



SEC File Number: 801 – 68575
Martin L. Hopkins, Chief Compliance Officer
1731 River Road
Annapolis, Maryland 21409
www.HopkinsIM.com

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This brochure provides information about the qualifications and business practices of Hopkins Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at (410) 757-7980 or Martin@hopkinsim.com. 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 Hopkins Investment Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Hopkins Investment Management, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

This brochure is being revised as part of the firm's annual updating amendment. The following are material changes to this Firm Brochure since our last Form ADV Part 2A dated March 27, 2019:

- Item 8 has been revised to delete references to use of third-party managers as an investment strategy.
- Item 10 has been revised to delete references to Eagle Venture Fund, as Hopkins Investment Management no longer has an affiliation with Eagle Venture Fund.
- Item 15 has been revised to explain when Hopkins Investment Management is considered to have custody of client funds or securities because the client has signed a "move money" form provided by the qualified custodian.

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Hopkins Investment Management, LLC

Item 4 Advisory Business

- A. M.L. Hopkins & Co., LLC (MLHCO) is a limited liability company formed on May 14, 2001, in the State of New Jersey. MLHCO registered as an Investment Advisor Firm in 2001. Hopkins Investment Management, LLC (“Hopkins Investment Management”) is a limited liability company formed on February 20, 2008, in the State of Delaware. Hopkins Investment Management became registered as an Investment Advisor Firm in 2008 and took over the investment advisory business of MLHCO. MLHCO is the 100% owner of Hopkins Investment Management. Martin L. Hopkins is the 100% owner of MLHCO.
- B. As discussed below, Hopkins Investment Management offers to its clients (individuals, business entities, trusts, estates and charitable organizations, pension and profit-sharing plans, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Hopkins Investment Management to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. Hopkins Investment Management’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Hopkins Investment Management’s management, generally between 0.80% and 1.50%.

The client may elect to have a portion of their assets allocated to Hopkins Investment Management’s Globig Strategy, which is a proprietary momentum-based investment program that tactically allocates assets among mutual funds and exchange traded funds on an ongoing discretionary basis. Hopkins Investment Management’s annual flat fee for client assets placed into the Globig Strategy is 3.00%.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Hopkins Investment Management *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee-only. Hopkins Investment Management’s planning and consulting fees are negotiable, but generally range from \$500 to \$10,000 on a fixed fee basis, and from \$150 to \$350 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Hopkins Investment Management to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Hopkins Investment Management setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Hopkins Investment Management commencing services. If requested by the client, Hopkins Investment Management may recommend the services of other professionals for implementation purposes. 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 Hopkins Investment Management. It remains the client’s responsibility to promptly notify Hopkins Investment Management if there is ever any change in his/her/its financial situation or investment objectives for the purpose of

reviewing/evaluating/revising Hopkins Investment Management's previous recommendations and/or services.

NON-INVESTMENT CONSULTING/IMPLEMENTATION SERVICES

To the extent requested by the client, Hopkins Investment Management *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Hopkins Investment Management, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of Hopkins Investment Management's services should be construed as same. To the extent requested by a client, Hopkins Investment Management may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, 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 Hopkins Investment Management. It remains the client's responsibility to promptly notify Hopkins Investment Management if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Hopkins Investment Management's previous recommendations and/or services.

Private Funds

Hopkins Investment Management recommends private investment funds to eligible clients ("Funds"). Funds are managed according to their own characteristics and are not tailored to any particular Fund investor ("Investor"). Each Investor must be an "accredited investor" or "qualified purchaser" (as defined in Rule 501, Regulation D under the Securities Act of 1933). Investments in Funds involve additional risk factors, including, but not limited to, potential for loss of principal, liquidity constraints and lack of transparency. Unlike liquid investments that a client may maintain, these Funds do not provide daily liquidity or pricing. Therefore, investors should consider whether a Fund meets their investment objectives, liquidity needs, and risk tolerance before investing. Some Funds are illiquid and have no readily available market or sales price, and some Funds may only produce a return on capital invested when making distributions or when liquidating the investment entities themselves. The offering documents, including private placement memorandums, contain a complete discussion about each Fund. Each prospective client will be required to complete a Subscription Agreement, pursuant to which the client shall establish he/she is qualified for investment in the Fund, and acknowledges and accepts the various risk factors associated with this type of investment. Additionally, Hopkins Investment Management is affiliated with several private investment Funds that provide eligible clients the opportunity to pool their assets and invest with high quality independent managers to which they otherwise may not have access. In such instances, Hopkins Investment Management is affiliated because Hopkins Investment Management's principles and employees receive financial benefit for their managerial involvement with these Funds.

Funds and Other Securities Fees

All fees paid to Hopkins Investment Management for investment advisory services are separate and distinct from the fees and expenses charged by the Funds and other securities including but not limited to management fees, incentive fees, private fund expenses, mutual fund sales charges and expenses, and commissions on trades charged by broker dealers. These fees and expenses are described in Hopkins Investment Management Form ADV 2A and in each Fund's prospectus or offering memorandum. Fees charged to some Funds are not readily apparent to investors. Although these fees are not paid to Hopkins Investment Management, clients need to be aware of them. For example, the Funds may invest in other privately offered pooled investments that in turn invest in

underlying limited partnerships. The fees charged by an underlying pooled investment are incorporated in its net income, resulting in fees that may not be visible to Investors. Investors should review fees charged by the Funds and other securities (some of which are earned by affiliates of Hopkins Investment Management) and fees charged by Hopkins Investment Management for investment advisory services to fully understand the total amount of fees paid and to thereby evaluate the services provided. Hopkins Investment Management makes recommendations to invest in private Funds managed by related persons. Therefore, management and performance fees associated with these Funds accrue to the benefit of members of Hopkins Investment Management. As more specifically discussed in each Funds' offering documents, Hopkins Investment Management's affiliates earn compensation from these Funds in addition to the fee that Hopkins Investment Management would earn under its standard advisory schedule. Specifically, Hopkins Investment Management and affiliated parties may earn two separate advisory fees from client assets invested in affiliated Funds: (1) Hopkins Investment Management assets under management fee under its standard advisory fee schedule; and (2) management fees payable to affiliated Funds. Hopkins Investment Management's clients are under absolutely no obligation to consider or make an investment in any affiliated private Fund.

MISCELLANEOUS

Non-Discretionary Service Limitations. Clients that determine to engage Hopkins Investment Management on a non-discretionary investment advisory basis **must be willing to accept** that Hopkins Investment Management cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, Hopkins Investment Management will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

Inverse/Enhanced Market Strategies. Hopkins Investment Management may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Hopkins Investment Management, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Trade Error Policy. Hopkins Investment Management shall reimburse accounts for losses resulting from Hopkins Investment Management's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within Hopkins Investment Management's custodian firm account.

Client Obligations. In performing its services, Hopkins Investment Management 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 Hopkins Investment Management if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Hopkins Investment Management's previous recommendations and/or services.

Disclosure Statement. A copy of Hopkins Investment Management’s written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. Hopkins Investment Management shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client’s investment objective(s). Thereafter, Hopkins Investment Management shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Hopkins Investment Management’s services.
- D. Hopkins Investment Management does not participate in a wrap fee program.
- E. As of December 31, 2019, Hopkins Investment Management had \$137,418,274 in assets under management, all on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Hopkins Investment Management to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Hopkins Investment Management to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. Hopkins Investment Management’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Hopkins Investment Management’s management (between 0.80% and 1.50%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
\$0 to \$250,000	1.50%
\$250,001 to \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
\$1,000,001 and above	0.80%

The value used to calculate Hopkins Investment Management’s fee will include any allocation to cash or cash-like instruments, such as money market funds or accounts, of the client’s investable assets. Investable cash means cash that is in client account as an asset allocation. Cash that is not in investable cash is cash that has been identified by the client as designated for a specific purpose.

Some clients pay lower fees than those outlined in the fee schedule above, and some clients pay higher fees. For example, a client may elect to have a portion of their assets allocated to Hopkins Investment Management’s Globig Strategy, which is a proprietary momentum-based investment program that tactically allocates assets among mutual funds and exchange traded funds on an ongoing discretionary basis. Hopkins Investment Management’s annual flat fee for client assets placed into the Globig Strategy can be as high as 3.00% for some clients, which is higher than normally charged in the industry. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Hopkins Investment Management *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee-only. Hopkins Investment Management's planning and consulting fees are negotiable, but generally range from \$500 to \$10,000 on a fixed fee basis, and from \$150 to \$350 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have Hopkins Investment Management's advisory fees deducted from their custodial account. Both Hopkins Investment Management's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Hopkins Investment Management's investment advisory fee and to directly remit that management fee to Hopkins Investment Management in compliance with regulatory procedures. In the limited event that Hopkins Investment Management bills the client directly, payment is due upon receipt of Hopkins Investment Management's invoice. Hopkins Investment Management shall deduct fees and/or bill clients quarterly in advance and/or arrears, depending upon the client's portfolio, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Hopkins Investment Management shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Hopkins Investment Management's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). Hopkins Investment Management's billing practices may involve aggregating related accounts. This may enable Hopkins Investment Management clients to achieve breakpoint discounts.
- D. Hopkins Investment Management's annual investment advisory fee shall be prorated and paid quarterly, in advance and/or arrears, depending upon the client's portfolio, based upon the market value of the assets on the last business day of the previous quarter. This means that if the client's annual fee is 1.00%, then each quarter we will multiply the value of the account by 1.00% then divide by 4 to calculate our fee. Once the calculation is made, we will instruct the client's account custodian to deduct the fee from the client's account and remit it to Hopkins Investment Management. Hopkins Investment Management does not generally require an annual minimum fee or asset level for investment advisory services. Hopkins Investment Management, in its sole discretion, may reduce and/or waive its investment management fee or charge an annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Hopkins Investment Management and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Hopkins Investment Management shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter. Hopkins Investment Management will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be "de-linked", meaning they will no longer be visible to Hopkins Investment Management and will become a retail account with the custodian.

- E. Neither Hopkins Investment Management nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Hopkins Investment Management nor any supervised person of Hopkins Investment Management accepts performance-based fees.

Item 7 Types of Clients

Hopkins Investment Management's clients shall generally include individuals, business entities, trusts, estates and charitable organizations, pension and profit-sharing plans. Hopkins Investment Management does not generally require an annual minimum fee or asset level for investment advisory services. Hopkins Investment Management, in its sole discretion, may reduce and/or waive its investment management fee or charge an annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

Hopkins Investment Management may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Hopkins Investment Management may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Investment Allocations & Investment Programs: Separate Accounts

Each client's portfolio will be invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain the client's objectives for each account, we develop a set of asset allocation guidelines, and then in most cases place the assets in one of our investment programs, each with a different asset allocation strategy. An asset allocation strategy is a percentage-based allocation to different investment types, or types of managers. For example, one of our programs utilizes an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with the

remaining balance in fixed income. Another program may have an asset allocation of 50-60% in fixed income securities, 20% in equities, and the remainder in cash or a personal business.

The investment programs are not investment products. Clients may have different needs than others within the same investment program. Accordingly, not all clients in each investment program will have the exact same percentages of each underlying investment.

The investment program that we recommend are based on the needs of the client as compared with the typical behavior of that security type or manager, current market conditions, the client's current financial situation (including assets that may be managed by another advisor), financial goals, and the timeline to meet those goals. Because we develop an investment strategy based on the client's personal situation and financial goals, their asset allocation guidelines may be similar to or different from another client.

We may periodically recommend changes to the investment programs and client portfolios to meet the guidelines of the asset allocation for the program or an individual client's objectives. It is important to remember that because market conditions can vary greatly, the client's asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary to achieve your investment objectives.

When Hopkins Investment Management makes changes to an investment program, these changes may not be made simultaneously. Rather, some accounts may be modified before others. This may result in accounts being traded earlier inadvertently having an advantage over accounts traded later.

Additionally, part of the Hopkins Investment Management process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. Hopkins Investment Management attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each client's consent.

Investment Strategy – Pooled Investment Vehicles

The pooled investment funds we recommend are managed according to the stated investment program in each fund's private placement memorandum and other offering documents. Individual partners in a fund will not receive individual asset management within the fund. For details regarding the investment program, including fees and costs, clients should refer to the fund's governing documents.

IMPORTANT RISKS

There are always risks to investing. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the security value in a portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that Hopkins Investment Management may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Hopkins Investment Management endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that an investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Short Sales.** "Short sales" are a way to implement a trade in a security Hopkins Investment Management feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Hopkins Investment Management utilizes short sales only when the client's risk tolerances permit.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While Hopkins Investment Management selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.
- **Transition Risk.** As assets are transitioned from a client's prior advisers to Hopkins Investment Management there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Hopkins Investment Management. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of Hopkins Investment Management may adversely affect the client's account values, as Hopkins Investment Management's recommendations may not be able to be fully implemented.
- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If a client requires us to liquidate their portfolio during one of these periods, they will not realize as much value as they would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **REITs.** Hopkins Investment Management may recommend that significant portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.
- **Oil & Gas Limited Partnerships.** Investing in oil and gas may include investing in equities of energy related companies. However, these investments may be subject to many more variables than the oil or gas itself. When deemed appropriate for a given client, Hopkins Investment Management will recommend a limited partnership as an oil and gas investment. The investment has certain tax benefits, and can provide a higher return. However, there is also significant risk of loss, including the loss of principal. These limited partnerships also carry significant fees and expenses payable to the sponsor of the limited partnership, including a share of the profits. This type of investment is very speculative, is a highly illiquid investment and can have a long holding period.

- **A special note related to the calculation of tax basis:** If a client is unable to provide information on cost basis for tax purposes for each investment at the onset of the client relationship, Hopkins Investment Management will be unable to provide accurate cost basis information in the future. To the extent any cost basis calculation is ever performed for a client, such client should be aware that without accurate information, any cost basis estimates prepared by Hopkins Investment Management will be based on the information available combined with certain assumptions as well as mathematical computation. Therefore, if the cost basis is not accurate at the onset of the relationship, there is no guarantee that Hopkins Investment Management's calculations will be correct, and materially adverse tax circumstances may result.

- A. Hopkins Investment Management's methods of analysis and investment strategies do not present any significant or unusual risks, other than short sales, margin transactions or options, as discussed further below.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Hopkins Investment Management must have access to current/new market information. Hopkins Investment Management has no control over the dissemination rate of market information; therefore, unbeknownst to Hopkins Investment Management, certain analyses may be compiled with outdated market information, severely limiting the value of Hopkins Investment Management's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Hopkins Investment Management's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- B. Currently, Hopkins Investment Management primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s).

As disclosed above, Hopkins Investment Management may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Hopkins Investment Management, in writing, not to employ any or all such strategies for his/her/their/its accounts. (See Item 4 B).

Item 9 Disciplinary Information

Hopkins Investment Management has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Hopkins Investment Management, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Hopkins Investment Management, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Hopkins Investment Management is affiliated with Hopkins Capital Partners GP, LLC which serves as the investment advisor to Hopkins Capital Partner Fund LP.
- D. Hopkins Capital Partners Fund LP: Because Hopkins Investment Management is affiliated with Hopkins Capital Partners GP, LLC, the investment manager and general partner to the Fund, representatives of Hopkins Investment Management have an incentive to recommend an investment in the Fund. This incentive brings about a material conflict of interest, in that Hopkins Investment Management and in some cases the specific individual representative, will have a personal financial interest in the Fund. Hopkins Investment Management attempts to mitigate this conflict by (a) disclosing the conflict here in this Brochure; (b) only accepting investments in the Fund on a non-discretionary basis; and (c) reminding all employees of their fiduciary responsibilities to clients. Clients are encouraged to have their other advisors review the Fund documents, terms, and objectives. Clients are also encouraged to carefully review all documents regarding the Fund and inquire as to any questions, comments or concerns prior to making an investment.

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

- A. Hopkins Investment Management maintains an investment policy relative to personal securities transactions. This investment policy is part of Hopkins Investment Management's overall Code of Ethics, which serves to establish a standard of business conduct for all of Hopkins Investment Management's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Hopkins Investment Management also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Hopkins Investment Management or any person associated with Hopkins Investment Management.

- B. Please see response to Item 10D above with regard to Hopkins Capital partners Fund LP.
- C. Hopkins Investment Management and/or representatives of Hopkins Investment Management *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Hopkins Investment Management and/or representatives of Hopkins Investment Management are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit

upon the rise in the market price which follows the recommendation) could take place if Hopkins Investment Management did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Hopkins Investment Management’s clients) and other potentially abusive practices.

Hopkins Investment Management has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Hopkins Investment Management’s “Access Persons”. Hopkins Investment Management’s securities transaction policy requires that an Access Person of Hopkins Investment Management must 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 Hopkins Investment Management selects; provided, however that at any time that Hopkins Investment Management has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Hopkins Investment Management and/or representatives of Hopkins Investment Management *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Hopkins Investment Management and/or representatives of Hopkins Investment Management are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Hopkins Investment Management has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Hopkins Investment Management’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Hopkins Investment Management recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Hopkins Investment Management to use a specific broker-dealer/custodian), Hopkins Investment Management generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Hopkins Investment Management to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Hopkins Investment Management setting forth the terms and conditions under which Hopkins Investment Management shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Hopkins Investment Management considers in recommending *Schwab* (or any another broker-dealer/custodian, investment platform and/or mutual fund sponsor) include historical relationship with Hopkins Investment Management, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Hopkins Investment Management's clients shall comply with Hopkins Investment Management'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 Hopkins Investment Management determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Hopkins Investment Management 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, Hopkins Investment Management's investment management fee. Hopkins Investment Management'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.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Hopkins Investment Management may receive from *Schwab* (or any another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Hopkins Investment Management to better monitor and service client accounts maintained at such institutions. Included within the support services, sometimes referred to as "soft dollar benefits," that may be obtained by Hopkins Investment Management may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Hopkins Investment Management in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Hopkins Investment Management in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Hopkins Investment Management to manage and further develop its business enterprise.

Hopkins Investment Management's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Hopkins Investment Management to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Additional Benefits

Hopkins Investment Management has received from *Schwab*, certain additional economic benefits ("Additional Benefits") that may or may not be offered to Hopkins Investment Management again in the future. Specifically, the Additional Benefits include partial payment for certain research and technology expenses for the benefit of Hopkins Investment Management. Over the past two years, *Schwab* has made payments to third party vendors, including Tamarac and Davis Research for technology and research related expenses. *Schwab* has made one off payments between \$1,000 and \$5,000 infrequently and irregularly to these third-party service providers over the course of the last two years. Each payment is non-recurring and individually negotiated. Hopkins Investment Management has no expectation that these Additional Benefits will be offered again; however, Hopkins Investment Management reserves the right to negotiate for these Additional Benefits in the future. *Schwab* provides the Additional Benefits to Hopkins Investment Management in its sole discretion and at its own expense, and neither Hopkins Investment Management nor its clients pay any fees to *Schwab* for the Additional Benefits. Hopkins Investment Management and *Schwab* have not entered into any written agreement to govern the Additional Benefits.

2. Hopkins Investment Management does not receive referrals from broker-dealers.
3. Hopkins Investment Management does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In

such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Hopkins Investment Management will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Hopkins Investment Management. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Hopkins Investment Management to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Hopkins Investment Management.

- B. To the extent that Hopkins Investment Management provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Hopkins Investment Management decides to purchase or sell the same securities for several clients at approximately the same time. Hopkins Investment Management may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Hopkins Investment Management's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Hopkins Investment Management shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Hopkins Investment Management provides investment supervisory services, account reviews are conducted on an ongoing basis by Hopkins Investment Management's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Hopkins Investment Management 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 Hopkins Investment Management on an annual basis. For those clients to whom Hopkins Investment Management provides financial planning or consulting services, the resulting plans or recommendations will not be reviewed absent a specific engagement with the client to do that.
- B. Hopkins Investment Management *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. 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. Hopkins Investment Management may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Hopkins Investment Management may receive an indirect economic benefit from *Schwab*. Hopkins Investment Management, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Hopkins Investment Management's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Hopkins Investment Management to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. Hopkins Investment Management may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to the firm. The solicitors who will be compensated via a referral fee must be appropriately registered as an investment advisor in the State of Maryland or other appropriate jurisdiction. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure document which includes the Solicitor's name and relationship with our firm, the fact that the Solicitor is being paid a referral fee, the amount of the fee, and the fact that the fee paid to Hopkins Investment Management by the client will not be increased above our normal fees as a consequence of the referral relationship.

Item 15 Custody

Hopkins Investment Management shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly 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. Hopkins Investment Management may also provide a written periodic report summarizing account activity and performance.

To the extent that Hopkins Investment Management provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Hopkins Investment Management with the account statements received from the account custodian. The account custodian does not verify the accuracy of Hopkins Investment Management's advisory fee calculation.

Hopkins Investment Management does not accept authority to sign checks or otherwise disburse funds on behalf of any advisory clients. However, certain clients have established asset transfer authorizations which permit the qualified custodian to rely upon instructions from Hopkins Investment Management to transfer client funds to third parties. According to guidance issued by the SEC on February 27, 2017, Hopkins Investment Management is considered to have custody of client assets subject to such a "standing letter of authorization" or SLOA. Hopkins Investment Management works with the qualified custodian in these situations to satisfy the SEC's guidance with respect to SLOAs, including requiring clear and specific written instructions from the client.

Item 16 Investment Discretion

The client can determine to engage Hopkins Investment Management to provide investment advisory services on a discretionary basis. Prior to Hopkins Investment Management assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Hopkins Investment Management as the client's attorney and agent in fact,

granting Hopkins Investment Management full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Hopkins Investment Management on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Hopkins Investment Management'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 Hopkins Investment Management's use of margin, etc.).

Item 17 Voting Client Securities

- A. Hopkins Investment Management does not vote client proxies for separate accounts. Separate account clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
Hopkins Investment Management will vote proxies on behalf of the pooled investment funds which it recommends to investors if that fund solicits proxies. In that event, proxy voting information will be made available to the investor. Investors in the Fund will not be able to direct the vote on any particular solicitation.
- B. Separate account clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Hopkins Investment Management to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Hopkins Investment Management does not solicit or require prepayment fees of more than \$1,200, per client, six months or more in advance.
- B. Hopkins Investment Management is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Hopkins Investment Management has not been the subject of a bankruptcy petition.