

Hilltop Securities Asset Management, LLC

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SEC # 801-40189

CRD # 110760

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*This brochure provides information about the qualifications and business practices of Hilltop Securities Asset Management LLC.
If you have any questions about the contents of this brochure, please contact us at the phone number listed above.*

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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.

Additional information about the firm and its representatives is also available on the SEC’s website at www.adviserinfo.sec.gov

Item 2: Material Changes

The only material changes to this document were an updated AUM and Board structure..

Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

Established in 1991, Hilltop Securities Asset Management, LLC (“HSAM”), a SEC registered investment advisor, currently provides investment advisory services for \$15.6 billion in public sector client assets. The firm works closely with local and state government entities nationwide to deliver expertise across the following primary areas:

1. Investment Management Services

HSAM specializes in providing investment advice to local governmental entities. HSAM invests in corporate debt securities, commercial paper, certificates of deposit, municipal securities and U.S. Government and agency securities. Investment strategies are cash flow based and adhere to specific maturity limitations, maximum allocation percentages and credit restrictions as stated in individual client’s written investment policies. As a result, securities are generally purchased with the intention of holding until maturity. Trading authority granted to HSAM by client is non-discretionary. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing. All provisions governing HSAM’s authority are documented in the advisory agreements with Clients.

HSAM prepares monthly and/or quarterly reports for local governmental entities that comply with the local laws and Governmental Accounting Standards Board requirements. Additionally, the firm also provides monthly collateral valuation reporting, investment policy reviews and performance benchmark reporting.

Assets Under Management: As of 12/31/2020, HSAM manages \$15.6 billion for its 46 Investment Management clients.

2. Arbitrage Rebate Compliance Services

The Arbitrage Rebate Services (“ARS”) which the firm provides include the technical calculation of rebates, as well as the required public reporting. Arbitrage rebate rules require issuers to rebate to the IRS any excess interest earned on tax-exempt bond proceeds in taxable securities. The firm advises issuers on rebate exceptions and alternatives to take advantage of the exceptions. HSAM has developed a proprietary software program which provides comprehensive arbitrage calculations. Additionally, the firm assists clients with preparation for IRS audits and refund requests

3. Structured Products

HSAM provides advice regarding investments in certain structured products including, but not limited to, repurchase agreements, guaranteed investment contracts (GICs), and forward purchase/delivery agreements.

Item 5: Fees and Compensation

1. Investment Management Services

HSAM offers four types of management fee structures tailored to fit the specific needs of each client to whom HSAM provides services. All four are negotiable on a case by case basis, as highlighted below:

- Fixed annual fee, billed in monthly or quarterly increments.
- Fixed and/or sliding scale percentage fee based on the amount of assets under management, typically

assessed quarterly

- A fee based on actual transactions. The amount of this fee is based on the size and maturity of each investment as well as a contractual basis point fee schedule.
- An hourly charge, which is typically selected for specialized consulting services.

Asset-based fees for public funds are negotiated using the standard fee guideline below:

Assets Under Management

Less than \$10,000,000.	0.25%
\$10,000,000 to \$30,000,000.....	0.17%.
\$30,000,001 and \$50,000,000.....	0.12%
\$50,000,000 to \$100,000,000... ..	0.08%
Over \$100,000,000... ..	0.06%.

Clients may incur certain administrative and custodial charges imposed by their custodians and/or depository institution. Mutual funds and public fund investment pools also charge internal management fees, which are disclosed in a fund's prospectus.

2. Arbitrage Rebate Compliance Services

The firm charges a flat fee for this service. The fee is negotiable and is dependent on the amount of services provided and the length of time to deliver the service.

3. Structured Products

Structured Products charges fees in accordance with the safe harbor broker's commission rules pursuant to Treasury Regulation Section 1.148-5(e)(2)(iii)(B)(1).

Item 6: Performance-based fees and Side-by-Side Management

HSAM's advisory services do not incorporate performance fees or the offering of any additional investment services; side-by-side management does not apply to those services rendered by the firm. Side-by-side management poses a conflict to the extent that HSAM manages similar portfolios for multiple clients. This conflict is mitigated by separate and individual management of each portfolio. The portfolios are non-discretionary and subject to specific authorities and limitations of individual policies. Investment Management works with each client to determine the appropriate investment options for available cash in the portfolio. The client gives final approval on all investment choices.

Item 7: Types of Clients

HSAM provides investment advisory services predominately to local governmental entities. The firm generally requires a minimum initial account value of \$20 million from governmental clients, but makes exceptions to this general practice in certain instances.

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

Due to the unique nature of the business, HSAM first reviews estimated cash flow needs of client. The firm then reviews the client's investment policy and develops an investment strategy aimed at achieving their specific goals and objectives. The main focus in managing public funds is safety of principal while providing adequate liquidity.

The investment process is regularly reviewed to assess risk and look for strategies to improve earnings and reduce exposure.

Risk of Loss: Investing in debt securities involves a certain amount of risk of loss that clients should be prepared to bear. There is market risk, valuation risk and risks associated with concentration in particular debt securities. Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

Item 9: Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither the firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10: Other Financial Industry Activities and Affiliations

HSAM is owned by First Southwest Holdings, LLC. HSAM is affiliated with the following entities.

- Hilltop Securities Inc. ("HTS"), a dually registered BD-RIA
- Momentum Independent Network, Inc., a dually registered BD-RIA (Formerly known as Hilltop Securities Independent Network, Inc.)

HSAM maintains affiliations with other Hilltop non-financial services companies which are also owned by Hilltop Securities Holdings.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, HSAM has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth its practice of supervising the personal securities transactions of those employees who maintain access to client information.

The Code of Ethics also places restrictions on employees and serves to satisfy the firm's ethical responsibilities. In accordance with the Code of Ethics, HSAM collects and maintains records of securities holdings and transactions made by employees. The firm reviews the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest. A copy of HSAM's Code of Ethics will be provided to any client upon request.

All HSAM personnel are subject to the pre-approval of all political contributions. In approving said contributions, the firm monitors for potential conflicts with clients and prospective clients as they relate to pay-to-play rules and other issues related to contributing moneys to issuer officials.

Item 12: Brokerage Practices

HSAM will execute securities transactions for its advisory clients through unaffiliated broker-dealers of its choosing. As instructed by the client, the firm directs delivery of client securities to a HTS account used exclusively for that HSAM client. This process facilitates the delivery of securities to the client's custodian. Neither HSAM nor HTS receives additional compensation as a result of this delivery arrangement. However, for those clients utilizing transaction-based fee arrangements, HSAM will add a fully disclosed fee to the purchase cost of the security prior to delivery to the client's custodian. The amount of this fee is determined by the contractual fee schedule included in the client agreement.

As an investment adviser, HSAM has a fiduciary duty to seek best execution for client transactions. Best execution is a collective consideration of factors concerning the trade in question. Such factors include:

- the security being traded,
- the price of the trade,
- the speed of the execution,
- apparent conditions in the market;
- and the specific needs of the client.

HSAM will endeavor to select brokers or dealers that provide the best services at the most advantageous price. All trades are conducted on a competitive basis, with independent, non-affiliated brokers or dealers. At no time will trades be executed through the HTS Capital Markets Group.

Due to the nature of investing in debt securities, no soft dollar arrangements exist.

Item 13: Review of Accounts

Portfolio Managers perform regular oversight of client portfolios. The firm understands the unique objectives and constraints of investing public sector funds. Market conditions, account changes and other similar events will trigger more frequent reviews.

Clients receive monthly statements and confirmations from HTS. HSAM may provide monthly or quarterly investment reporting as arranged with the client. Clients are encouraged to contact the firm immediately with any changes to their financial situation as such changes may impact the status of their investment account(s).

Item 14: Client Referrals and Other Compensation

HSAM does not compensate others for client referrals or receive any compensation other than that earned from its advisory services.

Item 15: Custody

HSAM, does not maintain or accept custody of client funds or securities. Clients will receive account statements from their respective custodians. Clients should carefully review their statements. When clients receive account information from HSAM, clients are urged to compare their custodian's account information with the information received from HSAM and contact HSAM or their custodian with any questions or discrepancies.

Item 16: Investment Discretion

HSAM maintains non-discretionary authority over managed assets. The firm recommends types of securities and the amount to be purchased or sold. All final investment decisions must be approved by the Client. HSAM will seek competitive bids in an effort to receive the best price and execution.

Item 17: Voting Client Securities

As a general policy HSAM does not vote proxies on behalf of clients. The investments available under the appropriate state's public funds investment laws typically do not lead to proxy votes. Clients may obtain a copy of HSAM's complete proxy voting policies and procedures upon request by contacting the CCO at the phone number on page 1 of this brochure.

Item 18: Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to a client's decision in choosing an investment adviser.

As of the date of this filing, HSAM does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

FORM ADV Uniform Application for Investment Adviser Registration
Part 2B: Brochure Supplements
Investment Adviser Representatives and/or Supervised Persons: Supplemental information
Item 1: Cover Page

Brad Winges, Chairman and CEO

David Medanich, President

Joseph Michael Edge, CFO

Mike Cogliano, CCO

Scott McIntyre, CFA, Managing Director/Sr. Portfolio Manager

T. Gregory Warner, CTP, Director/Sr. Portfolio Manager

Dan Grant, VP/Portfolio Manager

Andrea Cash, AVP/Portfolio Manager

Richard Konkel

Lou Martine

Amber Galloway, Investment Analyst

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This brochure provides information about the qualifications and business practices on the following individual as a representative of Hilltop Securities Asset Management LLC. This information is provided as a supplement to the Form ADV Part 2A which has been provided for your review. Should you have any questions about this supplement, or if you have not received the Form ADV Part 2A please contact the firm immediately.

The information in this brochure supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.

Additional information about the firm and this representative is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2: Educational Background and Business Experience

Name: David Medanich, President

Year Born: 1956

Education: Texas Christian University, BBA in Finance

Licenses: Series 24, 53, 50, 54, 7, 63 and 79

Business Experience:

- 2016 to Present Hilltop Securities Inc., Vice Chairman
- 2007 to Present Hilltop Securities Asset Management, LLC, President
- 1981 to 2016 First Southwest Company, Registered Representative.

Item 3: Disciplinary Information

Mr. Medanich does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Medanich does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

Mike Cogliano serves as supervisor of Mr. Medanich. Mr. Cogliano can be reached at the offices of HSAM listed on the cover page of this brochure

Item 2: Educational Background and Business Experience

Name: Joseph Michael Edge, Chief Financial Officer

Year Born: 1976

Education: Texas A&M University, BBA – Finance
Southern Methodist University, MBA

Licenses: Series 7, 27, 79, and 99

Business Experience:

- 2000 to Present Hilltop Securities Inc., CFO,
- 2015 to Present Momentum Independent Network Inc., Director

Item 3: Disciplinary Information

Mr. Edge does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Edge does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

Mike Cogliano serves as supervisor of Mr. Edge. Mr. Cogliano can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: Mike Cogliano, Chief Compliance Officer

Year Born: 1968

Education: Southern New Hampshire University

Licenses: Series 3, 4, 6, 7, 14, 24, 53, 63, and 66

Business Experience:

- 2000 to present Hilltop Securities Inc., CCO
- 2007 to present Momentum Independent Network Inc., CCO
- 2018 to present Hilltop Securities Asset Management LLC, CCO
- 2018 to 2019 FSW Advisory Services, Inc., CCO
- 1997 to 2000 HD Vest Investment Securities, Operations Supervisor
- 1993 to 1997 PFS Investments, Registered Representative

Item 3: Disciplinary Information

Mr. Cogliano does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Cogliano does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

Mike Cogliano serves as Chief Compliance Officer for HSAM. Mr. Cogliano can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: Scott McIntyre, CFA, Managing Director / Sr. Portfolio Manager

Year Born: 1962

Education: Southwest Texas State University, BS in Business Management

Licenses: Series 7, 24, 63 and 65

Business Experience:

- 2016 to Present Hilltop Securities Inc., Managing Director, Sr. Portfolio Manager
- 1998 to Present Hilltop Securities Asset Management, LLC., Managing Director Sr. Portfolio Manager,
- 1998 to 2016 First Southwest Company, Registered Representative,
- 1994-1998 Patterson & Associates, VP / Sr. Portfolio Manager,
- 1989-1994 Texas State Treasury, Senior Investment Officer.

Item 3: Disciplinary Information

Mr. McIntyre does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. McIntyre does not engage in any other business other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

David Medanich serves as supervisor of Mr. McIntyre. Mr. Medanich can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: T. Gregory Warner, CTP, Director / Sr. Portfolio Manager

Year Born: 1966

Education: University of Texas at Austin, BBA in Finance

Licenses: Series 7, 63 and 65

Business Experience:

- 2016 to Present Hilltop Securities Inc., Director, Sr. Portfolio Manager
- 1998 to Present Hilltop Securities Asset Management, LLC., Director, Sr. Portfolio Manager,
- 1998 to 2016 First Southwest, Registered Representative,
- 1997-1998 Guaranty Federal Bank, Treasury Analyst,
- 1991-1997 Norwest Bank of Texas (Franklin Federal Bancorp)
Assistant Vice President and Treasury Officer.

Item 3: Disciplinary Information

Mr. Warner does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Warner does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

Scott McIntyre serves as supervisor of Mr. Warner. Mr. McIntyre can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: Dan Grant, VP / Portfolio Manager

Year Born: 1967

Education: Bentley College, BS Finance

Licenses: Series 4, 7, 55, 63, and 66

Business Experience:

- 2016 to Present Hilltop Securities Inc., VP, Portfolio Manager
- 2011 to Present Hilltop Securities Asset Management, LLC., VP, Portfolio Manager,
- 2011 to 2016 First Southwest, Registered Representative,
- 1994 to 2011 Fidelity Investments, Vice President.

Item 3: Disciplinary Information

Mr. Grant does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Grant does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

Scott McIntyre serves as supervisor of Mr. Grant. Mr. McIntyre can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: Andrea Cash, AVP / Portfolio Manager

Year Born: 1966

Education: University of Washington, BA Sociology 1988

Licenses: Series 7, 52 and 66

Business Experience:

- 2016 to Present Hilltop Securities Inc., AVP, Portfolio Manager
- 2015 to Present Hilltop Securities Asset Management, LLC, AVP, Portfolio Manager,
- 2013 to 2015 Hilltop Securities Asset Management, LLC, Trading Assistant
- 2013 to 2016 First Southwest Company, Registered Representative,
- 2006 to 2013 Bullock Texas State History Museum, Membership Development
- 1992 to 2002 The Portico Group, Marketing Manager.

Item 3: Disciplinary Information

Ms. Cash does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Ms. Cash does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

Scott McIntyre serves as supervisor of Ms. Cash. Mr. McIntyre can be reached at the offices of HSAM listed on the cover page of this brochure

Item 2: Educational Background and Business Experience

Name: Richard Konkel

Year Born: 1970

Education: Florida State University, BS in Applied Mathematics
Rollins College, MBA

Licenses: Series 3, 7, 24, 50, 53, 54, 63, 65 and 79

Business Experience:

- July 2019 to Present Hilltop Securities, Inc., Managing Director, Debt Capital Markets Structuring
- Nov. 2018 to July 2019 Hilltop Securities, Inc., Managing Director, Head of Structured Products
- 2007 to Present Hilltop Securities, Inc., Registered Representative
- 2006 to 2007 Stifel, Nicolaus & Company, Inc., Registered Representative
- 1998 to 2006 M2 Systems Incorporated, Solutions Architect

Item 3: Disciplinary Information

Mr. Konkel does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Konkel does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time.

Item 6: Supervision

David Medanich serves as supervisor of Mr. Konkel. Mr. Medanich can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: Louis G. Martine

Year Born: 1964

Education: J.L. Kellogg Graduate School of Management, Northwestern University
Master of Management degree (MBA), with distinction

Northwestern University School of Law
Juris Doctor degree

University of Notre Dame, Notre Dame, IN
Bachelor of Business Administration degree *summa cum laude*

Licenses: Series 7, 63 and 66

Business Experience:

- October 2019 – Present Hilltop Securities, Inc., Vice President
- October 2019 – Present Hilltop Securities Asset Management, LLC
- 2010 – 2018 U.S. Bancorp Asset Management Inc., Sr. Managing Director
- 2005 – 2010 U.S. Bancorp Asset Management Inc., Managing Director
- 2001 – 2005 Piper Jaffray & Co., Managing Director
- 1998 – 2001 Piper Jaffray & Co., Vice President/Associate
- 1992 – 1998 Barnes & Thornburg, Attorney
- 1986 – 1988 Chemical Bank, Credit Analyst

Item 3: Disciplinary Information

Mr. Martine does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Martine does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time

Item 6: Supervision

David Medanich serves as supervisor of Mr. Martine. Mr. Medanich can be reached at the offices of HSAM listed on the cover page of this brochure.

Item 2: Educational Background and Business Experience

Name: Amber Galloway, Investment Analyst

Year Born: 1992

Education: Texas State University, BBA Finance

Licenses: Series 7 and 66

Business Experience:

- 2019 - Present Hilltop Securities Inc., Investment Analyst
- 2018 - 2019 Pioneer Bank SSB, Commercial Underwriter

Item 3: Disciplinary Information

Ms. Galloway does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Ms. Galloway does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time

Item 6: Supervision

Scott McIntyre serves as supervisor of Mr. Grant. Mr. McIntyre can be reached at the offices of HSAM listed on the cover page of this brochure.

Educational Background and Business Experience

Name: Brad Winges

Year Born: 1967

Education: University of Wisconsin-Madison, BS in Economics

Licenses: Series 3, 7, 9, 10, 24, 27, 53 and 63

Business Experience:

- Since Feb 2019 Hilltop Securities Inc., President and CEO
- Since March 2021 Hilltop Securities Asset Management, LLC, Chairman and CEO
- Since Feb 2019 Momentum Independent Network, Inc., CEO
- 1991 to 2019 Piper Jaffray & Co., Sr. Executive Managing Director
- 2010 to 2011 Piper Jaffray Investment Management LLC
- 1989 to 1991 Juran & Moody, Inc.

Item 3: Disciplinary Information

Mr. Winges does not have any legal, civil, criminal, regulatory, or disciplinary history to report at this time.

Item 4 and 5: Other Business Activity and Additional Compensation

Mr. Winges does not engage in any other business activity other than highlighted in Item 2 nor receives any additional compensation at this time

Item 6: Supervision

Mike Cogliano serves as supervisor of Mr. Winges. Mr. Cogliano can be reached at the offices of HSAM listed on the cover page of this brochure.