



HANLON

INVESTMENT MANAGEMENT

SEC Registered Investment Adviser

Managed Account Platform Wrap Supplement

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This brochure provides information about the qualifications and business practices of Hanlon Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at (609) 601-1200. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Hanlon is available on the SEC's website at www.adviserinfo.sec.gov. Hanlon is an SEC registered investment adviser. Registration does not imply a certain level of skill or training.

Item 2. Material Changes

None.

Item 3. Table of Contents

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Item 4. Service, Fees, and Compensation

Hanlon Investment Management, Inc. (“Hanlon” or the “Firm”) provides investment advisory and investment management services to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities (“clients”). Hanlon has been an SEC registered investment adviser since February 11, 2002. Sean Hanlon is the principal owner of Hanlon. As of December 31, 2019, Hanlon had \$721,303,242 of assets under management of which \$692,943,919 are managed on a discretionary basis and \$28,359,323 are managed on a non-discretionary basis. In addition, as of December 31, 2019, Hanlon had \$9,010,920 of assets under advisement and \$18,272,774,657 of assets under administration.

Hanlon’s Managed Account Platform

The Firm’s Institutional Division provides a Managed Account Platform (“Platform”) to independent third-party financial representatives, investment advisers, broker-dealers, as well as internal representatives registered with Hanlon (“advisers”).

The investment management and investment advisory services provided by Hanlon are primarily offered through its Platform. Through the Platform, Hanlon provides advisers with access to several its own proprietary Models and those of third-party investment managers (the “Model Managers”) selected by Hanlon as well as access to supporting operational services. The Platform enables advisers to outsource asset management and more efficiently serve their client base and grow their business.

At the beginning of the relationship with the client, an adviser will obtain the client’s financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon (“Investor Risk Profile”). The adviser determines if it is appropriate to recommend that the client opens an account on the Platform. Clients will establish an account with a qualified custodian with whom Hanlon has an existing custodial arrangement.

Based on the Investor Risk Profile, the adviser will determine the appropriate allocation of the account among the various Models available and Hanlon will manage or effect purchases, sales, or other transactions for the account. In addition, Hanlon will have the authority and discretion to reallocate the assets to another Model, typically in the case where Hanlon, as platform sponsor, has determined that a Model Manager needs to be replaced after a thorough review. In managing the account assets, Hanlon is specifically permitted to retain all or part of the original, existing investments in the account on day one, or to liquidate such investments, at Hanlon's discretion, unless noted otherwise by the client and/or their adviser.

Neither Hanlon nor any of the Model Managers guarantees the future performance of any Platform accounts, any specific level of performance, the success of any investment decision or strategy that a Model Manager may recommend, or the success of Hanlon's or the Model Manager's recommendations in the Platform accounts. The investment and other decisions made by Hanlon for the Platform accounts are subject to various market, currency, economic, political and business risks, and those investment decisions will not always be profitable.

At least annually, the adviser will contact the client to determine whether there have been any changes in the client's financial situation or investment objectives and whether any changes to the client's account would be appropriate.

At least quarterly, Hanlon or a third party selected by Hanlon will provide a report to the client and the adviser reflecting all activity in the account during the preceding period, including performance calculations for the prior periods, all transactions made on behalf of the account, all contributions and withdrawals, all fees and expenses, and the value of the account at the beginning and end of the period. However, the client should note that the statement provided by the custodian holding their account is the official record for all account activity. The client should compare the custodial statement to the report provided by Hanlon on the web-based client portal for any discrepancies or omissions. If such a discrepancy or omission is found, the client should call their adviser immediately.

Hanlon provides investment management services for an annual fee based upon a percentage of the market value of the clients' assets being managed by Hanlon.

Hanlon's Retail Division's standard fee schedule is as follows:

<u>Portfolio Value</u>	<u>Base Fee</u>
Up to \$250,000	1.65%, then
From \$250,001 - \$500,000	1.45%, then
From \$500,001-\$2,000,000	1.20%, then
From \$2,000,001-\$5,000,000	0.80%, then
From \$5,000,001-\$10,000,000	0.60%, then
From \$10,000,001-\$25,000,000	0.50%, then
From \$25,000,001 and Above	0.45%

Hanlon's Institutional Division's standard fee schedule is as follows:

<u>Portfolio Value</u>	<u>Base Fee</u>
Up to \$499,999	1.80%, then
From \$500,000 - \$999,999	1.45%, then
On \$1,000,000 and Above	1.10%

Hanlon reserves the right to charge a different management fee, no greater than 2.20% annually on any account value, in its sole discretion, as agreed to by the client.

Clients pay the investment management or advisory fees noted above which includes investment management services comprised of client profiling assistance, asset allocation assistance, research and evaluation of Model Managers and account performance, Model Manager hiring and termination, fee billing, account rebalancing, account reporting, and other operational and administrative services.

The fee assessed by Hanlon varies based upon the services an adviser and their firm has selected and will be outlined in the agreement between Hanlon and the firm. Generally, Hanlon's fee will not exceed 1.80% per annum. Some accounts could be higher, but will not exceed 2.20%. If the client account was introduced to Hanlon by a Co-Adviser or Solicitor, Hanlon will share a portion of their fee with the Co-Adviser or Solicitor's firm pursuant to an agreement between Hanlon and the firm. Hanlon's fees are typically calculated on a per account basis. Mutual funds, ETFs and alternative investments charge their own fees for investing the pool of assets in the respective investment vehicles. Please see the prospectus or related disclosure document for information regarding these fees.

Fees for Management during Partial Quarters of Service

When a client engages Hanlon to provide investment management services, the fees are calculated on a pro rata basis for the initial period.

Hanlon's investment management services will continue in effect until terminated by either Hanlon or the client pursuant to the terms of the written agreement.

Model Manager Fees:

The Platform fee or investment management fee does not include the fees for the Model Manager's services ("Model Manager Fee"). The Model Manager Fee is separate and distinct from the Platform fee, custodial fees and investment management fees. Model Manager Fees vary based on the manager selected. The Model Manager Fee is calculated based on the account assets invested in the model. Model Manager Fees typically range from 0.0% to 0.35% but may be higher and will be disclosed to the client at the time of account opening. As part of its services, Hanlon may collect fees on behalf of the Model Manager. In addition, Hanlon may collect administrative fees from Model Managers for administration of the models in HMAP, due diligence, etc.

Item 5. Types of Clients

The Firm's Retail Division provides comprehensive investment advisory services which could include financial planning. In general, Hanlon and its advisers provide services to their clients through Hanlon's Managed Account Platform ("HMAP", discussed below). When clients open an account with

Hanlon, the client will enter into a written Investment Management Agreement with Hanlon which describes the nature and extent of Hanlon's services, the terms and conditions applicable to such services and the fees to be charged. When specifically requested by a client, Hanlon may provide limited consultation services on investment and non-investment related matters. Any client requesting such services will execute a financial planning agreement with Hanlon at a negotiated fee.

The Firm's Institutional Division operates a Managed Accounts Platform and an all-in-one adviser desktop solution, known as Hanlon Advisory Software ("HAS"). The Managed Accounts Platform offers Unified Managed Accounts (UMAs) and a robust offering of model portfolios ("Models") via the Model Marketplace, as well as proposal generation, new account opening, account investment management and account servicing. HAS provides software which includes the following functionality: CRM, financial planning, portfolio accounting, model management, rebalancing and trading, billing, reports, adviser and client portals, and data reconciliation. Additionally, Hanlon creates and manages its own proprietary Models and proprietary mutual funds. In addition to its own Managed Account Platform, Hanlon implements its investment strategies and services on a variety of platforms including through brokerage accounts, variable insurance, retirement platforms and third-party sponsors.

Item 6. Portfolio Manager Selection and Evaluation

Hanlon tailors its investment management services to the individual needs of clients. Hanlon manages clients' portfolios in one or more investment models appropriate for the client. A description of the Model(s) being used for that client is provided at or prior to the client entering into an investment management agreement with Hanlon.

Hanlon primarily composes Models consisting of mutual funds that are no-load or load-waived, ETFs, closed-end funds, individual securities, and where applicable, variable annuity and variable universal life sub-accounts.

For the Hanlon Models, Hanlon shall perform economic and market analysis, Model design and securities selection. This requires Hanlon, at its sole discretion, to be responsible for asset class analysis and selection, capital market assumptions, asset allocation, tactical moves in certain Hanlon Models, vetting and selecting the investment funds and/or listed securities for each asset class, finalizing the weights for all asset classes and holdings, and establishing rebalancing thresholds.

For the Hanlon Models, Hanlon follows one of three general investment strategies – Strategic, Dynamic or Tactical. The Strategic strategies follow a buy and hold approach; the Dynamic strategies generally consist of index-based buy and hold investments supplemented with actively managed tactical and alternative holdings; and the Tactical strategies are actively managed and have the ability to be fully invested in the market but can also allocate part or all of the model to cash depending on market conditions. Hanlon implements these same strategies for creating and managing models for retirement plan participants, selecting and managing the Core Funds to be made available to retirement plan participants, or managing QDIA accounts.

Hanlon also makes third-party Model Managers available on the Platform. Hanlon's Research team conducts a Model Manager search, onboards the Model Manager, maintains the third-party models, and performs ongoing due diligence on the Model Managers.

In addition to managing Models, Hanlon's Research team provides scorecards on non-model assets

based on proprietary and industry-sourced research.

Item 7. Client Information Provided to Portfolio Managers

Model Managers within HMAP provide model updates to us for execution and as a result, your information is not provided to the Model Managers. Your information is retained by us and shared with the custodian in order for us to establish your Account in HMAP.

Item 8. Client Contact with Portfolio Managers

Generally, you will not have any direct contact or consultation with your Model Manager. Rather, you will communicate directly with your adviser.

Item 9. Additional Information

Affiliated Mutual Funds

Hanlon operates two Affiliated Mutual Funds:

Hanlon Managed Income Fund

Hanlon provides investment management services through its affiliated mutual fund, the Hanlon Managed Income Fund (HANAX, HANCX, HANIX, HANRX) (the “MI Fund”), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, the Fund will invest in other fixed income investment companies, including ETFs. The Fund may also invest in high dividend paying stocks and individual fixed income securities. The prospectus, which is sent to clients, contains a complete description of the MI Fund, its strategy, objectives and costs.

Hanlon Tactical Dividend and Momentum Fund

Hanlon provides investment management services through its affiliated mutual fund, the Hanlon Tactical Dividend and Momentum Fund (HTDAX, HTDCX, HTDIX, HTDRX) (the “TDM Fund”), an investment company registered under the Investment Company Act of 1940. The TDM Fund invests in ETFs and stocks that represent the 11 sectors of the S&P 500, partially following a rules-based sector allocation. The prospectus, which is sent to clients, contains a complete description of the TDM Fund, its strategy, objectives and costs.

Please Note – Combined Fee: Although all mutual funds charge fees (i.e. administrative and investment management fees), because of the MI and TDM Funds relationship to Hanlon, a conflict of interest is presented because Hanlon may earn a dual fee. A dual fee may occur when clients open accounts on the Hanlon Managed Account Platform, because Hanlon will earn fees from both (1) its services and investment advice as a separate account manager; and (2) fees from the MI and TDM Funds. Hanlon’s Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Risk Disclosures

Mutual Funds, Collective Investment Funds (“CIF”) and ETFs

An investment in a mutual fund, CIF or ETF involves risk, including the loss of principal. Mutual funds, CIFs, and ETFs are subject to secondary market trading risks. Shares of mutual funds and ETFs will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual fund’s and ETF’s exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund or ETF may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price at which an investor would buy or sell the mutual fund or ETF. The per share NAV of a mutual fund is calculated at the end of each business day and fluctuates with changes in the market value of the mutual fund’s holdings. The trading prices of a ETF’s shares may differ significantly from the value of its underlying holdings during periods of market volatility, which may, among other factors, lead to the ETF’s shares trading at a premium or discount to the value of its underlying holdings.

Market Risks

The profitability of a significant portion of Hanlon’s recommendations and investment selections in client accounts may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Hanlon will be able to predict those price movements accurately.

Risk of Loss

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

Management through Similarly Managed Accounts

Hanlon’s management using the investment strategy complies with the requirements of Rule 3a- 4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client’s individual tax ramifications. Certain investment opportunities that become available to Hanlon’s clients may be limited. For example, various mutual funds or insurance companies may limit the ability of Hanlon to buy, sell, exchange or transfer securities consistent with its investment strategy. Hanlon allocates investment opportunities among its clients on a fair and equitable basis.

Use of Margin

To the extent that a client authorizes the use of margin, and margin is thereafter employed by Hanlon 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 Hanlon will 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 correspondingly increases the management fee payable to Hanlon. Accordingly, the decision as to whether to employ margin is left totally to the discretion of the client.

Disciplinary Information

Hanlon does not have any required disclosures that would be material to a client's evaluation of its advisory business or the integrity of management.

Other Financial Industry Activities and Affiliations

Hanlon is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Hanlon has described such relationships and arrangements below.

Registered Representatives of Broker Dealer

Certain persons associated with Hanlon are also registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), SEC registered broker-dealers and members of FINRA. Clients may engage these persons on matters not related to Hanlon managed accounts to implement securities transactions and brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Hanlon to satisfy those brokerage needs. PKS may charge brokerage commissions to affect these securities transactions and services. A portion of these commissions may be paid by PKS to such associated persons. Prior to effecting any transactions, clients are required to enter a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers.

In addition, certain of Hanlon's associated persons may also receive ongoing 12b-1 or shareholder service fees for mutual fund purchases not related to any assets in Hanlon managed accounts; these fees are received from the mutual fund company during the period that the client maintains the mutual fund investment. A conflict of interest may exist to the extent that Hanlon recommends the purchase of securities where a Hanlon associated person receives commissions or other additional compensation as a result of Hanlon's recommendations. Hanlon has procedures in place to ensure that any recommendations made by such associated persons are in the best interest of clients.

On certain occasions, a PKS registered Hanlon associate may earn selling or trail compensation for a qualified plan; and that the plan or some portions of the plan are managed by Hanlon. On such occasions, the amount of selling or trail compensation shall be considered by Hanlon in setting the percentage of management fee to be charged.

Less than 0.1% of the total revenues generated by Hanlon in 2019 were Registered Representative related business.

Certain persons associated with Hanlon are also registered with Northern Lights Distributors, LLC ("Northern Lights"), a SEC registered broker-dealer and member of FINRA. These individuals are registered with Northern Lights because they wholesale the Hanlon Mutual funds to other financial intermediaries.

Code of Ethics

Hanlon and persons associated with Hanlon are permitted to buy or sell securities that it also recommends to clients only when consistent with Hanlon's policies and procedures. Hanlon has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics").

In accordance with Section 204A of the Investment Advisers Act of 1940, the Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Hanlon or any of its associated persons. The Code of Ethics also requires that certain of Hanlon's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

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

Clients and prospective clients may contact Hanlon to request a copy of its Code of Ethics.

Review of Accounts

Hanlon monitors clients' portfolios as part of an ongoing process with account reviews conducted periodically. Such reviews consist of system-generated reports identifying client portfolios that may be out of tolerance for the allocation selected. On a quarterly basis, the portfolios are reviewed for performances falling outside the expected range. When such inconsistencies are discovered, the allocation, executed trades and other transactions of the portfolio are analyzed by a staff member of Hanlon under the supervision of the Co-Chief Investment Officer. Reviews may also be conducted with the client by the referring solicitor. More frequent reviews may be triggered by a change in the investment objectives of the client such as tax considerations, large deposits or withdrawals, or the opinion of Hanlon that a tactical reallocation of accounts is appropriate.

All clients are encouraged to discuss their needs, goals and objectives with Hanlon or the soliciting financial representative and to keep Hanlon informed of any changes thereto.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the accounts. Hanlon may also provide clients with quarterly performance reports.

Client Referrals

As disclosed in the written agreement between client and Hanlon, Hanlon may pay a portion of the advisory fee to a solicitor who referred the client to Hanlon. Any such referral fee is paid solely from

Hanlon's investment management fee, and does not result in any additional charge to the client. The solicitor is also required to provide the client with a copy of this disclosure brochure which meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940 and a copy of the solicitor's disclosure brochure containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Hanlon is required to disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this disclosure brochure at the time of the solicitation.

Custody

Hanlon does not serve as a custodian of client accounts. Clients will receive statements, at least quarterly, directly from the broker-dealer, other custodian or a third party on their behalf for their account.

However, Hanlon is deemed to have inadvertent custody of clients' funds and securities when clients have standing authorizations with their custodian to move money from the client's account to a third party ("SLOA") and under that SLOA authorize us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest on any of the accounts we are deemed to have Custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s) are delivered directly from the qualified custodian to each client at least quarterly. You should carefully review those statements against reports received from us. When you have questions about your account statements, you should contact us, your Financial Representative or the qualified Custodian preparing the statement.

Investment Discretion

The agreements signed by the client give Hanlon the authority to exercise discretion on behalf of clients. Hanlon is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. Hanlon is given this authority through a limited power-of-attorney included in the agreement between Hanlon and the client. Clients may request a limitation on this authority (such as requesting that certain securities are not to be bought or sold).

Financial Information

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you and we have never been the subject of a bankruptcy proceeding.