



## **ADV Part 2A, Firm Brochure**

**September 12, 2016**

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This Brochure provides information about the qualifications and business practices of RedHawk Opportunity Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (210) 355-5954. 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 RedHawk Opportunity Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## Item 2. Material Changes

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This is a new adviser.

This Brochure, dated September 1, 2016, is a new document that describes the adviser's business.

In the future, this section of the Brochure will discuss only the specific material changes that were made to the Brochure and will provide you with a summary of all material changes that have occurred since the last annual filing.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 90 days of the close of our business' fiscal year end which is December 31st. We will provide other ongoing disclosure information about material changes as they occur. We will also provide you with information on how to obtain the complete brochure. Currently, our Brochure may be requested at any time, without charge, by contacting Kevin Harris at (210) 355- 5954.

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## Item 4. Advisory Business

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### *Our Advisory Business*

RedHawk Opportunity Partners, LLC (“RedHawk”, “us”, “we”, “our”) is a privately owned, independent, Registered Investment Adviser (“Adviser”) which builds, manages, and oversees multi-asset class portfolios for individuals, families, endowments, foundations, and a wide variety of institutional investors.

RedHawk Opportunity Partners was founded in 2016 as a privately owned firm and is substantially owned by the firm’s founding partners, Grant Birdwell and Kevin Harris, who serves as Chief Compliance Officer. We provide our investment advisory and management services on both a discretionary and non-discretionary basis to individuals, families, endowments, foundations, and a wide variety of institutional investors, the fee schedule is the same in both instances.

### *Services*

At RedHawk, our goal is to create a world class investment advisory business which delivers advice that is purposeful and practical, while centering on being solutions oriented. At the center of our solutions is the creation and management of customized global, multi-asset class portfolios. RedHawk services, whether under the discretionary or non-discretionary fiduciary construct, are focused around the design of the entire portfolio, including investment policy, asset allocation, risk allocation and management, third-party investment manager evaluation, and portfolio analysis. These services are delivered in a highly personalized manner by experienced investment professionals.

Each portfolio is customized according to client-specific guidelines designed to meet their unique investment objectives. RedHawk’s investment team is experienced with the distinct needs of families and different types of institutions and employs professionals who have expertise in both areas. RedHawk is focused on architecting a formal Strategic Partners Network (“Strategic Partners Network”, “SPN”, “Partners”, “Network”) designed to increase knowledge and access, leverage resources and research, and harness leading institutional investors and private asset operators to ensure alignment and transparency for the investment decisions made on behalf of clients.

RedHawk seeks to add value by sitting at the center of this Strategic Partners Network to collaborate and coordinate best practices focused on allocating capital globally across investment strategies and asset classes, in selecting underlying investments and independent managers, portfolio accounting, and reporting for complicated pools of capital. The investment in a client’s multi-asset class portfolio may include a wide spectrum of stocks, bonds, ETF’s, mutual funds, options, futures, separate accounts, limited partnerships, such as hedge funds or private real estate, and independent managers representing a diverse number of distinct strategies. RedHawk typically offers three main investment advisory and management services, each of them benefiting a different part of our client spectrum, but all benefiting from our investment team’s expertise and strategic partners network.

- Individual Family Solutions: RedHawk works holistically to provide individuals and families with a risk budget, strategic policy, global multi-class tactical allocation, implementation and monitoring.
- Strategic Partner CIO Solutions: RedHawk partners with family offices, endowments, foundations, etc. to provide chief investment officer capabilities as needed on either a holistic or individually mandated basis. These solutions are typically managed in accordance with the client's pre-determined strategic policy.
- Institutional Specialized Mandates: RedHawk serves on a specialized mandate basis to advise large institutions on the development and architecture of formal Strategic Partner Network Programs. The objectives of this type of arrangement is to help clients, in conjunction with generating strong investment performance, to improve alignment and accountability with external managers, develop or enhance internal capabilities, and improve collaboration and transparency.

RedHawk shall provide investment advisory and management services, and, to the **extent specifically requested** by the client, financial planning and consulting services. These services are provided specific to the needs, goals and objectives of each client. Prior to providing investment advisory and management services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, RedHawk shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives(s). The client may, at any time, impose reasonable restrictions, in writing, on RedHawk's services.

RedHawk provides retirement/pension plan consulting and investment advisory services to employer plan sponsors. RedHawk will assist in the development of the investment policies and objectives for the Plan and shall assist in the determination of the number of general investment options and asset class categories to be offered under the Plan. Client shall have the ultimate responsibility and authority to establish, adopt and amend such policies, guidelines and objectives.

RedHawk will monitor the clients account(s) on an ongoing basis, make changes to the portfolios allocations as necessary, and communicate with regularly. All clients (in person or via telephone) are encouraged to review financial issues, investment objectives and account performance with RedHawk on an annual basis.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. RedHawk may also provide clients with a quarterly performance statement starting at the end of the first full calendar quarter after signing the Advisory Agreement. These statements provide additional feedback regarding performance.

#### *Miscellaneous*

Un-Affiliated Private Investment Funds. RedHawk may provide investment advice regarding un-affiliated private investment funds. RedHawk's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of RedHawk calculating its investment advisory fee. RedHawk's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Please Note: Valuation. In the event that RedHawk references private investment funds owned by the client on any supplemental account reports prepared by RedHawk, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.

Please Also Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she/its is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Under certain conditions, securities from outside accounts may be transferred into a client's advisory account; however, we may recommend that the client sell any security if we believe that it is not suitable for their current recommended investment strategy. The client is responsible for any taxable events in these instances. Certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is not indicative of future results.

If the client decides to implement RedHawk's recommendations, we will help them open a custodial account(s). The funds in the clients account will generally be held in a separate account, in their name, at an independent custodian, and not with us. We recommend using Charles Schwab; however, the client may use any custodian they wish.

The client will enter into a separate custodial agreement with the custodian which authorizes the custodian to take instructions from RedHawk regarding all investment decisions for their account. RedHawk will select the securities bought and sold and the amount to be bought and sold, within the parameters of the objectives and risk tolerance of your account. The client will be notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. These statements list the total value of the account, itemize all transaction activity, and list the types, amounts, and total value of securities held. The client will at all times maintain full and complete ownership rights to all assets held in their account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

Trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position. Additionally, a client's account may be rebalanced or reallocated periodically in order to reestablish the targeted percentages of their initial asset allocation. This rebalancing or reallocation will occur on the schedule we have determined together, or as necessary to meet the client's objectives. The client will be responsible for any and all tax consequences resulting from any rebalancing or reallocation of the account. We are not tax professionals and do not give tax advice. However, RedHawk will work with the client's tax professionals to assist them with tax planning.

Limitations of Financial Planning and Non-Investment Consulting/Implementation Services. As indicated above, to the extent requested by a client, RedHawk may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. RedHawk does not serve as an attorney or accountant, and no portion of its services should be construed as legal or accounting services. Accordingly, RedHawk does not prepare estate planning documents. To the extent requested by a client, RedHawk may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from RedHawk and/or its representatives.

Please Note: If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Independent Managers. RedHawk sources, evaluates and conducts due diligence on potential and existing underlying fund managers, tracks the performance of a range of sectors, strategies and markets, and identifies established underlying managers that we believe have a sound strategy, stable organization, and strong historical return characteristics as well as promising emerging firms. RedHawk may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. RedHawk shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives.

Cash Positions. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), RedHawk may maintain cash positions for defensive purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating RedHawk's advisory fee.

Trade Error Policy. RedHawk shall reimburse accounts for losses resulting from RedHawk's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within RedHawk's custodian firm account and RedHawk retains the net losses. However, should trade errors result in a net gain those funds will be transferred to a charity of RedHawk's choice.

Client Obligations. In performing its services, RedHawk shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/ her/its responsibility to promptly notify RedHawk if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising RedHawk's previous recommendations and/or services.

Disclosure Statement. A copy of RedHawk's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to the execution of the *Investment Management Agreement*.

As of August 2016, the date of this firm brochure, we have \$7,150,000 assets under management.

## Item 5. Fees and Compensation

### *Advisory Agreement*

RedHawk requires individually managed account clients to enter into an investment management services agreement which generally, among other matters, details the nature of the advisory relationship; the nature of discretionary investment authority, if any, granted to us; and whether a client chooses to deduct fees from the account or pay separately.

We provide investment advisory and management services typical in the manner discussed above on a fee basis.

The fees shown below are annual fees and may be negotiable based upon certain circumstances. No increase in the annual fee shall be effective without prior written notification to you. We believe our advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

### *Asset Management Fee Schedule*

Individual Family Services: Management Fee (% of Assets Under Management)	
First \$5 million	0.80%
Next \$10 million	0.70%
Next \$10 million	0.60%
Next \$25 million	0.50%
Over \$50 million	0.35%
Strategic Partner CIO Services: Management Fee (% of Assets Under Advisement)	
First \$250 million	0.30%
Next \$250 million	0.25%
Next \$250 million	0.20%
Over \$750 million	0.15%
Institutional Specialized Mandates: Retainer or Project Based	
<i>Negotiated</i>	

A clients account at the custodian may also be charged for certain additional assets managed for them by RedHawk but not held by the custodian (i.e. variable annuities, mutual funds, 401(k)s).

The fees we charge can be deducted directly from your account at the custodian. We will instruct the custodian to deduct the fees from your account at the beginning of each quarter. This fee will show up as a deduction on subsequent monthly account statement from the custodian. In the limited event that RedHawk bills the client directly, payment is due upon receipt of RedHawk's invoice. We will send the client an invoice detailing the fee calculation.

Additionally, RedHawk may charge hourly fees, fixed fees and/or a retainer for certain consulting services to be provided to clients. These arrangements may include but not limited to: financial planning, third party manager searches, pension consulting, institutional management consulting,



and non-investment consulting. Hourly fees may be charged for financial planning up to \$300 per hour based on the predicated work in the project. Various consulting services may be offered on either a fixed fee or retainer basis, depending on the underlying scope of work and depending upon the continuous nature of the service or engagement. Consulting oriented services may be offered via an ongoing retainer fee annually up to \$150,000, while project specific services, such as, but not limited to, third party manager searches, will be offered on fixed fee basis up to \$50,000 per project. These fees, terms and conditions will be negotiated with the individual client and will be fully described in the client's agreement with the firm. Factors considered in determining fixed fee projects or retainer based engagements may include but not limited to: the number of hours necessary to provide the services, the anticipated level of communication with the client, the underlying nature or complexity of the work, the depth of analysis or reporting, and any potential underlying cost required to provide the services being negotiated.

#### *Timing of Payment and Termination of Our Services*

The fee charged is based upon the amount of money you invest. Multiple accounts of immediately-related family members may be considered one consolidated account for billing purposes. RedHawk's annual investment advisory and management fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter.

In general, either party may terminate the firm's services at any time upon written notice to the other party in accordance with the terms of the Investment Advisory Agreement. Upon termination, the client receives a *pro rata* refund of pre-paid fees based on the number of days remaining in the period for which the fees were paid. Any fees that are due, but have not been paid, will be billed to you and are due immediately.

#### *Third Party Fees*

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third party investment companies and other third parties. These include fees charged by managers, custodial fees, 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. Mutual funds, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. Our brokerage practices are discussed in more detail under Item 12 – Brokerage Practices.

Tradeaway/Prime Broker Fees. Relative to its discretionary investment management services, when beneficial to the client, individual equity and/or fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will

incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate “tradeaway” and/or prime broker fee charged by the account custodian

#### *Other Compensation*

Neither RedHawk, nor its representatives receive any compensation other than for the services listed above.

## **Item 6. Performance Based Fee and Side by Side Management**

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We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

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RedHawk creates and manages investment portfolios for individuals, families, endowments, foundations, and a wide variety of institutional investors. In general, RedHawk’s clients are both “accredited investors” under the Securities Act of 1933, as amended, and “qualified purchasers” under the Investment Company Act of 1940, as amended.

RedHawk does not require a minimum amount of investment assets; however, for the majority of the firm’s individual family service clients, RedHawk advises on over \$5 million in investment assets. On the firm’s strategic partner CIO service clients, RedHawk typically advises on over \$100 million in investment assets. RedHawk typically charges a minimum annual fee of \$25,000. RedHawk may waive all or part of its minimum annual fee at its discretion. The firm has lower fee arrangements with certain existing clients or has otherwise negotiated different fee arrangements in certain circumstances.

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

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#### *Investment Philosophy*

RedHawk’s investment philosophy includes (but is not limited to) the following key tenets:

- Well-developed risk budgets should include all assets (both public and private) as well sensitivities in income sources and behavioral factors
- Different purposes or objectives should be segregated broadly into unique risk-profiled “buckets”
- Risk budgets need to be dynamic and managed against an overlay to the business cycle
- Both systematic and fundamental processes work in different regimes, diversification of process remains a powerful goal of portfolio construction, versus diversification of assets alone

- Investments and strategies are evaluated on a risk-adjusted basis where maximum efficiency is of primary importance
- Private and other opportunistic investments play a key role in long-term results, as investors seek to capture other forms of premia, such as the illiquidity premium
- Focus on maintaining a well-diversified, properly aligned strategic network provides better diversification opportunities than attempting to manage and diversify a stable of underlying managers

### *Methods of Analysis*

We utilize fundamental, technical, cyclical, quantitative and charting analysis methods as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

#### **Fundamental Analysis**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis is about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

#### **Technical Analysis**

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

#### **Cyclical Analysis**

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

### **Quantitative Analysis**

Quantitative analysis is a technique that seeks to understand behavior by using complex mathematical and statistical modeling, measurement and research where the analysis assigns numerical values to variables, and then tries to replicate reality mathematically.

In order to perform this analysis, we use many resources, such as:

- \* Bloomberg
- \* Zephyrs
- \* Institutional research, strategy and white papers
- \* Financial newspapers and magazines (e.g. Wall Street Journal, Forbes, etc.)
- \* Annual reports, prospectuses, filings
- \* Company press releases and websites

### *Investment Strategies*

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- \* Long term purchases -securities held at least a year
- \* Short term purchases - securities sold within a year
- \* Trading -securities sold within 30 days
- \* Short sales
- \* Margin Transactions
- \* Option writing, including covered options, uncovered options or spreading strategies.

### *Risk of Loss*

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

### **Status of Markets**

In recent times, economic markets have experienced a period of unprecedented stress and volatility. The unavailability, or hindered operation of external credit markets, equity markets and other economic systems that the firm and investments may depend upon to achieve objectives may have a significant negative impact on private fund operations and profitability. There can be no assurance that such markets and economic systems will be available or will be available as anticipated or needed for investments or for private funds to operate successfully.

### **Global Economic Conditions**

The outcome of any investment activity is determined to some degree by general economic conditions, which may affect the level and volatility of equity markets and interest and currency rates and the extent and timing of investor participation in the equities, interest rate, and currency markets.

The investment performance will be materially affected by conditions in the global financial markets and economic conditions generally. The global markets in recent years have been characterized by lack of liquidity, general uncertainty about economic activity levels, substantially increased volatility and short-selling and an overall reduction of investor and consumer confidence. There can be no assurance that these conditions will improve in the near term or at all. Changing economic conditions in the global economy or in specific regional economies may also impact the ability to reduce relative investment risk. The stability and sustainability of growth in global economies may be rapidly impacted by extrinsic factors such as risks inherent in the financial system, economic intervention by governments, terrorism or acts of war.

### **Allocation Risk**

The firm will have the discretion to under- or over-weight allocations among funds of varied focuses. There is no assurance that its decisions in this regard will be effective in increasing investment returns or limiting relative risk. In addition, the firm may be limited in its ability to make changes to allocations due to the subscription and redemption provisions of the underlying funds, including notice periods and limited subscription and redemption dates, the ability of the underlying funds to suspend and postpone redemptions, and lock-ups on redemptions imposed by certain underlying funds. In addition, asset allocation decisions made by the firm will be based largely on information previously provided by the underlying funds or separate account managers and collected from third parties. If such information is inaccurate or incomplete, it is possible that the allocation to the asset classes from a risk/reward perspective may not reflect the firm's intended allocations. This could have a material adverse effect on the ability of the firm to implement the investment objectives of a client.

### **Margin Risk**

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin.

Please Note: To the extent that a client authorizes the use of margin, and margin is thereafter employed by RedHawk in the management of the client's investment portfolio, the market value

of the client's account and corresponding fee payable by the client to RedHawk may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to RedHawk. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

### **Options Risk**

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Covenant shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio.

Please Note: Although the intent of the options-related transactions that may be implemented by RedHawk is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct RedHawk, in writing, not to employ any or all such strategies for his/her/their/its accounts.

### **Short Selling**

RedHawk and some of its underlying managers may engage in short selling. Short selling involves selling securities which may or may not be owned by the seller and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.

### **Fundamental Analysis Risk**

Fundamental analysis, when used in isolation, has a number of risks. There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics. Additionally, the data used may be out of date. It is also difficult to give appropriate weightings to the factors being utilized. Fundamental analysis assumes that the analyst is competent, and it ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

### **Cyclical Analysis Risk**

Looking at market cycles in conjunction with other investment strategies can be useful when making investment decisions. However, market cycles are not always predictable. Each financial investment strategy has benefits and risks. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

### **Technical Analysis Risk**

Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy. Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data. Models and rules can incur sufficiently high transaction costs.

### **Exchange Traded Fund ("ETF") Risk**

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- \* The market price of the ETF's shares may trade at a premium or a discount to their net asset value;
- \* An active trading market for an ETF's shares may not develop or be maintained; and
- \* There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

### **Mutual Funds Risk**

The following is a list of some general risks associated with investing in mutual funds.

- \* Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- \* Currency Risk - The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- \* Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- \* Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- \* Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.

\* **Manager Risk** -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.

\* **Market Risk** -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.

\* **Principal Risk** -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### **Unregistered Funds**

Many funds approved by RedHawk, are private limited partnerships or similar structures sold in private placements, and are not registered investment companies under the Investment Company Act of 1940. Some of the underlying managers may not be registered as investment advisers under federal or state law. Consequently, clients will not be entitled to certain of the protections of the federal securities laws.

### **Non-Marketable Securities**

RedHawk and some of its underlying managers may invest in non-marketable securities, which are generally difficult to liquidate and price. Certain underlying funds invest in restricted securities. Restricted securities are securities that may not be sold to the public without an effective registration statement under the Securities Act or, if they are unregistered, may be sold only in a privately negotiated transaction or pursuant to an exemption from registration. Positions in restricted or non-publicly traded securities and certain futures contracts may be illiquid. Market and general economic conditions may also affect liquidity of specific asset classes or investments in certain regions or markets.

### **Alternative Investment Risk**

Investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:

- \* Loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices
- \* Lack of liquidity in that there may be no secondary market for the fund and none expected to develop
- \* Volatility of returns
- \* Absence of information regarding valuations and pricing
- \* Delays in tax reporting
- \* Less regulation and higher fees than mutual funds.



**Fixed Income Securities**

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations (i.e., credit risk) and are subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, the rate of inflation, and general market liquidity (i.e., market risk). In addition, mortgage-backed securities and asset-backed securities may also be subject to call risk and extension risk. For example, the duration of a security backed by home mortgages can either shorten (i.e., call risk) or lengthen (i.e., extension risk).

**High-Yield Debt; Distressed Debt**

High-yield bonds (commonly known as "junk bonds"), distressed debt instruments, and other debt securities in which underlying funds may invest will typically be junior to the obligations of companies to senior creditors, trade creditors, and employees. The lower rating of high-yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory, or other conditions may impair the ability of the issuer to make payments of principal and interest. High-yield debt securities have historically experienced greater default rates than investment grade securities. The ability of holders of high-yield debt to influence a company's affairs will be substantially less than that of senior creditors.

The market for lower grade debt securities may be thinner and less active than for higher grade debt securities, and thus less liquid. This could result in an underlying fund being unable to sell such securities for an extended period of time, if at all.

**Distressed and Special Situations**

Significant risk exists that a turnaround effort for a company in a distressed financial condition will not be successful and that all or a significant portion of the capital invested in such situations may be lost. "Special situation" investments are opportunistic in nature. Such investments are likely to involve significant risks and illiquidity, and any returns from these investments will be subject to substantial uncertainty.

**Interest Rate Risk**

Changes in interest rates can affect the value of fixed-income debt securities such as bonds and notes. Increases in interest rates may cause the value of such investments to decline. A client portfolio may experience increased interest rate risk to the extent that the underlying funds/investments or separate accounts of underlying managers invest in lower rate securities, debt securities with longer maturities, debt securities paying no interest (such as zero coupon securities), or debt securities paying non-cash interest in the form of other debt securities (pay-in-kind securities).

**Global Equity/ Hedge**

The Global Equity/ Hedge strategy primarily involves investments in publicly traded equity instruments generally in developed countries. This strategy involves identifying securities that are mispriced relative to related securities, groups of securities, or the overall market. The strategy may rely on the use of derivatives, leverage and a number of assumptions about the intrinsic

value of publicly traded equity instruments. There can be no assurance that such assumptions will prove to be correct or that the strategy will be implemented correctly.

### **Real Estate Investing**

While real estate investing presents the potential for significant capital appreciation, such investments also involve a high degree of risk, including a significant degree of financial, operating, illiquidity, and competitive risk. Frequently, real estate investments made through underlying funds are structured with the use of leverage (or borrowed money). While the use of leverage will enhance the returns on a successful investment, a leveraged capital structure will be subject to increased exposure to extreme economic conditions, such as a significant rise in interest rates, or a severe downturn in the economy, increasing the risk of loss associated with the investment.

### **Energy and Timber Investments**

Energy, timber, or other real asset opportunities are likely to be subject to the same or similar risks described in the preceding paragraph.

### **Buyouts/Growth Capital**

Buyout and growth capital funds frequently structure their investments with the use of leverage. While the use of leverage may enhance the returns on a successful investment, a company with a leveraged capital structure will be subject to increased exposure to changing economic conditions, such as a significant rise in interest rates, or a downturn in the economy or the company's industry, enhancing the risk of loss associated with the investment.

### **Venture Capital**

It is anticipated that the portfolio companies of venture capital funds will confront a significant degree of financial, operating, illiquidity, and competitive risk. In addition, many of these companies, due to their limited revenues and history of operating losses, may need to rely on their ability to fund continuing operations via the private and public capital markets. Such continued funding may be curtailed as a result of a variety of factors which may include, but would not be limited to, rising interest rates, downturns in the economy or deterioration in the condition of the company or its industry.

### **Illiquid Investments**

Investments in certain underlying funds, including private equity and real assets, will be illiquid, entailing a high degree of risk. An investor in an illiquid underlying fund may be expected to hold its investment in the underlying fund for the entire life of the underlying fund, which is typically seven to ten years or more.

The underlying investments of an underlying fund, at any given time, may consist of significant amounts of securities and other financial instruments that are very thinly traded, or for which no market exists, or which are restricted as to their transferability under U.S. or state or non-U.S. securities laws. In some cases, underlying funds may also be prohibited by contract from selling such securities for a period of time. In other cases, the types of investments made by underlying funds may require a substantial length of time to liquidate. Consequently, there is a significant risk that the underlying funds will be unable to realize their investment objectives by sale or other

disposition of portfolio company securities at attractive prices, or will otherwise be unable to complete any exit strategy with respect to their portfolio companies. These risks can be further increased by changes in the financial condition or business prospects of the portfolio companies, changes in economic conditions and changes in law.

An underlying fund may distribute its investments “in-kind”, which may be composed of illiquid securities. There can be no assurance that clients or investors would be able to dispose of these investments or that the value of these investments, as determined generally by an underlying fund, will ultimately be realized.

### **Overall Risks**

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus, private placement memorandum, operating agreement and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you'll need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

## **Item 9. Disciplinary Information**

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Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. We do not have any information to disclose concerning RedHawk Opportunity Partners or any of our representatives. We adhere to high ethical standards for all IARs and associates.

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

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Neither RedHawk nor any of its management persons are registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, neither RedHawk nor its management persons are affiliated with any broker-dealer.

Neither RedHawk nor any of its management persons are not registering as a commodity pool operator, futures commission merchant, or commodity trading advisor, nor does it have any pending application to register. In addition, neither RedHawk nor its management persons are

affiliated with any commodity pool operator, futures commission merchant, or commodity trading advisor.

RedHawk does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

The IARs of RedHawk do not participate in other business activities or have any outside affiliations at this time.

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

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### *General Information*

RedHawk has adopted a Code of Ethics for all supervised persons of the firm describing its high standards of business conduct, and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our supervised persons must acknowledge the terms of the Code of Ethics annually, or as amended.

Our Compliance policies and procedures prohibit anyone associated with RedHawk Opportunity Partners from having an interest in a client account or participating in the profits of a client's account without the approval of the Chief Compliance Office, Kevin Harris.

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer, Kevin Harris.

### *Personal Trading*

RedHawk and/or representatives of RedHawk recommend securities to you that we will purchase for our own accounts. We may trade securities in our account that we have recommended to you as long as we place our orders after your orders. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. RedHawk will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

RedHawk has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee

with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Adviser selects; provided, however that at any time that the Adviser has only one Access Person, he or she shall not be required to submit any securities report described above.

RedHawk has established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

\* No securities for our personal portfolio(s) shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of principals or representatives of RedHawk, unless the information is also available to the investing public on reasonable inquiry. In no case, shall RedHawk or its representatives put its own interests ahead of clients.

#### *Privacy Statement*

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

#### *Conflicts of Interest*

RedHawk's principals or representatives may employ the same strategy for their personal investment accounts as it does for its clients. However, they may not place their orders in a way to benefit from the purchase or sale of a security.

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

## **Item 12. Brokerage Practices**

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#### *Factors Used to Select Custodians*

In recommending a custodian/broker-dealer, the factors that RedHawk considers in recommending *Schwab* (another broker-dealer/custodian, investment platform and/or mutual fund sponsor) include historical relationship with RedHawk, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by RedHawk's clients shall comply with RedHawk's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where RedHawk determines, in good faith, that the commission/transaction fee is reasonable. 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly,

although RedHawk will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, RedHawk's investment management fee. RedHawk's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

RedHawk may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. RedHawk is independently owned and operated and not affiliated with Schwab. Schwab provides RedHawk with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For RedHawk client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to RedHawk other products and services that benefit RedHawk but may not benefit its clients' accounts. These benefits may include national, regional or RedHawk specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of RedHawk by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist RedHawk in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of RedHawk's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of RedHawk accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to RedHawk other services intended to help RedHawk manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to [Advisor Firm] by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to RedHawk. While, as a

fiduciary, RedHawk endeavors to act in its clients' best interests, RedHawk's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to RedHawk of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### *Soft Dollar Practices*

We will seek to obtain the lowest possible price for client transactions, and we do not intend to use soft dollars generated by client accounts to obtain products and services. Nevertheless, we may receive research from brokers who execute portfolio transactions for our clients. This research generally will be used to service all client accounts (to the extent such research is applicable to our clients). We will not formally commit to invest any particular level of commissions to brokers who provide research services. Research from brokers through which portfolio transactions for us are executed may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, online quotations, news and research services, access to an electronic communication network for order entry and account information, participation in broker-dealer sponsored research and capital introduction conferences and other services providing lawful and appropriate assistance to us in the performance of investment decision-making responsibilities on behalf of clients. We may benefit by not having to produce or pay for research, and receipt of such research or other products or services may create an incentive for us to select or direct more business to particular brokers. We understand that the benefits received through our relationship with broker-dealers generally do not depend upon the amount of transactions directed to, or the amount of assets custodied by, the broker-dealers. We expect that all research reports received in connection with client-related matters will be within the limitations set forth in Section 28(e) of the Securities Exchange Act of 1934, as amended.

#### *Brokerage for Client Referrals*

In selecting and/or recommending broker-dealers, we do not take into consideration whether or not we will receive client referrals from the broker-dealer or third party.

#### *Directed Brokerage*

Clients are permitted to use the custodian of their choosing. Not all advisory firms permit you to direct brokerage. If you elect to select your own broker-dealer or custodian and direct us to use them, you may pay higher or lower fees than what is available through our relationships. Generally, we will not negotiate lower rates below the rates established by the executing broker-dealer or custodian for this type of directed brokerage account, unless we believe that such rate is unfair or unreasonable for the size and type of transaction. In all instances, we will seek best execution for you.

#### *Trading*

Transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" such Orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients' differences in prices and commission or other transaction costs. Under this procedure, transactions will be

price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

Transactions placed in an asset management account by a third party manager will be executed through their broker-dealer or custodian. In determining best execution for these transactions, the third party manager is looking at whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. While they look for competitive commission rates, they may not obtain the lowest possible commission rates for account transactions. The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

## **Item 13. Review of Accounts**

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### *Reviews*

For those clients to whom RedHawk provides investment advisory and management services, account reviews are conducted on an ongoing basis by RedHawk's principals and representatives. All investment supervisory clients are advised that it remains their responsibility to advise RedHawk of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with RedHawk on an annual basis. When possible, RedHawk will generally conduct formal meetings on a quarterly basis to review such things as market conditions, the client reports, portfolio performance, asset allocation, liquidity needs, and any recommended changes to the portfolio.

### *Reports*

RedHawk will provide clients with quarterly reports reflecting the current balances, asset allocation and activity occurring in the account. From time to time, as deemed necessary by RedHawk, additional reports on risk allocations, liquidity, and underlying investment strategies or managers may be made available. Clients may be provided these reports in either written or electronic form.

Clients are provided, at least quarterly, with paper confirmation by the custodian for each securities transaction executed in the account. You are obligated to notify RedHawk of any discrepancies in the account(s) or any concerns you have about the account(s).

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

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Currently, RedHawk does not utilize solicitors and does not pay referral fees.

## **Item 15. Custody**

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RedHawk does not have physical custody of any accounts or assets. However, we may be deemed to have custody of your assets if we have the ability to deduct your advisory fees from the custodian. We use Charles Schwab as the custodian and/or broker-dealer for all client accounts. Clients should receive at least quarterly statements from the broker-dealer or custodian that holds and maintains their investment assets. We urge clients to carefully review such statements and compare this official custodial record to the account statements that we may provide to them. RedHawk statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you notice any discrepancies, please contact RedHawk.

We do not debit the client fees directly from your advisory account. We send information to your custodian to debit your fees and to pay them to us. You authorized the custodian to pay us directly at the onset of the relationship.

## Item 16. Investment Discretion

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The client can determine to engage RedHawk to provide investment advisory services on a discretionary basis. Prior to RedHawk assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming RedHawk as the client's attorney and agent in fact, granting RedHawk full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. In all cases, however, this discretion is exercised in a manner consistent with your stated investment objectives for your account.

Clients who engage RedHawk on a discretionary basis may, at anytime, impose restrictions, in writing, on RedHawk's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe RedHawk's use of margin, etc.).

## Item 17. Voting Client Securities

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As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. The custodian will forward you copies of all proxies and shareholder communications relating to your account assets.

## Item 18. Financial Information

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RedHawk does not solicit fees of more than \$500, per client, six months or more in advance.

RedHawk has no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to our clients.

RedHawk has not been the subject of any bankruptcy proceedings

## **Item 19. Requirements for State Registered Advisers**

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### *Principals*

There are two principals of RedHawk Opportunity Partners, Kevin Harris and Grant Birdwell. Kevin Harris is the Chief Compliance Officer and was born in 1975. Kevin Harris received a Bachelors in Business Administration in Accounting from the University of Texas- San Antonio. He previously was the CIO and Co-Founder for Covenant Multifamily Offices from 2010 until August 2012. Prior to Covenant, he was a SVP and CIO of Frost Bank's Wealth Management Services Group from 2004 until January of 2010. Grant Birdwell was born in 1978. Grant Birdwell received his Bachelors in Business Administration in Finance from Texas A&M University. Grant previous held roles with Morgan Stanley in their institutional divisions for fixed income and institutional advisory services. Most recently, from 2011 until April 2016, Grant was a senior portfolio manager for Texas Teachers Retirement Systems Fund. These principals are only engaged in RedHawk activities, and in no other businesses.

### *Performance Fees*

We do not charge a performance-based fee (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) for our normal asset management accounts.

### *Disclosable Events*

Neither RedHawk Opportunity Partners, Kevin Harris nor Grant Birdwell has any reportable events to disclose here.

### *Other Relationships*

Neither RedHawk Opportunity Partners Kevin Harris nor Grant Birdwell has any relationship with any issuer of securities.