

**HILLMAN ADVISORS WRAP PROGRAM**

Sponsored by

**HILLMAN ADVISORS, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Hillman Advisors, LLC (hereinafter “Hillman Advisors” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, Hillman Advisors is required to discuss any material changes that have been made to the brochure since the last annual amendment. There are no such material changes to disclose.

## Item 3. Table of Contents

Item 2. Material Changes.....	2
Item 3. Table of Contents .....	3
Item 4. Advisory Business .....	4
Item 5. Account Requirements and Types of Clients .....	9
Item 6. Portfolio Manager Selection and Evaluation .....	10
Item 7. Client Information Provided to Portfolio Managers .....	12
Item 8. Client Contact with Portfolio Managers .....	12
Item 9. Additional Information .....	12

## Item 4. Advisory Business

The Hillman Advisors Wrap Program (the “Program”) is an investment advisory program sponsored by Hillman Advisors. Prior to Hillman Advisors rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Hillman Advisors setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Hillman Advisors filed for registration as an investment adviser in April 2017 and is wholly owned by Interim Holdings, LLC. As of the date of this filing, Hillman Advisors does not have any assets under management; however, the Firm reasonably expects to be eligible for registration with the SEC within 120 days of approval as an investment adviser.

While this brochure generally describes the business of Hillman Advisors, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Hillman Advisors’ behalf and is subject to the Firm’s supervision or control.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts. Clients must also open a new securities brokerage account and complete a new account agreement with Fidelity Institutional Wealth Services (“Fidelity”) or another broker-dealer that Hillman Advisors approves under the Program (collectively “Financial Institutions”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Hillman Advisors assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary or non-discretionary basis by Hillman Advisors’ investment adviser representatives. Hillman Advisors generally allocates clients’ assets among the various investment products available under the Program, as described further in Item 6 (below).

### *Financial Planning and Consulting Services*

Hillman Advisors offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Education Planning
- Cash Flow / Net Worth Planning
- Trust and Estate Planning
- Financial Reporting
- Investment Planning
- Insurance Planning
- Retirement Planning
- Tax Planning

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below). The Firm will use third parties for certain financial planning and consulting services.

In performing these services, Hillman Advisors is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Hillman Advisors may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Hillman Advisors or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Hillman Advisors under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Hillman Advisors' recommendations and/or services.

### *Investment and Wealth Management Services*

Hillman Advisors manages client investment portfolios on a discretionary or non-discretionary basis. In addition, Hillman Advisors may provide clients with wealth management services which includes a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

Hillman Advisors primarily allocates client assets among various mutual funds, structured notes, individual debt and equity securities, and exchange-traded funds ("ETFs") including closed-end and leveraged ETFs, in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage Hillman Advisors to manage and/or advise on certain

investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Hillman Advisors directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Hillman Advisors tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Hillman Advisors consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Hillman Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Hillman Advisors determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Fees for Participation in the Program**

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### *Investment and Wealth Management Fee*

The Program is offered on a fee basis, which may include fixed fees for financial planning and consulting, as well as fees based upon assets under management for investment management or wealth management services (the "Program Fee"). Additionally, certain of the Firm's Supervised Persons, in their individual capacities, may offer securities brokerage services and/or insurance products under a separate commission-based arrangement.

This Program Fee generally varies between 25 and 150 basis points (0.25% – 1.50%), depending upon the size and composition of a client's portfolio, the complexity of services, the client's risk tolerance, and the type of services rendered. The annual fee is prorated and charged monthly, in arrears, based upon the market value of the average daily account balance for that month. Since the asset-based fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a quarter, the base fee payable with respect to such assets is adjusted accordingly. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Hillman Advisors may negotiate a fee rate that differs from the range set forth above.

## *Financial Planning and Consulting Fees*

Hillman Advisors charges a fixed fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$500 to \$2,500, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Hillman Advisors may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Hillman Advisors generally requires one-half of the fee payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

## **Fee Comparison**

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As referenced above, a portion of the fees paid to Hillman Advisors are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the Firm pays for the brokerage fees, the Firm has an incentive to engage in less transactions, or transactions that cost less to the Firm, and choose Independent Managers whose fees fall outside of the Program Fee.

## **Fee Discretion**

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Hillman Advisors, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

## **Other Charges**

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In addition to the advisory fees paid to Hillman Advisors, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions. These additional charges include fees charged by the Independent Managers, fees attributable to alternative

assets, reporting charges, margin costs, mark-ups or mark-downs priced in to fixed income products by the broker-dealer, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees and commission for assets not held with Fidelity (such as 401(k) or 529 plan assets), fees for trades executed away from Fidelity, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees.

## **Direct Fee Debit**

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Clients generally provide Hillman Advisors with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Hillman Advisors.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to Hillman Advisors' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Hillman Advisors, subject to the usual and customary securities settlement procedures. However, Hillman Advisors designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Hillman Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

## **Commissions and Sales Charges for Recommendations of Securities**

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Clients can engage certain persons associated with Hillman Advisors (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement outside of the Program. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Hillman Advisors.

Under this arrangement, the Firm's Supervised Persons, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Supervised Persons may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Hillman Advisors may also



recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS.

A conflict of interest exists to the extent that Hillman Advisors recommends the purchase or sale of securities where its Supervised Persons receive commissions or other additional compensation as a result of the Firm's recommendation. The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act of 1974 ("ERISA") and such others that Hillman Advisors, in its sole discretion, deems appropriate, Hillman Advisors may provide its investment advisory services on a fee-offset basis. In this scenario, Hillman Advisors may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm's Supervised Persons in their individual capacities as registered representatives of PKS.

## **Use of Margin**

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Hillman Advisors does not recommend the use of leverage in accounts, but may recommend margin on accounts where clients have borrowing needs. In these cases the fee payable to the Firm will be assessed on the assets managed by the Firm (gross of margin).

## **Compensation for Recommending the Program**

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Hillman Advisors has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management program.

## **Item 5. Account Requirements and Types of Clients**

Hillman Advisors offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

## **Item 6. Portfolio Manager Selection and Evaluation**

Hillman Advisors acts as the sponsor and sole portfolio manager under the Program.

## **Side-By-Side Management**

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Hillman Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Methods of Analysis and Investment Strategies**

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Hillman Advisors takes a holistic approach to asset allocation, employing an asset allocation strategy that builds a portfolio that fits the individual needs of its clients. The first step in the Firm's investment strategy is getting to know the client - to understand their dreams, goals and create a complete picture of their financial situation. This comprehensive approach to discovery and assessment is integral to the way the Firm does business. Only when the Firm has a true understanding of a client's needs and goals can the investment process begin. Building on that foundation, the Firm recommends strategies and investments that it believes are in alignment with client's goals while managing risk.

Hillman Advisors is focused on delivering attractive risk-adjusted returns for its clients. The Firm seeks to accomplish this through a combination of fundamental and quantitative analysis of countries, asset classes, money managers and issuers. Fundamental analysis involves an evaluation of the financial condition and competitive position of a particular country, asset class, fund or issuer. Quantitative analysis involves analyzing historical performance of issuers based on certain criteria including beta, value, momentum, yield and quality. This screening is designed to build portfolios of securities which possess those positive traits that have historically delivered attractive risk-adjusted returns.

## **Risk of Loss**

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### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Hillman Advisors' recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that Hillman Advisors will be able to predict those price movements accurately or capitalize on any such assumptions.

## *Mutual Funds and 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 potentially 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 20,000 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.

## *Use of Leveraged Mutual Funds*

The Firm may invest in mutual funds that use leverage (borrowing funds to invest). While the use of leverage can substantially improve returns, it may also increase overall portfolio risk.

## **Voting of Client Securities**

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### *Declination of Proxy Voting Authority*

Hillman Advisors generally does not accept the authority to vote a client's securities (*i.e.*, proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

**Item 7. Client Information Provided to Portfolio Managers**

In this Item, Hillman Advisors is required to describe the type and frequency of the information it communicates to any portfolio managers utilized. Hillman Advisors acts as the sole portfolio manager under the Program and, as such, the Firm has no information to disclose in relation to this Item.

**Item 8. Client Contact with Portfolio Managers**

In this Item, Hillman Advisors is required to describe any restrictions on clients' ability to contact and consult with the portfolio managers managing their investment portfolios. There are no restrictions on clients' ability to correspond with Hillman Advisors, which acts as the sole portfolio manager under the Program.

**Item 9. Additional Information****Disciplinary Information**

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Hillman Advisors has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

**Other Financial Industry Activities and Affiliations**

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This item requires investment advisers to disclose certain financial industry activities and affiliations.

*Registered Representatives of a Broker-Dealer*

Certain of the Firm's Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 4.

*Licensed Insurance Agents*

A number of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Hillman Advisors recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## Code of Ethics

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Hillman Advisors has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Hillman Advisors’ Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Hillman Advisors’ personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

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 Hillman Advisors to request a copy of its Code of Ethics.

## Account Reviews

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Hillman Advisors monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Hillman Advisors and to keep the Firm informed of any changes thereto. The Firm contacts

ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

## **Account Statements and General Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Hillman Advisors and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Hillman Advisors or an outside service provider.

## **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

## **Receipt of Economic Benefit and Brokerage Practices**

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Hillman Advisors requires that clients utilize the custody, brokerage and clearing services of Fidelity for investment management accounts in the Program.

Factors which Hillman Advisors considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Hillman Advisors does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

In seeking best execution in recommending Fidelity, 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.

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 Hillman Advisors in its investment decision-making process. The receipt of investment research products and/or services poses a conflict of interest because Hillman Advisors does not have to produce or pay for the products or services.

Hillman Advisors may receive without cost from Fidelity computer software and related systems support, which allow Hillman Advisors to better monitor client accounts maintained at Fidelity. Hillman Advisors may receive the software and related support without cost because the Firm renders investment management

services to clients that maintain assets at Fidelity. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit Hillman Advisors, but not its clients directly. In fulfilling its duties to its clients, Hillman Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Hillman Advisors’ receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Firm’s choice of broker-dealer over another that does not furnish similar software, systems support or services.

Specifically, Hillman Advisors may receive the following benefits from Fidelity:

- Services intended to help manage and further develop the Firm’s business enterprise, including (but not limited to) professional consulting services, publications and conferences, and employee benefits providers, or credits to be used toward qualifying third party service providers offering the same;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts;
- Access to an electronic communication network for client order entry and account information;
- Access to educational events organized and/or sponsored by Fidelity and occasional business entertainment by Fidelity personnel, including (but not limited to) meals and invitations to sporting events.

## **Trade Aggregation and Prime Brokerage**

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Transactions for each client generally will be effected independently, unless Hillman Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Hillman Advisors may (but is not obligated to) combine or “batch” such orders to obtain best execution or to allocate equitably among the Firm’s clients differences in prices that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Hillman Advisors’ clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Hillman Advisors’ Supervised Persons may invest, the Firm generally does 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. Hillman Advisors does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm 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, the Firm 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.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement. Any additional fees charged for prime brokerage relationships is included in the Program Fee.

### **Financial Information**

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Hillman Advisors is not required to disclose any financial information 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 of services rendered;
- 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.