

Disclosure Brochure

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120 Timberhill Place
Chapel Hill, NC 27514

(919) 636-3765

www.hamiltonpoint.com

This brochure provides information about the qualifications and business practices of Hamilton Point Investment Advisors, LLC (herein after "Hamilton Point"). If you have any questions about the contents of this brochure, please contact Richard S. Woods at (919) 636-3765. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Hamilton Point is available on the SEC's website at www.adviserinfo.sec.gov.

Hamilton Point is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Hamilton Point is required to discuss any material changes which have been made to the brochure since the last annual amendment filed March 29, 2011. There are no material changes to report in relation to this Item.

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Item 4. Advisory Business

Andrew Burns and Richard Woods are the principal owners of Hamilton Point, which has been in business as an independent SEC registered investment adviser since August 2007. Hamilton Point provides investment management services and had approximately \$151,409,000 in discretionary assets under management as of March 13, 2012.

Prior to engaging Hamilton Point to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Hamilton Point setting forth the terms and conditions under which Hamilton Point renders its services (collectively the “*Agreement*”).

This disclosure brochure describes the business of Hamilton Point. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Hamilton Point’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Hamilton Point’s behalf and is subject to Hamilton Point’s supervision or control.

Investment Management Services

Clients can engage Hamilton Point to manage all or a portion of their assets on a discretionary basis.

Hamilton Point primarily allocates clients’ investment management assets on a discretionary basis among fixed income, equity securities, and mutual funds in accordance with the investment objectives of the client. In addition, Hamilton Point may recommend that clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles when consistent with the clients’ investment objectives. Hamilton Point also provides advice about any type of investment held in clients’ portfolios.

Hamilton Point also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own and/or their individual employer-sponsored retirement plans, or other products that may not be held by the client’s primary custodian. In so doing, Hamilton Point either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

Hamilton Point tailors its advisory services to the individual needs of clients. Hamilton Point seeks to ensure that clients’ investments are suitable for their investment needs, goals, objectives and risk tolerance. Clients are advised to promptly notify Hamilton Point if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Hamilton Point’s management services.

Additions and Withdrawals to Accounts

Clients may make additions to and withdrawals from their account at any time, subject to Hamilton Point's right to terminate an advisory relationship. Clients may withdraw account assets on notice to Hamilton Point or the custodian, subject to the usual and customary securities settlement procedures. However, Hamilton Point designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

Item 5. Fees and Compensation

Hamilton Point offers its services on a fee basis based upon assets under management.

Investment Management Fees

In the event the client determines to engage Hamilton Point to provide investment management services, Hamilton Point does so on a fee basis. Hamilton Point charges an annual fee based upon a percentage of the market value of the assets being managed by Hamilton Point. Hamilton Point's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. However, Hamilton Point does not receive any portion of these commissions, fees, and costs. Hamilton Point's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Hamilton Point on the last day of the previous quarter. The annual fee varies (between 0.50% and 1.00%) depending upon the market value of the assets under management, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
<i>For Portfolios of \$5,000,000 or less:</i>	
first \$1,000,000	1.00%
next \$4,000,000	0.75%
<i>For Portfolios greater than \$5,000,000:</i>	
up to \$20,000,000	0.60%
greater than \$20,000,000	0.50%

Fee Discretion

Hamilton Point, in its sole discretion, may negotiate to waive its stated account minimum or charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Hamilton Point generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Hamilton Point may only implement its investment management recommendations after the client has arranged for and furnished Hamilton Point with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, or any other

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broker-dealer recommended by Hamilton Point, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Hamilton Point's fee.

Fee Debit

Hamilton Point's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Hamilton Point to debit the client's account for the amount of Hamilton Point's fee and to directly remit that management fee to Hamilton Point. Any *Financial Institutions* recommended by Hamilton Point have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Hamilton Point.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis.

The *Agreement* between Hamilton Point and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Hamilton Point's fees shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that Hamilton Point reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Hamilton Point may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Subsequent to the initial period, If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$1,000,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. For partial withdrawals in excess of \$1,000,000 within a billing period, Hamilton Point shall credit its unearned fee towards the next quarter's fee.

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

Hamilton Point does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Hamilton Point provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Minimum Account Size

As a condition for starting and maintaining a relationship, Hamilton Point generally imposes a minimum portfolio size of \$500,000. Hamilton Point, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. Hamilton Point shall only accept clients with less than the minimum portfolio size if, in the sole opinion of Hamilton Point, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Hamilton Point may aggregate the portfolios of family members to meet the minimum portfolio size.

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

Method of Analysis

Hamilton Point's primary method of analysis is fundamental in nature.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Hamilton Point will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Investment Strategy

Hamilton Point seeks to construct portfolios with an emphasis on quality and diversification. The client's risk tolerance and investment objectives are taken into account to determine the proper allocation between fixed income, equity, and alternative investments. Client portfolios range from 100% fixed income to 100% equity, based on the foregoing criteria. Certain alternative investments may be added to a portfolio for clients who meet required investment minimums and can sustain liquidity constraints of investing in illiquid securities; these alternative investments often require a long-term "lock-up" provision.

After the initial consultation and the proper allocation is agreed upon by the client and Hamilton Point, Hamilton Point employs a hybrid approach in combining the benefits of individually-purchased securities with carefully selected mutual funds and/or ETFs. Accounts in which individually-purchased securities may not be the most logical investments (due to execution costs or otherwise) may be invested up to 100% in mutual funds.

Fixed Income

Hamilton Point's Fixed Income Philosophy is driven by the following:

- 1) Preserving capital and avoiding low-quality bonds;
- 2) Protecting against inflation with Treasury Inflation-Protected Bonds ("TIPs") and short-term debt instruments; and
- 3) Diversifying with foreign debt by owning un-hedged foreign bonds.

In implementing the Fixed Income Philosophy, Hamilton Point typically buys and holds a "laddered" portfolio of diversified fixed income securities customized to suit client liquidity needs. Hamilton Point purchases individual U.S. Treasury Bonds, Government Agency Bonds, Municipal Bonds, and Corporate Bonds, where appropriate. Individually-purchased bonds are generally investment grade and are typically rated A- or better. Hamilton Point may purchase lower quality bonds on a limited, opportunistic basis

when the potential for higher returns justifies the higher risk of owing such bonds, or when a client's formal investment policy statement indicates such. Individually-purchased bonds are bought with the expectation that they will be held to maturity, though client liquidity needs or other market factors could require bonds to be sold before maturity.

In addition to individually-purchased bonds, mutual funds are utilized for certain asset categories such as foreign bonds, TIPS, and short-term investment grade bonds. Other mutual funds may be used opportunistically when individually-purchased bonds are not cost efficient or are deemed inappropriate for various other reasons.

Hamilton Point's macroeconomic view of the economy along with client-specific considerations (i.e. taxes, liquidity needs, and risk tolerance) drive allocation decisions within the fixed-income portfolio, including setting a desired duration for the portfolio. Macroeconomic research is supplemented with "bottom-up" research regarding the credit-worthiness of the issuer before a bond is purchased.

Equity

Hamilton Point performs in-house research to generate a standard "buy list" of thirty to forty stocks that form the core of the equity portfolio, referred to as "Global Core" stocks. Global Core stocks are typically mid-sized and large capitalization stocks that meet certain proprietary quality-based screening criteria. "Top-down" criteria are used to select preferred industries for investment, and include factors such as Hamilton Point's macroeconomic view, industry growth potential, competitive landscape, and regulatory clarity. "Bottom-up" criteria are then utilized to evaluate specific stocks in those preferred industries. Key factors Hamilton Point uses when evaluating these stocks are management, market valuation, balance sheet strength (i.e. little or no debt), or other company-specific risks such as potential legal liabilities.

A key consideration in making the final decision to add a stock to the Global Core portfolio is the ability for the company to generate predictable cash flow and the expectation that the stock will produce the desired level of "cash-on-cash" returns over a period of five years or more. Though stocks are purchased based on Hamilton Point's intermediate to long-term view of the stock, they may be sold or trimmed over shorter time periods for reasons such as change of industry allocation in the portfolio, the stock violating one of the original screening criteria, or if the stock grows to be greater than five percent (5%) of the equity portfolio.

In addition, for those clients seeking to increase income, Hamilton Point may choose to add another 20-30 "Equity Income" stocks. Equity Income stocks are bought and sold based on similar criteria to Global Core with a few exceptions. Though Equity Income stocks may have lower growth prospects and/or slightly higher levels of debt, they typically operate in relatively mature, stable industries, and produce predictable cash flow; thus, Equity Income stocks provide a higher average dividend than the Global Core stocks.

These individually purchased stocks typically make up 65% to 80% of a fully diversified equity portfolio. In such portfolios, the balance of equity exposure is derived from mutual funds for asset categories not researched by Hamilton Point at the individual security level, such as small-capitalization and foreign stocks. Also, commodities such as gold may be purchased through ETFs and publicly-traded Real Estate Investment Trusts ("REITs"), and included in the equity allocation of the portfolio. As with fixed income, other mutual funds or ETFs may be used opportunistically based on Hamilton Point's analysis and when individually-purchased equities are not cost efficient or inappropriate for various other reasons. Hamilton Point researches individual mutual funds and ETFs by reviewing various factors such as research methods, management tenure, allocation strategy, assets under management, top holdings, expenses, and performance. A portfolio's allocation to a particular mutual fund is driven by Hamilton Point's macroeconomic view and desire to diversify the equity portfolio into geographic regions or asset categories not covered by the Global Core or Equity Income research.

Alternative Investments

For certain clients meeting investor criteria, Hamilton Point will recommend the use of "Alternative Investments" including hedge funds, private equity, real estate and commodities (in addition to basic materials, ETFs and public REITs that may be purchased as an equity investment, but sometimes classified as an "Alternative Investment"). Because these investments are often illiquid and can require "lock-up" periods for several years in some cases, these investments are only recommended for clients with longer-term investment horizons that can sustain illiquidity in a portion of their portfolios.

Hamilton Point performs its own due diligence on the funds including a review of their investment strategy, research methods, expenses and performance. This manager research is used to make a general recommendation to the client, but will also provide detailed information on the fund to the client so that a mutual decision can be made during consultation. This type of investment vehicle typically requires the client to sign a number of documents with both the custodian (such as an Alternative Investment Custody Agreement) and the fund itself, (such as a partnership agreement and/or subscription agreement). Clients who invest in Alternative Investments will be more involved in the process than the typical discretionary investment management client.

Risks

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear potential loss.

Market Risks

The profitability of a significant portion of Hamilton Point's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Hamilton Point will be able to predict those price movements accurately.

Mutual Funds and Exchange-Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Use of Independent Managers

Hamilton Point may recommend the use of *Independent Managers*. In these situations, Hamilton Point continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In

addition, Hamilton Point generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

Use of Private Collective Investment Vehicles

Hamilton Point recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Management Through Similarly Managed "Model" Accounts

Hamilton Point manages certain accounts through the use of similarly managed "model" portfolios, whereby the firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact Hamilton Point if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Item 9. Disciplinary Information

Hamilton Point is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Hamilton Point does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

Hamilton Point is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Hamilton Point does not have any required disclosures to this Item.

Item 11. Code of Ethics

Hamilton Point and persons associated with Hamilton Point ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Hamilton Point's policies and procedures.

Hamilton Point has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Advisers Act, its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Hamilton Point or any of its associated persons. The *Code of Ethics* also requires that certain of Hamilton Point's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Hamilton Point's *Code of Ethics*, none of Hamilton Point's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Hamilton Point's clients.

When Hamilton Point is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Hamilton Point is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Hamilton Point to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, Hamilton Point shall generally recommend that clients utilize the brokerage and clearing services of *Fidelity*.

Factors which Hamilton Point considers in recommending *Fidelity*, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables Hamilton Point to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Hamilton Point's clients comply with Hamilton Point's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Hamilton Point determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Hamilton Point seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Hamilton Point and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Hamilton Point periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Hamilton Point in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Hamilton Point will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Hamilton Point (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Hamilton Point may decline a client's request to direct brokerage if, in Hamilton Point's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Hamilton Point decides to purchase or sell the same securities for several clients at approximately the same time. Hamilton Point may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Hamilton Point's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed

independently. Under this procedure, transactions will generally be averaged as to price and allocated among Hamilton Point's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Hamilton Point determines to aggregate client orders for the purchase or sale of securities, including securities in which Hamilton Point's *Supervised Persons* may invest, Hamilton Point shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Hamilton Point shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Hamilton Point determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order, or the smallest position, or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Hamilton Point may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Software and Support Provided by Financial Institutions

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Hamilton Point in its investment decision-making process. Such research generally will be used to service all of Hamilton Point's clients. These benefits are not tied to client account transactions (i.e., not "soft dollars"). The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Hamilton Point does not have to produce or pay for the products or services.

Hamilton Point may receive from *Fidelity*, without cost to Hamilton Point, computer software and related systems support, which allow Hamilton Point to better monitor client accounts maintained at *Fidelity*. Hamilton Point may receive the software and related support without cost because Hamilton Point renders investment management services to clients that maintain assets at *Fidelity*. The software and related systems support may benefit Hamilton Point, but not its clients directly. In fulfilling its duties to its clients, Hamilton Point endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Hamilton Point's receipt of economic benefits from a broker-dealer creates a conflict

of interest since these benefits may influence Hamilton Point's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Hamilton Point may receive the following benefits from *Fidelity* through their Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

Account Reviews

For those clients to whom Hamilton Point provides investment management services, Hamilton Point monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. All 231 accounts managed by Hamilton Point are reviewed by the Principal, Andrew Burns and/or the Chief Compliance Officer, Richard Woods. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Hamilton Point and to keep Hamilton Point informed of any changes thereto. Hamilton Point shall attempt to contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

General Reports and Account Statements

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Hamilton Point provides investment advisory services will also receive a report from Hamilton Point that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from Hamilton Point with those they receive from their custodian.

Item 14. Client Referrals and Other Compensation

Client Referrals

Hamilton Point may provide compensation for client referrals. In the event a client is introduced to Hamilton Point by a solicitor, Hamilton Point may pay that solicitor a referral fee in accordance with applicable laws, rules and regulations. All referral fees are paid solely from Hamilton Point's management fee and do not result in any additional charges to the firm's clients. In these situations, clients are advised of the solicitation relationship with Hamilton Point and are provided with the appropriate brochure prior to or at the time the *Agreement* is executed. All third-party solicitors who are not affiliated with Hamilton Point also provide clients with a copy of the solicitor's disclosure statement containing the terms and conditions (including compensation) of the solicitation arrangement.

Other Economic Benefit

Hamilton Point may receive an economic benefit from a third party (non-client) for providing investment advice to the firm's advisory clients. This type of relationship poses a conflict of interest, as discussed in Item 12.

Item 15. Custody

Hamilton Point does not take physical custody of client assets, as all assets are custodied at a third-party qualified custodian (e.g., *Fidelity*). However, Hamilton Point is deemed to have custody over a client's assets when it is authorized to directly debit a client's account for payment of the firm's quarterly management fee. In accordance with applicable custody rules, the *Financial Institutions* recommended by Hamilton Point, which serve as qualified custodians, have agreed to send statements to clients, not less than quarterly, indicating all amounts paid to Hamilton Point and/or the *Independent Managers* engaged to manage their accounts.

As discussed in Item 13, Hamilton Point and/or a third party vendor may also send periodic reports to clients. Clients are advised to carefully review the statements and confirmations sent directly by the *Financial Institutions* and to compare them with any reports received from Hamilton Point or an outside service provider.

Item 16. Investment Discretion

Hamilton Point may be given the authority to exercise discretion on behalf of clients. Hamilton Point is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Hamilton Point is given this authority through a limited power-of-attorney included in the agreement between Hamilton Point and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Hamilton Point takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Financial Institutions* to be utilized. This may result in Hamilton Point being characterized as determining the commission to be paid, but Hamilton Point does not share in any commissions.

Item 17. Voting Client Securities

Hamilton Point is generally granted the authority to vote clients' securities (i.e., proxies) on their behalves. Hamilton Point has engaged Glass Lewis & Co., LLC ("Glass Lewis") to handle proxy solicitations, make recommendations and vote proxies on its behalf. While Hamilton Point has adopted the basic Glass Lewis proxy voting guidelines, the firm retains the ability to review and change proxy votes when it is in its clients' best interests to do so. Hamilton Point's Chief Compliance Officer, Richard Woods, is responsible for monitoring the proxy voting process and ensuring that proxy votes are cast in a manner that is both timely and in its clients' best interests.

Item 18. Financial Information

Hamilton Point is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.



Prepared by:

