and advisory fees that were in effect at the time the client entered into the Advisory Agreement. Therefore, our minimum account requirements may differ among clients.

ERISA Accounts. Adviser is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, Adviser is subject to specific duties and obligations under ERISA that include among other things, restrictions concerning certain forms of compensation. For clients subject to ERISA, Adviser may not charge fees for investment advice about products for which Adviser and/or our related persons receive any commissions or 12b-1 fees, unless such fees are offset against Adviser's advisory fees.

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

Adviser does not charge performance-based fees or manage separate accounts and private funds on a side-by-side basis.

Item 7. Types of Clients

Adviser provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable, non-profit organizations
- Other investment advisers
- Corporations or other businesses not listed above

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if a company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular

security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we recommend, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. There is always a risk that our analysis may be compromised by inaccurate or misleading information. Investing in securities involves risk of loss that clients should be prepared to bear.

INVESTMENT STRATEGIES

We may use the following strategies to manage client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the view to hold them in a client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities are currently undervalued, and/or
- we are seeking exposure to a particular asset class over time, regardless of the current projection for this class.

The risk of a long-term purchase strategy is that by holding the security for the long-term, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the view to sell them within a relatively short time (typically a year or less). We employ this strategy to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Option writing. Our Strategies may involve the use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the owner the right to buy a security at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

We may use options to "hedge" the purchase of an underlying security in a client's portfolio by limiting the potential upside and downside of a security.

We seek to reduce the volatility of clients' portfolios by selling covered call options. Our option strategy is commonly referred to as "hedging." When a client sells a covered call option, the purchaser of the option has the right to buy that stock at a predetermined price (exercise price) during the life of the option. If the purchaser exercises the option, the client must sell the stock to the purchaser at the exercise price. The option is "covered" because the client owns the stock at the time it sells the option. As the seller of

the option, the client receives a premium from the purchaser of the call option, which may provide additional income to the client. The selling of covered call options may tend to reduce volatility of the client because the premiums received from selling the options will reduce any losses on the underlying securities, but only by the amount of the premiums. However, selling the options will also limit the gain on the underlying securities.

RISKS OF LOSS

Investing in securities involves risk of loss that clients should be prepared to bear. Based on certain of the specific securities we may recommend, below are some more specific risks of investing:

- **Equity Risk.** Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies.
- **Fixed Income Risk.** The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security may decline because investors demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- **Mutual Fund Risk.** Open-end and closed-end mutual funds and ETFs invest in a broad range of equity and fixed income securities, including foreign securities and securities of issuers located in emerging markets. Underlying funds may also invest in equity securities of any market capitalization including micro-, small- and mid-cap companies, real estate, commodities-related assets, fixed income securities of any maturity or credit quality, including high-yield, high-risk debt securities, and they may engage in leveraged or derivative transactions. We have no control over the investment strategies, policies or decisions of the underlying funds and, in the event of dissatisfaction with such a fund, our only option would be to liquidate clients' investments in that fund. Mutual funds and ETFs charge their own management fees and expenses, which may be duplicative.
- **Foreign Securities Risk.** Funds in which clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- **Municipal Securities.** Municipal securities carry different risks than those of corporate government and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are

generally tax-free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer are domiciled.

- ***U.S. Government Securities.*** Adviser may recommend securities issued by the U.S. Government and by U.S. Government agencies and instrumentalities. Only U.S. Government securities are supported by the full faith and credit of the United States.
- ***Alternative Investments in Private Funds.*** Hedge funds, as well as private equity, venture capital, private real estate and other private partnerships typically engage in highly speculative trading strategies. These private funds are illiquid, their assets may also be illiquid and their performance results can be extremely volatile. Alternative funds may use fair valuation techniques, which are subjective, and there is no guarantee that the client would realize proceeds equal to fair value upon the sale of a security. Investments in alternative funds are illiquid, and the assets of the funds also may be illiquid. Private funds typically charge higher management fees and performance fees, and these funds also incur their own operating expenses, which may be substantial.

Item 9. Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following two disciplinary events are related to our affiliated broker dealer, Hancock Securities. Neither event involved Adviser or its clients. Joe Garea was disciplined by FINRA in 2003 and paid a fine of \$6,000 for failing to make a timely deposit of investor checks into an appropriate escrow account in connection with a private placement offering. Clint Lewis was disciplined by FINRA in 2010 for failure to properly supervise an independent contractor registered representative who was acting alone in converting client funds through that contractor's outside business activity. The contractor acted without the knowledge of Mr. Lewis and was terminated in March 2008. Mr. Lewis was fined \$5,000 and suspended from acting in any principal capacity except as options principal for 10 business days. Mr. Lewis was not part of the registered representative's fraudulent activities.

Item 10. Other Financial Industry Activities and Affiliations

Management personnel and related persons of Adviser are separately licensed as registered representatives of Hancock Securities, our affiliated broker-dealer. In such capacity, these individuals may effect securities transactions for which they will receive usual and customary compensation. While Adviser and these individuals endeavor at all times to put the interest of our clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clinton Lewis, Steven Rull, and Joseph Garea, the Managing Directors of Adviser, also provide advisory services to Hancock Institutional Advisors, LLC ("Hancock Institutional Advisors"), a SEC-registered investment adviser. Currently, there are no referral arrangements for compensation between Adviser and Hancock Institutional Advisors. No client of Hancock Institutional Advisors is obligated to use the advisory services of the Adviser, as no client of Adviser is obligated to Hancock Institutional Advisor's advisory services.

We occasionally trade the same securities in client portfolios that are traded by Hancock Institutional Advisors in its client's own portfolios. When this occurs, our clients may receive a better or worse price or execution than Hancock Institutional Advisors depending on the order of trade execution, the type of security traded and the broker-dealer used. In order to minimize the potential for any systematic disadvantage to clients, when trades are placed by or at the direction of Clinton Lewis, Steven Rull or Joseph Garea in the same security on the same day for both our clients and the clients of Hancock Institutional Advisors, these individuals will seek to obtain best execution by rotating the order of execution or giving all clients the same or average price for any such trades.

As mentioned above, Adviser is affiliated and under common control with Hancock Securities and Hancock Institutional Advisors (the "Related Companies"). Where appropriate, Adviser and its employees may recommend the various investment and investment-related and insurance services of the Related Companies to our advisory clients. The Related Companies and their employees may also recommend the advisory services of our firm to their clients. The services provided by the Related Companies are separate and distinct from our advisory services, and are provided for separate and additional compensation.

There may also be arrangements among Adviser and these Related Companies where Adviser and/or the Related Companies or their employees receive payment in exchange for client referrals. No client of Adviser is obligated to use the services of any of the Related Companies.

In addition, the management persons and other employees of Adviser are: (i) management persons and registered representatives of Hancock Securities, a registered broker-dealer and member FINRA/SIPC; and, (ii) management persons and insurance brokers of Hancock Securities, a licensed insurance broker. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals may effect securities transactions and/or purchase insurance and insurance-related investment products for clients of Adviser, for which these individuals may receive separate and additional compensation or commissions. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

In addition to its affiliation with the Related Companies, Adviser has entered into a non-discretionary investment consulting agreement with Spouting Rock, an investment manager of a private investment partnership (the "Fund"). For its consulting services to Spouting Rock, Adviser receives a percentage of the management fee paid by the Fund. Adviser also owns a minority equity interest in Spouting Rock. Adviser is not affiliated with the Fund or its general partner. Adviser may have an incentive to recommend that clients invest in the Fund, instead of other investments, as a result of its equity ownership interest in Spouting Rock and the consulting fees it will receive. The Fund pays its own management fees, which may be duplicative, and operating expenses as outlined in the Fund's offering documents. In an effort to mitigate the conflict of interest outlined above, Adviser typically reduces its asset-based advisory fee with respect to clients' assets invested in the Fund, by the amount of consulting fees from Spouting Rock that Hancock receives with respect to such clients.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics which sets forth ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Adviser and its personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to its guiding principles.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by Adviser's access persons. The Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. It also contains oversight, enforcement and recordkeeping provisions.

Our Code of Ethics includes Adviser's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to clewis@hsgstl.com, or by calling us at 314-997-3191.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, related persons of Adviser may have an interest or position in a certain securities which may also be recommended to a client. Please refer to the "Other Financial Industry Activities and Affiliations" section in Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12. Brokerage Practices

Selection of Broker Dealers. Clients of Adviser may use any broker-dealer in connection with their accounts. However, Adviser typically recommends its affiliated broker-dealer, Hancock Securities, due to Hancock Securities' past track record of obtaining competitive pricing with timely and accurate execution of trades. Adviser weighs several factors in its selection of broker-dealers, and focuses on cost and trade execution. Adviser's affiliated broker-dealer introduces a potential conflict of interest due to the common ownership of both companies. Adviser reviews from time to time the cost of utilizing Hancock Securities as broker compared to commission rates and transaction fees charged by other independent broker-dealers to confirm that Hancock Securities remains competitive.

Adviser requires our discretionary clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions. These clients must include any limitations on this discretionary authority in their written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Adviser effects transactions both on national securities exchanges and in over the counter (OTC) transactions, on an agency basis through Hancock Securities. Transactions may be placed directly with market makers who act as principals for their own account and include mark-ups in the price charged for the securities or with broker-dealers who act as agents and charge brokerage commissions for effecting the transactions. Hancock Securities will not serve as a dealer in connection with OTC transactions for Adviser's clients, absent specific client consent to the particular transaction. Hancock Securities executes client transactions on fully disclosed basis through Pershing, LLC, a registered broker-dealer and member FINRA/SIPC.

Although Adviser believes that the commission rates charged by Hancock Securities are competitive, they may not be the lowest commission rates available to clients. For example, clients may be able to execute

transactions at much lower rates available through a discount broker-dealer. In addition to commissions, Hancock Securities charges transaction fees and other fees, such as a service fee, and SEC and exchange fees. Fees may vary from client to client due to the particular circumstances of the transaction, additional or differing levels of servicing required, or as otherwise contractually agreed upon with clients. Pershing and Hancock Securities may change their commission schedule and transaction and service fees without advance notice to Adviser. Copies of current commission schedules are available upon request.

Clients will receive a confirmation upon the completion of every securities transaction directly from the executing broker-dealer, which discloses the dollar amount of the commission and transaction and other fees charged in connection with the transaction.

No Soft Dollar Benefits. Adviser does not enter into agreements to direct clients' brokerage transactions to broker-dealers who provide research services to Adviser, so-called "soft dollar arrangements." Brokers that we select to execute transactions may from time to time refer clients to our firm. Adviser will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals. However, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and Adviser's in receiving future referrals.

Block Trading. Adviser will block trades where practicable and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. For example, Adviser will may trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Block trades remain subject to minimum commissions or ticket charges, which may be higher than the actual transaction cost. If you would like a free copy of our block trading policy, please contact us at 314-997-3191 or clewis@hsgstl.com.

Item 13. Review of Accounts

Reviews. Client portfolios are monitored on a regular basis. Client accounts typically are reviewed quarterly. Accounts shall be reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Client accounts are reviewed by Clinton Lewis, our Chief Compliance Officer or by Julie Holloway, Compliance Operations Associate.

Reports. In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, Adviser provides quarterly reports summarizing account performance, balances and holdings. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

Item 14. Client Referrals and Other Compensation

Our firm may pay referral fees to independent persons or firms (“Solicitors”) for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of our Brochure and a separate disclosure statement that includes the following information:

- the Solicitor’s name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by Solicitors are not increased as a result of any referral.

Item 15 Custody

Adviser does not have actual or constructive custody of client accounts, funds, or securities, except that Adviser may deduct advisory fees directly from clients’ account with the clients’ prior written consent. Each client receives periodic account statements directly from the client’s custodian. We urge our clients to carefully compare the information provided in these reports to ensure that all account transactions, holdings and advisory fees deducted are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client’s account without contacting the client prior to each trade to obtain the client’s permission. Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell;
- determine the amount of the security to buy or sell; and/or
- determine the broker-dealer to be used for the purchase or sale of securities for a client’s account.

Clients give us discretionary investment authority when they sign a discretionary Advisory Agreement with our firm, and they may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client’s investment assets.

Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues upon a client's request.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Adviser has no adverse financial circumstances to report.

Item 19 Requirements for State-Registered Advisers

Because Adviser is registered with the SEC, this Item does not apply.