



Hillcrest Asset Management Brochure (ADV Part 2A)

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This brochure provides information about the qualification and business practices of Hillcrest Asset Management, LLC. If you have any questions about the contents of this brochure, please contact Deborah Trask at 469-666-6455, or by email at dtrask@hillcrestasset.com. 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.

Hillcrest Asset Management is an investment advisor registered with the SEC. Additional information about Hillcrest Asset Management, LLC is available on the SEC's website at <https://www.adviserinfo.sec.gov>. To search the SEC website, please use the Firm's unique identifying number, CRD number 145078. Registration with the SEC does not imply any certain level of skill or training.

MATERIAL CHANGES

Annual Update

Hillcrest Asset Management, LLC is providing this information as part of our annual update amendment which contains material changes from our last annual update. This section discusses only material changes since the last annual update which was filed on March 30, 2020.

Material Changes since the Last Update

There are no material changes since the last update.

The following updates were made:

- The assets under management were updated.
- We are no longer working with South Avenue Investment Partners, so they have been removed from the section on “Client Referrals and Other Compensation.”
- Language changes were made to the sections listed below. The changes were made to simplify the discussion but did not change the information provided.
 - In the section “Advisory Business,” changes were made to “Tailored Relationships.”
 - In the section “Fees and Compensation,” changes were made to “Description” and “Fee Billing.”
 - In the section “Performance-Based Fees and Side-by-Side Management,” changes were made to “Sharing of Capital Gains or Capital Appreciation.”
 - In the section “Types of Business,” changes were made to “Description.”
 - In the section “Methods of Analysis,” changes were made to “Process Overview.”
 - In the section “Brokerage Practices,” changes were made to “Selecting Brokerage Firms.”
 - Changes were made to the section “Investment Discretion.”
 - Changes were made to the section “Proxy Voting.”

Full Brochure Availability

The Firm Brochure for Hillcrest Asset Management, LLC is available by contacting Deborah Trask, Chief Operating Officer, at:

Hillcrest Asset Management, LLC.
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ADVISORY BUSINESS

Firm Description

Hillcrest Asset Management, LLC (“Hillcrest”) has been in business since July 2007 and is engaged in the business of providing investment supervisory services.

Principal Owners

The majority of the firm (55%) is employee-owned through Hillcrest Holdings, LLC. Brian Bruce, CEO, is the majority owner of Hillcrest Asset Management through Hillcrest Holdings, LLC. 24% of Hillcrest Asset Management is owned by Grail Partners through the Chalice Fund, 19% is owned by CHJ Capital Management and 2% is owned by other investors.

Types of Advisory Services

We offer advice on exchange-traded and over-the-counter equity securities through our three products: Small Cap Core, Mid Cap and Small Cap Value in accordance with those methods as described in the section *Methods of Analysis, Investment Strategies and Risks of Loss*. We provide these services as separately managed account management, sub-advisory services, model-only services and wrap programs.

Tailored Relationships

Hillcrest has discretionary authority to buy and sell securities in the quantities that it deems fit without first obtaining the client's consent. However, limitations or restrictions concerning the exercise of this investment discretion can be established by the client in writing at the commencement of the advisory relationship or later in the relationship. Clients have the right to impose restrictions on the type or class of securities transacted for the account. However, they will be informed that this could have a marked effect on Hillcrest's ability to trade their account in the same manner as other accounts of the same strategy, which could affect the account's overall performance.

Wrap Fee Programs

Hillcrest currently participates in programs with UBS Financial Services Inc. (“UBS”) (ACCESS and SWP) and Merrill Lynch, Pierce, Fenner and Smith Incorporated and Managed Account Advisors LLC collectively, “Merrill Lynch”), (UMA, Consults, Investment Advisory Program).

Client Assets

As of December 31, 2020, discretionary assets under management totaled \$765.1million. Assets under advisement for the same period totaled \$90.9 million.

FEES AND COMPENSATION

Description

Investment Advisory Services fees are charged as a percentage of account assets. Fees are quoted on an annual basis. The fee charged typically follows the schedules outlined below.

The standard advisory fees for the Small Cap Value product are as follows:

0.90% annually on the first	\$10 Million of Portfolio Value
0.85% annually on the next	\$40 Million of Portfolio Value
0.80% annually on amounts over	\$50 Million of Portfolio Value

Minimum Annual Fee of \$50,000

The standard advisory fees for the Mid Cap product are as follows:

0.70% annually on the first	\$10 Million of Portfolio Value
0.65% annually on amounts over	\$10 Million of Portfolio Value

Minimum Annual Fee of \$50,000

The standard advisory fees for the Small Cap Core product are as follows:

0.90% annually on the first	\$10 Million of Portfolio Value
0.85% annually on the next	\$40 Million of Portfolio Value
0.80% annually on amounts over	\$50 Million of Portfolio Value

Minimum Annual Fee of \$50,000

All assets in any form are considered in the computation of fees. Money invested in cash balances, money market assets, client-directed assets or notes will be included. If trades are unsettled and pending, the trade date balance will be used.

In computing the market value of any investment of a client's account, each security listed on national securities exchanges shall be valued at the last quoted sales price on the valuation date of the principal exchange on which such security is traded. Any other security or asset shall be valued in a manner determined in good faith by Hillcrest to reflect its fair market value.

Our fees are generally negotiable. Fees charged to any given client may be higher or lower than the stated fees or the fees charged to other clients with accounts of comparable size and investment objectives, based on the client's circumstances or investment guidelines.

Fee Billing

Account fees are computed and billed quarterly, in advance. Quarterly fees shall be based on the Account's market value as of the close of business on the last business day of the quarter preceding the quarter for which the fee is due. The initial period, if less than a full quarter will be prorated.

Either Hillcrest or the client may terminate an advisory contract at any time by giving the other party 30 days written notice. Advisory fees paid in advance will be prorated to the date of termination and any unearned portion will be refunded to the client.

Clients may choose to have fees deducted from their account or to be billed. The deduction of fees is arranged by the client through their custodian. Fees are computed on a quarterly basis.

Other Fees

Clients shall be responsible for all commissions and other transaction charges, and any charge relating to the custody of securities for their account. The fee charged by Hillcrest covers only the investment management services provided by Hillcrest and does not include brokerage commissions, mark-ups and mark-downs, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, interest, taxes, or other account expenses.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT**Sharing of Capital Gains or Capital Appreciation**

Hillcrest does not currently manage any accounts with performance-based fees, that is, fees based on a share of capital gains on or capital appreciation of the assets of a client. We would be open to discuss such fees with potential clients.

TYPES OF CLIENTS

Description

Current clients consist of high net worth individuals, investment companies, pooled funds, and retirement and savings plans.

Account Minimums

Hillcrest does not have a minimum account size requirement; however, as noted in the *Fee and Compensation* section above, we have a minimum annual fee of \$50,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

Our investment philosophy is firmly rooted in our expertise in Behavioral Finance. We believe stocks deviate from their fair value due to behavioral biases. Hillcrest believes that a consistent and repeatable pattern of outperformance is achieved by combining the techniques and insights of traditional analysis with concepts related to Behavioral Finance.

At the center of the Hillcrest investment philosophy is the belief that company information alone is not the only factor that affects the price of a stock. Stock prices are determined by market information as well as behavioral biases that occur among market participants. We believe biases such as expert overconfidence and the base-rate effect are common traps for active managers and that behavioral approaches can offer a better way to determine stock valuations and future growth prospects. Deviations from fair value follow a systematic pattern we call the Behavioral Cycle. Hillcrest utilizes a deep understanding of Behavioral Finance to capture pricing inefficiencies created by market biases. Two of our portfolio managers, Brian Bruce and Douglas Stark, built the first global behavioral model in 1991 at State Street Global Advisors to determine analyst sentiment. We continue to be viewed as a thought leader in the development of behavioral sentiment models.

We rely equally on valuation, growth, and sentiment to identify stocks that at an attractive phase of the Behavioral Cycle and thus likely to outperform. Hillcrest looks for companies that have been unfairly discounted yet have strong balance sheets and excellent expected forward earnings growth. Hillcrest then applies a sentiment indicator that shows when stocks have bottomed or peaked to invest at the right time. Hillcrest only invests in companies that are believed to have strong valuations relative to the market and their peers, attractive earnings growth potential and strong financials.

We believe this philosophy – which has not changed over time - will be successful in the future because behavioral biases are long lasting. This optimism is anchored in the ultimate inseparability of the investor (mis)behavior that our process captures from the market itself, serving to ensure the process we utilize will not permanently lose efficacy. We know that stocks rarely trade at fair value. Hillcrest understands that every stock follows the same behavioral cycle of greed and fear that the stock market follows. Investors may have their attention drawn towards market narratives, fads, and other abnormalities in the near-term. However, valuations, fundamentals, and earnings will always matter to investors in the long run, a view that is supported by an overwhelming amount of research.

Process Overview

Hillcrest believes that a consistent combination of value, growth and sentiment is the key to good investment results. The firm understands that every stock follows the same behavioral cycle of the stock market. Hillcrest knows that stocks rarely trade at fair value but rotate around fair value based on investor sentiment. The firm utilizes this cycle and buys when stocks are attractively valued with good growth prospects. The firm believes this philosophy will be successful in the future because behavioral biases are long lasting.

We invest in small capitalization stocks primarily from the Russell 2000 Value Index. We have found that a mixture of quantitative processing and fundamental analysis is the best method for outperforming the market and finding undervalued securities. Idea generation begins with our proprietary behavioral model, continues with our fundamental analysis, and reaches a decision point

when names are recommended at investment meetings to the portfolio management team. Combining model-driven behavioral analysis with fundamental research builds on the strengths of both approaches, with the goal of adding value equally through both behavioral and fundamental stock selection. All members of the investment team are involved in the research process.

Behavioral Model

The process begins with our proprietary behavioral model which ranks stocks in a model-driven, repeatable, consistent, non-emotional manner. When using a quantitative process, it is important to find quality investments by applying a consistent methodology to all stocks in the universe. The behavioral model focuses on stocks that quantitatively have characteristics of good investments – stocks that have a higher-than-average chance of outperforming.

Our proprietary behavioral ranking process uses three equally weighted factors: valuation, sentiment, and growth to rank every stock in the universe relative to its sector. Each factor is a combination of several sub-factors. These sub-factors encompass both traditional sub-factors and Behaviorally Adapted Sub-Factors. Our behaviorally adapted factors are based on the belief that the greatest value can be added by how we interpret the data. We create our own proprietary sub-factors that are not commonly used within the quantitative community. These factors are combined with traditional data sub-factors to create or three main factors: value, growth, or sentiment. Behavioral Adapted Sub-Factors are created by modifying or combining multiple factors or using only the portions of the data; usually the tails of a distribution that have the predictive power to improve predictability, as well as the creation of new proprietary behavioral datasets.

Analysis

Fundamental analysis is performed on the highest-ranking stocks in the universe - these stocks quantitatively have characteristics of good investments and thus we know these companies have a higher-than-average chance of outperforming. Quantitative models have limits as there many parts of a company or investment that are either not able to be quantified or not able to be consistently quantified accurately. The purpose of the fundamental portion of the process, is to address the “blind spots” of the quantitative process. The quantitative process identifies companies that have the characteristics of good investments while the fundamental process further sifts through the opportunities to identify those that are good investments. Overarching focuses of the fundamental analysis are ensuring the model’s assessment is accurate (does the company have attractive valuation, can the company sustain growth, etc.) and analyzing those areas the model cannot quantify (overlapping portfolio exposures, idiosyncratic risks, etc.). The best opportunities are presented for purchase. We sell holdings when they no longer meet our investment criteria.

Decision making process

Products are managed with a team approach. Our investment team meets on a regular basis to review research and data on new investment opportunities, and companies that we own that are either underperforming or have a declining model score. Prior to the meeting, each team member is provided with a list of companies that will be discussed, which includes new opportunities, or current holdings that are sell candidates. The investment team is also provided with a comparison of our portfolio to the benchmark to ascertain variations between sector weights and stocks outside of risk boundaries. The lead analyst directs the discussion of that sector and provides an in-depth analysis of potential positions to initiate or close. While Brian Bruce is the final decision maker, portfolio decisions are typically a consensus decision by the strategy’s portfolio managers.

Research

We consider research to be a continual process and something that is one of the most important aspects of the firm. We break our research into two areas: quantitative research and fundamental research.

Quantitative research

Members of Hillcrest's investment team have been conducting quantitative research for nearly 30 years as Brian Bruce and Douglas Stark created the first global behavioral stock selection model in the 1990's while at State Street Global Advisors. This original stock selection model was the basis for the behavioral model that Hillcrest has developed and currently utilizes, with the current behavioral model being much more robust and reflecting approximately three decades of further research.

Accordingly, Hillcrest's ongoing quantitative research continues to be primarily focused on rigorously analyzing and evaluating potential improvements to the firm's proprietary behavioral model. Any adaptations or improvements considered are strictly consistent with the firm's current process and philosophy and represent incremental modifications to the behavioral model to better identify companies at the attractive phase of the behavioral cycle. Examples of such improvements that have been made over time include the addition of the Management Sentiment Indicator, Adaptive Insider, and Growth Likelihood factors.

Beyond evaluating potential model improvements, we also utilize our quantitative research capabilities to generate insight on the current or recent market environment. Examples of such research includes specialized attribution analysis that examines where we are adding value as well as which facets of the market have fallen into or out of favor by market participants.

Hillcrest's quantitative research utilizes a vast amount of data from multiple providers alongside our best-in-class research tools that are proprietary and have been written in-house. We believe that our firm's deep experience in both behavioral finance and quantitative research allows us to utilize and develop quantitative tools in a differentiated way and as such is a meaningful competitive advantage.

Fundamental research

Whereas our quantitative research efforts are primarily concentrated on evaluating improvements to our behavioral model, our fundamental research efforts are focused on the ongoing direct analysis of companies that are either current or prospective portfolio holdings. As has been mentioned, our fundamental research efforts are complementary to our behavioral model as our fundamental analysis focuses on components of security analysis that are inherently more difficult to quantify.

Specific areas of focus include validating earnings and revenue growth, assessing the capital structure and leverage ratios, identifying company-specific and industry-specific risks, and determining the interactions of the company in question with current portfolio exposures. Fundamental coverage of the portfolio and selection universe is split by sector, with fundamental research in each sector being led by a specific analyst or portfolio manager.

Investment Strategies

The significant strategies employed by Hillcrest are small cap value, small cap core and mid cap. The method of analysis and the risks are the same for each of them. The difference is the universe of stocks and the benchmark. For small cap value the benchmark is the Russell 2000 Value Index. For small cap

core the benchmark is the Russell 2000 Index. For midcap, the benchmark is the S&P MidCap 400 Index.

Our long-term business plan includes growing our other products including MidCap and Market Neutral.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

Hillcrest invests in U.S. equity securities. We do not invest in options or futures. There is market risk or the risk that stock prices and/or the implied volatility will change. Hillcrest has a risk control process that controls for residual benchmark risk while maximizing the expected return of the portfolio. Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is the chance that stock prices over-all will decline because stock markets tend to move in cycles, with periods of rising and falling prices. Individual investments may decline due to general weakness in the markets, or due to the specific factors affecting company returns or a particular industry.

Investments in small-sized companies pose greater risks than those typically associated with larger, more established companies such as increased volatility of earnings and prospects, higher failure rates, and limited markets, product lines or financial resources.

DISCIPLINARY INFORMATION

Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hillcrest or the integrity of our management. Hillcrest and our management personnel are not currently, nor have they ever been, a party to any such legal or disciplinary action.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**Affiliations**

Neither Hillcrest nor any of its employees has any relationships or industry-related activities that are material to their advisory business or clients.

CODE OF ETHICS AND PERSONAL TRADING**Code of Ethics**

All officers and employees are required to sign an annual statement acknowledging receipt, compliance with and understanding of Hillcrest's Code of Ethics. A complete copy of Hillcrest's Code of Ethics is available to clients or prospective clients upon request.

Invest in Same Securities Recommended to Clients and Personal Trading Policies

All Hillcrest employees are restricted from engaging in any practices that would operate as a fraud or deceit upon Hillcrest or any of its clients. Hillcrest employees are not permitted to invest in securities held in the universes traded for client accounts. Any employees owning any of these securities at the time the procedure changed were not required to sell them, but any future sales require preclearance. Employees wanting to invest in Hillcrest's strategies can open their own separate accounts which will be managed along with the other accounts in the strategy.

BROKERAGE PRACTICES

Selecting Brokerage Firms

As investment managers, Hillcrest believes we owe a duty of best execution to our clients. The determining factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution. In seeking best execution and selecting a broker-dealer through which to purchase and sell securities, Hillcrest will consider a range of factors. These include price, commission rate, execution ability, clearance procedures, reporting services, and the potential conflicts of interest that could arise from directing client orders to a particular broker.

Trade Execution Analysis

Trade execution analysis is completed by the trader following the market close. This analysis involves keeping a detailed record of the submitted and completed order size, execution price, VWAP, Interval VWAP, order submission and completion times and volume data for every trade. We consistently monitor how our execution prices compare to both VWAP and Interval VWAP to ensure we maintain excellent execution for clients.

Research and Soft Dollars

Hillcrest does not use soft dollars and as such, research is not a factor in choosing a broker-dealer.

Brokerage for Client Referrals

Hillcrest does not receive client referrals from any broker-dealers or third parties in return for broker-dealer selection.

Directed Brokerage

Hillcrest does not currently have any directed brokerage relationships.

Order Aggregation

When Hillcrest transacts the same securities for several clients at approximately the same time, Hillcrest may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among 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 transaction costs and will be allocated among the Advisor’s clients in proportion to the purchase and sale orders placed for each client account on any given day. When Hillcrest cannot buy or sell the full number shares of securities needed at one time, we allocate the order among participating accounts on a pro rata basis.

REVIEW OF ACCOUNTS

Periodic Reviews

Certain members of the firm act as portfolio managers for client accounts. Each client portfolio is formally reviewed on a quarterly basis by a portfolio manager. In addition, portfolios are monitored daily for price, performance, and news.

Review Triggers

Triggering factors (buy/sell a new security, risk control parameters, sell discipline) will compel portfolio managers to review accounts on a more frequent basis. Excess market movements, strategy changes by the account or a request from the client will trigger a more immediate review of the account.

Regular Reports

Hillcrest provides clients with a written quarterly account statement that includes an inventory of holdings and a report of account performance.

CLIENT REFERRALS AND OTHER COMPENSATION

Third Party Solicitors

Hillcrest Asset Management, LLC (“Hillcrest”) directly compensates Cedar Partners, LTD, (“Cedar”) registered investment advisers.

Written Agreement

Cedar is unaffiliated with Hillcrest Asset Management and has no relationship with Hillcrest other than a contractual relationship. Cedar have entered into a written agreement with Hillcrest, which requires them to provide client relationship and marketing services to Hillcrest, including the introduction of prospective advisory clients to Hillcrest. Hillcrest has agreed to compensate Cedar for its sales and marketing services and for the introduction of advisory clients to Hillcrest. Hillcrest will make a reasonable effort to ensure the solicitor has complied with the provisions of the agreement.

Disqualification of Solicitors

Cedar have represented and warranted that they are not subject to any of the disqualifications described in SEC Rule 206(4)-3 for investment advisors. Furthermore, they represent and warrant that they are not subject to any contractual obligations or restrictions that preclude a solicitation agreement with Hillcrest.

Client Disclosures

Cedar is required, at the time of the solicitation, to make the disclosures to the client required by SEC Rule 206(4)-3 for investment advisors.

Prohibitions

Hillcrest will not engage in the following practices with respect to solicitation arrangements:

1. Hillcrest will not enter into solicitation arrangements where Hillcrest is required to pay the solicitor non-cash referral fees, such as directed brokerage arrangements.
2. Hillcrest will not knowingly pay referral fees to a fiduciary of an ERISA plan in exchange for securing investment management services for such plan unless the solicitation arrangement is structured to comply with applicable ERISA regulations.

Amounts Paid by Clients

Hillcrest does not charge any additional amounts to clients who were marketed by Cedar to cover the amounts Hillcrest pays to Cedar.

Record Keeping Requirements

Hillcrest will maintain a record of written agreements and client disclosures related to this policy. See our Record Keeping Policy for more information regarding our record keeping requirements.

CUSTODY

Custody

Hillcrest does not take possession of client assets or act as custodian for any of their clients. Our clients' assets are housed in nationally recognized banks or brokerage firms, otherwise known as custodians, where the client has a contractual relationship with the custodian. Hillcrest has a limited power of attorney to place trades on the client's behalf.

Account Statements

The client will receive account statements directly from their qualified custodian. Hillcrest urges the client to compare the statement the client receives from the qualified custodian with the statement the client receives from Hillcrest. See the Review of Accounts section for more information on the types of reports you will receive from Hillcrest.

INVESTMENT DISCRETION

Discretionary Authority for Trading

Hillcrest has discretionary authority to buy and sell securities in the quantities that it deems fit without first obtaining the client's consent. Hillcrest determines which securities to buy or sell, the total number of shares to buy or sell, the broker or dealer through which the securities will be bought or sold (unless directed by the client), and the commission rates at which the transactions are executed. Any limitations or restrictions with respect to the exercise of this investment discretion will be those established by the client in writing at the commencement of the advisory relationship or thereafter.

Limited Power of Attorney

Before assuming discretionary authority, Hillcrest may require the client to execute a power of attorney. This is to confirm the appointment of Hillcrest as the investment advisor for the account with discretionary authority as agent and attorney-in-fact on behalf of the account.

It specifies that this power is within all restraints and limitations as specified in the client's account guidelines, (a) to buy, sell, exchange, convert, and otherwise trade in any security or investment of every kind and description including money market instruments as Advisor may select, and (b) to place orders for the execution of such securities or investment transactions with or through such brokers, dealers, or issuers as Advisor may select, and (c) to establish, transfer, and terminate accounts in clients name with either executing or custodial investment or financial institutions.

It is also understood that Hillcrest may deliver to any securities or investment brokerage firm executing transactions on behalf of the account a copy of power of attorney as evidence of the authority to Hillcrest to act for the account to include voting of proxies and other related shareholder activities in the client's best interest.

VOTING CLIENT SECURITIES

Proxy Voting

When requested by the client, Hillcrest will take appropriate action and/or render advice with respect to the voting of client proxy statements. Hillcrest will generally vote client proxy statements with management as we believe that to be in the best interest of our clients. Special circumstances, like mergers or acquisitions, will be reviewed on a case-by-case basis to determine what is in the best interest of our clients. If a client wishes us to vote proxies on their behalf but they would like to dictate the way they should be voted, they may provide that information in writing and Hillcrest will vote their proxies accordingly. If the client chooses to retain their proxy voting rights, that is acceptable to Hillcrest. Clients will stipulate in their management agreement with Hillcrest who will be voting proxies. For those proxies to be voted by Hillcrest, client will inform their custodian that proxies are to be sent directly to Hillcrest. In those instances where the client chooses to retain the right to vote their proxies, they will receive all proxy material directly from their custodian. Clients may request information on how Hillcrest voted their proxies by contacting Hillcrest in writing. Requests should be addressed to:

Compliance Officer
Hillcrest Asset Management
2805 Dallas Parkway
Suite 260
Plano, TX 75093

FINANCIAL INFORMATION

Financial Condition

Hillcrest does not have any financial condition which is reasonably likely to impair our ability to meet contractual commitments to clients.

PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSON**Brian R. Bruce, CEO and Chief Investment Officer**

Brian is the CEO and Chief Investment Officer of Hillcrest and oversees all business and investment activities at the firm. Before founding Hillcrest, Brian was Chief Investment Officer in charge of equity management and research at PanAgora Asset Management. Previously, Brian was President and Chief Investment Officer of InterCoast Capital and worked at State Street Global Advisors, the Northern Trust Company and Stein Roe & Farnham. Brian received his M.B.A. from the University of Chicago, an M.S. in Computer Science from DePaul University, and a B.S. in Business Administration from Illinois State University. He is a member of the Illinois State University College Business Hall of Fame. Brian is a recipient of the University of Chicago's Graduate School of Business CEO Award. He has published numerous scholarly articles and books including *Analysts, Lies, and Statistics*, which he co-authored with former Harvard Business School professor Mark Bradshaw. He is also the Editor of the *Journal of Investing* and the *Journal of Behavioral Finance*.

Douglas E. Stark, Managing Director, Portfolio Management and Research

Doug Stark is a partner at Hillcrest and focuses on the firm's research and portfolio management. Prior to Hillcrest, he was a Partner, Senior Vice President, and Director of Research at Martingale Asset Management. Prior to joining Martingale, Doug was a Senior Vice President and Portfolio Manager at InterCoast Capital Company, where he developed a stock selection strategy and created a risk management process for an active U.S. equity portfolio, an active international portfolio, and an emerging markets portfolio. Doug started his career at State Street Global Advisors in 1990, where he was a Vice President and managed international stock portfolios and active currency overlays. Doug received an M.B.A. in finance and international business from Columbia University, where he graduated with honors, and a B.S. in Business from Arizona State University. He is a CFA charterholder.

Brandon L. Troegle, Portfolio Manager/Analyst

Brandon is portfolio manager and analyst with Hillcrest, focusing on the firm's security selection. Before joining Hillcrest, Brandon was an equity analyst at Morningstar. Previously, he worked for Luther King Capital Management and Bank of America. Brandon received his M.B.A. from Southern Methodist University's Cox School of Business and his B.A. in Business Administration and History from Austin College. Brandon is a CFA charterholder, and Director of the CFA Society of Dallas-Fort Worth.

Deborah A. Trask, Chief Operating Officer

Deborah Trask is a founding partner at Hillcrest and oversees trading, operations, and compliance. Previously, she oversaw trading and operations for RPF Equity and a Senior Vice President in charge of operations for InterCoast Capital. Before joining InterCoast, she was a member of the executive committee of State Street Global Advisors responsible for operations of \$15 billion of domestic and international equities. Deborah received her M.B.A. from the University of Texas at Dallas and her B.A. in Business Administration from Northeastern University. She also serves as Managing Editor for the *Journal of Investing* and the *Journal of Behavioral Finance*.

DESCRIBE BUSINESS OTHER THAN INVESTMENT ADVICE

Hillcrest does not engage in any other business activities besides providing investment advice.



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469-666-6475 (fax)

www.hillcrestasset.com

This brochure supplement provides information about investment professionals at Hillcrest Asset Management, LLC. If you have any questions about the contents of this supplement, please contact us at 469-666-6455, or by email at dtrask@hillcrestasset.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 Hillcrest Asset Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Brochure Supplement (ADV Part 2B) Brian R. Bruce

Hillcrest Asset Management, LLC.

2805 Dallas Parkway
Suite 260
Plano, TX 75093
469-666-6455

This brochure supplement provides information about Brian Bruce that supplements Hillcrest Asset Management's brochure. You should have received a copy of that brochure. Please contact Deborah Trask at dtrask@hillcrestasset.com if you did not receive Hillcrest Asset Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Bruce is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Brian Bruce, CEO and CIO, born October 22, 1955, received his M.B.A. from the University of Chicago, M.S. in Computer Science from DePaul University, and a B.S. in Business Administration from Illinois State University. He is a member of the Illinois State University College of Business Hall of Fame and is winner of the University of Chicago Graduate School of Business CEO Award. Brian is a professor at Southern Methodist University's Cox School of Business teaching both undergraduate and MBA classes which manage over \$6 million of the SMU endowment. Brian served as Chief Investment Officer in charge of equity management and research at PanAgora Asset Management, a \$23 billion institutional manager. Prior to joining PanAgora, he was a full-time professor at Southern Methodist University and President and Chief Investment Officer of InterCoast Capital, a Dallas based subsidiary of a fortune 500 energy company. He previously worked at State Street Global Advisors, the Northern Trust Company and Stein Roe & Farnham. Brian has published numerous scholarly articles and books including *Analysts, Lies, and Statistics* which he co-authored with Harvard Business School professor Mark Bradshaw. He is also the Editor-in-Chief of Institutional Investor's Journal of Investing, Journal of Index Investing and Journal of Trading and is the Editor of the Journal of Behavioral Finance. Brian frequently appears in the media including NBC, ABC, CNBC, Wall Street Journal, Bloomberg, Washington Post, New York Times,

Associated Press, Reuters, Financial Times, and Business Week. Brian also serves on many boards of directors including The Center for Investment Research, the CM Family of Mutual Funds, and the Institute of Behavioral Finance.

Disciplinary Information

None.

Other Business Activities

He is the Editor-in-Chief of Institutional Investor's Journal of Investing, Journal of Index Investing and Journal of Trading and is the Editor of the Journal of Behavioral Finance.

Additional Compensation

Mr. Bruce does not receive any bonus that is based, all or in part, on the number or amount of sales, client referrals, or new accounts. Also, he does not receive any economic benefit from anyone who is not a client for providing advisory services.

Supervision

Mr. Bruce is the principal executive in Hillcrest's supervisory structure. Accordingly, he has direct or indirect supervisory authority over all the firm's investment advisory representatives, including himself. He can be reached at (469) 666-6455. Although Mr. Bruce does not have a direct supervisor, his activities are monitored by Hillcrest's compliance personnel and supervisory structure. In addition, Hillcrest's Oversight Committee monitors the management of client accounts.

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Brochure Supplement (ADV Part 2B) Douglas E. Stark

Hillcrest Asset Management, LLC.

2805 Dallas Parkway
Suite 260
Plano, TX 75093
469-666-6455

This brochure supplement provides information about Douglas Stark that supplements Hillcrest Asset Management's brochure. You should have received a copy of that brochure. Please contact Deborah Trask at dtrask@hillcrestasset.com if you did not receive Hillcrest Asset Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Stark is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Douglas E. Stark, Managing Director, Portfolio Management and Research born December 22, 1960, received his BA from Arizona State University and his MBA in finance and international business from Columbia University, where he graduated with honors. He is a CFA charterholder. Prior to Hillcrest, he was Partner, Senior Vice President, and Director of Research at Martingale Asset Management. Prior to joining Martingale, Mr. Stark was a Senior Vice President and Portfolio Manager at InterCoast Capital Company where he developed a stock selection strategy and created a risk management process for an active U.S. equity portfolio active international portfolio, and emerging markets portfolio. Mr. Stark started his career at State Street Global Advisors in 1990, where he was a Vice President and management international stock portfolios and active currency overlays.

Professional Designations

Mr. Stark is a CFA charterholder.

Qualification as a CFA® charterholder requires:

- A bachelor's degree from an accredited institution or equivalent education or work experience.
- Successful completion of all three exam levels of the CFA program.
- 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfillment of local society requirements, which vary by society.
- Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

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Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

Mr. Stark does not receive any bonus that is based, all or in part, on the number or amount of sales, client referrals, or new accounts. Also, he does not receive any economic benefit from anyone who is not a client for providing advisory services.

Supervision

Mr. Stark reports to Mr. Brian R. Bruce, Chief Executive Officer and Chief Investment Officer. Mr. Bruce can be reached at (469) 666-6455. Mr. Stark's activities are also monitored by Hillcrest's compliance personnel and supervisory structure. In addition, Hillcrest's Oversight Committee monitors the management of client accounts.

**Brochure Supplement
(ADV Part 2B)
Brandon L. Troegle**

Hillcrest Asset Management, LLC.
2805 Dallas Parkway
Suite 260
Plano, TX 75093
469-666-6455

This brochure supplement provides information about Brandon Troegle that supplements Hillcrest Asset Management's brochure. You should have received a copy of that brochure. Please contact Deborah Trask at dtrask@hillcrestasset.com if you did not receive Hillcrest Asset Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Troegle is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Brandon L. Troegle, Managing Director, Portfolio Management and Fundamental Analysis, born July 28, 1979, received his BA from Austin College and his MBA from Southern Methodist University. He is a CFA charterholder. Previously he worked for Luther King Capital Management and Bank of America.

Professional Designations

Mr. Troegle is a CFA charterholder.

Qualification as a CFA® charterholder requires:

- A bachelor's degree from an accredited institution or equivalent education or work experience.
- Successful completion of all three exam levels of the CFA program.
- 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfillment of local society requirements, which vary by society.
- Entry into a Member's Agreement, a Professional Conduct Statement and any additional documentation requested by CFA Institute.

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Disciplinary Information

None.

Other Business Activities

None.

Additional Compensation

Mr. Troegle does not receive any bonus that is based, all or in part, on the number or amount of sales, client referrals, or new accounts. Also, he does not receive any economic benefit from anyone who is not a client for providing advisory services.

Supervision

Mr. Troegle reports to Mr. Brian R. Bruce, Chief Executive Officer and Chief Investment Officer. Mr. Bruce can be reached at (469) 666-6455. Mr. Troegle's activities are also monitored by Hillcrest's compliance personnel and supervisory structure. In addition, Hillcrest's Oversight Committee monitors the management of accounts.
