



HILL INVESTMENT GROUP

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## *Disclosure Brochure*

### *Item 1 – Cover Page*

This Brochure provides information about the qualifications and business practices of Hill Investment Group Partners, LLC (“HIG”). If you have any questions about the contents of this Brochure, please contact us at (314) 448-4023. 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.

HIG is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an Advisor provide you with information through which you can determine to hire or retain an Advisor.

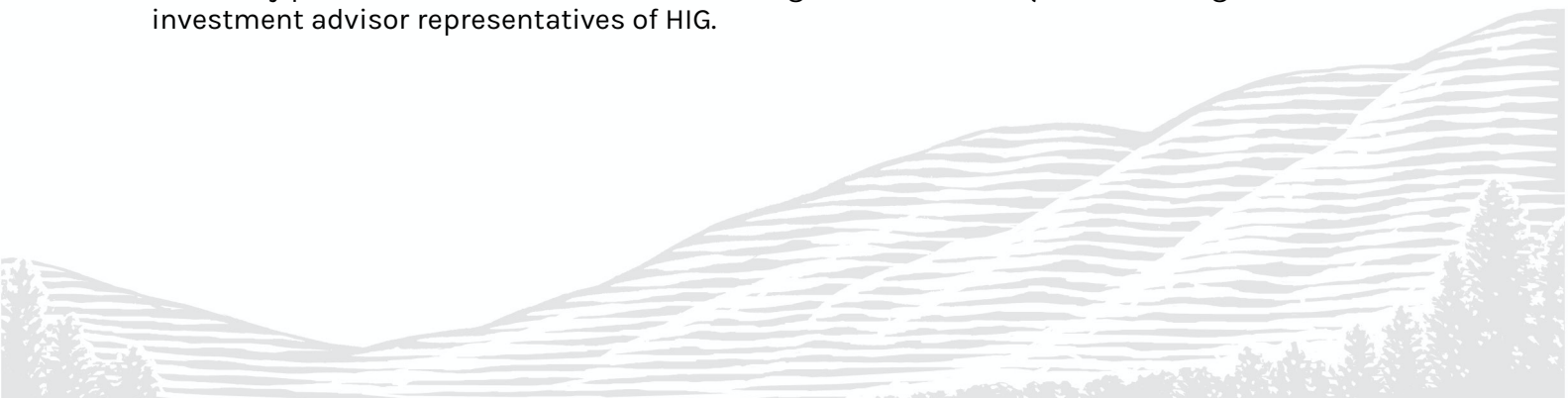
HIG provides investment advisory services under the Hill Investment Group name, as well as under the Hillfolio and Hilltop Family Office names. Hillfolio and Hilltop Family Office are each a DBA (“doing business as”) of HIG.

### *Locations and Contact Information*

*Saint Louis Office*  
7701 Forsyth Blvd.  
Suite 350  
Saint Louis, MO 63105  
HillInvestmentGroup.com  
tel 314 448 4023  
tel 855 414 5500

*Houston Office*  
2001 Kirby Drive  
Suite 750  
Houston, TX 77019  
HillInvestmentGroup.com  
tel 713 533 1200  
tel 855 414 5500

Additional information about HIG is also available via the SEC’s web site [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for HIG is 312052. The SEC’s web site also provides information about any persons affiliated with HIG who are registered, or are required to be registered, as investment advisor representatives of HIG.





## *Item 2 - Material Changes*

This Item of the Brochure will discuss only specific material changes that are made to the Brochure since our last annual update and provide clients with a summary of such changes.

Our RAUM has been updated to \$619,883,397.

HIG offers clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions (“FCS”). FCS does not receive any compensation from such third-party institutions from serving our clients. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

**Date of Brochure: March 18, 2021**

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, you may request our brochure by contacting Nell Schiffer at (314) 448-4023.



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## Item 4 – Advisory Business

Hill Investment Group Partners, LLC (“HIG”) acquired the advisory business of Hill Investment Group, LLC who has been providing advisory services since 2005. HIG serves four main client segments: Hillfolio, Hill, Hilltop, and Hill Institutional. Some of the segments are referred to specifically below. Where HIG is used, the information applies to all segments. As of March 2021, HIG manages \$619,883,397 on a discretionary basis.

HIG is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, HIG is a wholly owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. (“Focus Inc.”) is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc. As of June 30, 2021, investment vehicles affiliated with Stone Point Capital, LLC (“Stone Point”) had an approximately 22% voting interest in Focus Inc. and Stone Point had the right to designate two of eight directors on the Focus Inc. Board.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

HIG offers clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions (“FCS”). FCS does not receive any compensation from such third-party institutions from serving our clients. Further information on this conflict of interest is available in Item 10 of this Brochure.

HIG is managed by Matt Hall, John Reagan, Nell Schiffer and PJ McDaniel (“HIG Principals”), pursuant to a management agreement between HRSM Partners, LLC and HIG. The HIG Principals serve as officers of HIG and are responsible for the management, supervision and oversight of HIG.

### *Investment Management and Financial Planning Services: Hill, Hilltop*

HIG determines, with the client, his or her investment objectives and investor risk profile. HIG designs a written investment policy statement based on the client’s investing objectives and risk tolerance. HIG uses investment and portfolio allocation software to evaluate alternative portfolio designs. HIG evaluates the client’s existing investments with respect to the client’s investment policy statement. HIG works with new clients to develop a plan to transition from the



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client's existing portfolio to the portfolio recommended by HIG. HIG continuously monitors the client's portfolio holdings and overall asset allocation strategy and holds regular review meetings with the client regarding the account as necessary.

HIG typically creates a portfolio of no-load mutual funds and may use model portfolios if the models match the client's investment policy. HIG allocates the client's assets among various investments taking into consideration the client's overall risk profile. HIG primarily recommends portfolios consisting of mutual funds offered by Dimensional Fund Advisors (DFA), Vanguard, Bridgeway, and AQR. HIG's recommended mutual funds follow a passive asset class investment philosophy with low holdings turnover. Although purchasing individual equity securities is never a part of our recommended investment strategy, client portfolios may include individual equity securities with significant unrealized capital gains, or held for sentimental purposes. HIG manages mutual fund and equity portfolios on a discretionary basis.

HIG may also recommend fixed income securities to advisory clients, which consist of managed accounts of individual bonds. HIG requests discretionary authority from advisory clients to manage equity and fixed income portfolios, including the discretion to retain a third-party fixed income sub-advisor.

#### *Investment Management and Financial Planning Services: Hillfolio*

HIG provides portfolio management services for some of its clients through a service line branded as Hillfolio. Hillfolio is registered as a DBA (doing business as) for HIG.

Hillfolio uses the Institutional Intelligent Portfolios® platform, an automated, online investment management platform for use by independent investment advisors offered by Schwab Performance Technologies, (an affiliate of Charles Schwab & Co., "Schwab"). Schwab is a FINRA member broker dealer. HIG contracts Schwab for the technology platform, related trading and account management services for Hillfolio.

Hillfolio client portfolios are held in a brokerage account opened by the client at Schwab. The platform includes automated rebalancing and tax-loss harvesting (if the client is eligible and elects). Specific disclosures related to Hillfolio are described in the Hillfolio Full Disclosure, available on the Hillfolio website. Schwab's role with Hillfolio client care is limited to delivering the Disclosure Brochure and ensuring the platform operates as described. Clients do not pay brokerage commissions or any other fees to Schwab as part of Hillfolio. Hillfolio is independent of and not owned by, affiliated with, or sponsored or supervised Schwab.

Hillfolio, and not Schwab, are the client's investment advisor and primary point of contact. Hillfolio uses either an online questionnaire or client interview to determine the client's investment objectives and investor risk profile, selecting an appropriate investment strategy and portfolio.

Hillfolio allocates the client's assets among various investments taking into consideration the overall risk profile of client, occasionally employing the use of model portfolios. Hillfolio



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primarily recommends portfolios consisting of cash and no-load mutual funds. Hillfolio primarily recommends portfolios consisting of mutual funds or ETFs offered by Dimensional Fund Advisors (DFA), Vanguard, Bridgeway, and AQR. Hillfolio's recommended funds follow a passive asset class investment philosophy with low holdings turnover.

Hillfolio charges clients a fee for our services as described below under Item 5 Fees and Compensation. Clients do not pay brokerage commissions or any other fees to Schwab as part of Hillfolio. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, SSB, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds®; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace®; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution.

#### *Investment Management Services: Hill Institutional*

HIG provides advisory services to trusts, institutions, and participant-directed employee retirement benefit plans through a service line branded Hill Institutional. HIG analyzes the plan's current investment platform and assists the plan in creating an investment policy statement, which defines the investment offering and restrictions that may be imposed. HIG recommends investment options to achieve the plan's objectives, provides sponsor education, and monitors the performance of the plan's investment vehicles. HIG recommends changes in the plan's investments vehicles and investment policy as needed.

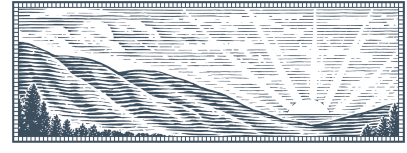
## *Item 5 - Fees and Compensation*

### *Asset Management Fees*

The table below details the investment management fee schedule for Hillfolio, Hill, and Hilltop.

	From	To	%
\$	-	\$ 5,000,000	0.85
\$	5,000,000	\$ 10,000,000	0.75
\$	10,000,000	\$ 50,000,000	0.55
\$	50,000,000	\$ 100,000,000	0.45
\$	100,000,000	+	0.35

The minimum annual fee is \$1,700 per year for Hillfolio, \$17,000 per year for Hill. Certain legacy clients pay fees that are lower than the posted fee schedule. Our fees are potentially negotiable from the maximum rates and annual fees set forth above. Our fees vary depending upon various objective and subjective factors, including, but not limited to, the amount of assets to be



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managed, account composition, the scope and complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, and anticipated future additional assets. As a result of these factors, clients with similar assets under management could pay different fees.

### *Planning Fees*

Fees for Hillfolio and Hill planning services are included in the asset management fee. Hilltop planning services are offered by invitation only based on a client's complexity. The fee for Hilltop planning services is charged in addition to asset management fees, and ranges from \$10,000 to \$50,000 per quarter. The fee is collected quarterly, in advance, and reassessed annually.

### *Hill Institutional*

The annual fee for institutional asset management services will be .50%, or 50 BPS, of assets under management. The minimum annual fee for Hill Institutional is \$5,000. Clients are invoiced quarterly, in arrears.

### *Additional Information: Hillfolio*

Hillfolio clients are invoiced in advance at the beginning of each calendar month based upon the average daily balance of the client's account at the end of the previous month.

HIG will request authority from the client to receive monthly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to HIG withdraw fees from the account.

All fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of an advisory client's funds. A client agreement may be canceled at any time, by either party, for any reason with 30 days written notice. 30 days after written notice will be considered the official termination date. Upon termination of any account, prepaid, unearned fees can be promptly refunded *pro rata*.

All fees paid to HIG for investment advisory services are separate and distinct from the fees and expenses charged by ETFs and mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in ETFs or mutual funds directly, without the services of HIG. In that case, the client would not receive the services provided by HIG which are designed, among other things, to assist the client in determining which ETFs or mutual funds are most appropriate to each client's financial condition and objectives. DFA, Bridgeway, and AQR funds also may not be available to the client directly. Accordingly, the client should review both the fees charged by the funds and the fees charged by





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HIG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

As described in Item 4 Advisory Business, clients do not pay fees or brokerage commissions or to Schwab as part of Hillfolio. Schwab receives other revenue in connection with Hillfolio, as described in this Disclosure Brochure. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

#### *Additional Information: Hill, Hilltop*

Clients are invoiced in advance at the beginning of each calendar quarter based upon the value of the client's account at the end of the previous quarter. Market value is based on independent third-party sources. Client account balances on which HIG calculates fees may vary slightly from custodial statements due to slight differences in accrued interest calculations between the custodian and the account reporting software.

HIG will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to HIG withdraw fees from the account.

All fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of an advisory client's funds. A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. 30 days after written notice will be considered the official termination date. Upon termination of any account, prepaid, unearned fees can be promptly refunded *pro rata*.

All fees paid to HIG for investment advisory services are separate and distinct from the fees and expenses charged by ETFs and mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in ETFs or mutual funds directly, without the services of HIG. In that case, the client would not receive the services provided by HIG which are designed, among other things, to assist the client in determining which ETFs or mutual funds are most appropriate to each client's financial condition and objectives. DFA, Bridgeway, and AQR funds also may not be available to the client directly. Accordingly, the client should review both the fees charged by the funds and the fees charged by HIG to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

HIG's fees are exclusive of brokerage commissions and transaction fees. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to HIG's fee. HIG and its





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supervised persons do not receive any portion of these commissions, fees or costs and are not compensated for the sale of securities.

#### *Focus Client Solutions*

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions (“FCS”). FCS does not receive any compensation from such third-party institutions from serving our clients. Further information on this conflict of interest is available in Item 10 of this Brochure.

### *Item 6 – Performance-Based Fees and Side-By-Side Management*

HIG does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of any portion of the funds of an advisory client.

### *Item 7 – Types of Clients*

HIG manages investment portfolios for individuals, families, qualified retirement plans, trusts, and small businesses.

HIG generally requires a minimum account of \$200,000 for Hillfolio investment management and financial planning services, and a minimum fee of \$1,700. The minimum account balance to enroll in tax-loss harvesting feature is \$50,000.

HIG generally requires a minimum account of \$2,000,000 for Hill investment management and financial planning services, and a minimum fee of \$17,000.

HIG offers Hilltop services by invitation only based on a client’s complexity. The fee for Hilltop advanced planning services ranges from \$10,000 to \$50,000 per quarter and is charged in addition to asset management fees. The advanced planning fee may be waived depending on investment management assets. The fee is collected quarterly, in advance, reassessed annually.

HIG generally requires a minimum annual fee for Hill Institutional of \$5,000, which includes investment management and financial planning services.

### *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*

#### *Methods of Analysis and Investment Strategy*

HIG's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. HIG's investment approach is firmly rooted in the belief that markets



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are "efficient" over long periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. HIG recommends diversified portfolios, principally through the use of passively managed, asset-class mutual funds and/or ETFs. HIG selects or recommends portfolios of securities, principally broadly traded open end mutual funds, ETFs, or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, HIG's investment advice seeks to limit risk through broad diversification among asset classes. HIG's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that HIG's strategy seeks to minimize.

In the implementation of investment plans, HIG primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. HIG may also use ETFs to represent a market sector.

HIG's strategies do not use securities that we believe classify as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage costs and taxes.

Clients may hold or retain securities that are not recommended by HIG in the accounts where HIG has discretion. If securities in the client's account are held at the instruction of the client and are not acquired or maintained according to HIG's recommendation, the client acknowledges that HIG has not reviewed, investigated or examined these non-recommended securities, and that HIG hereby disclaims any responsibility for the client's investment decisions with respect to these securities. HIG can incorporate and manage non-recommended securities or assets as a part of the client's overall portfolio and risk profile as part of its services. HIG is compensated for advice regarding such assets through its standard fee schedule.

HIG receives supporting research from third parties, including experts affiliated with DFA, Vanguard, AQR, Schwab, Bridgeway, among others. HIG uses funds offered by DFA, Vanguard, AQR, Schwab, Bridgeway, and others in client portfolios. These funds follow a passive asset class investment philosophy with low holdings turnover. DFA, Vanguard, AQR, Schwab, and Bridgeway provide historical market analysis, risk/return analysis, and continuing education to HIG.

### *Analysis of a Client's Financial Situation*

In developing investment plans for clients, including the recommendation of an appropriate asset allocation, HIG relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, HIG may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis



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- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- The risk that tax rates will be higher than was assumed in the analysis

### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.** All investments present the risk of loss of principal—the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even if the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs used by HIG may include domestic and international equities, real estate investment trusts (REITs), corporate and government fixed income securities, and commodities. Equity securities may include large, medium and small capitalization stocks. Mutual funds and ETFs invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in HIG's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, and emerging markets funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds used by HIG may contain international securities. Investing outside the United States involves risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries. More information about the risks of any particular market sector can be reviewed in the respective mutual fund prospectus.

### *Cybersecurity*

The computer systems, networks and devices used by HIG and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and e processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the



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inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

## *Item 9 – Disciplinary Information*

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of HIG or the integrity of HIG's management. HIG has no information applicable to this Item.

## *Item 10 – Other Financial Industry Activities and Affiliations*

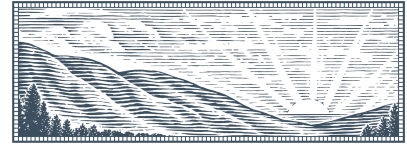
### *Focus Financial Partners*

As noted above in response to Item 4, certain investment vehicles managed by Stone Point are principal owners of Focus LLC and Focus Inc. Because HIG is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., the Stone Point investment vehicles are indirect owners of HIG. None of Stone Point or any of its affiliates participates in the management or investment recommendations of our business.

### *Focus Client Solutions*

HIG offers clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions with the assistance of our affiliate, Focus Client Solutions (“FCS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. These third-party financial institutions are banks and non-banks (the “Network Institutions”) that offer credit and cash management solutions to our clients. Certain other unaffiliated third parties provide administrative and settlement services to facilitate FCS's cash management solutions. FCS acts as an intermediary to facilitate our clients' access to these credit and cash management solutions.

FCS receives a portion of the revenue earned by the Network Institutions from providing services to the clients of some of our affiliates. Such fees are also revenue for our common parent company, Focus Financial Partners, LLC. Although FCS does not receive any compensation from Network Institutions from serving our clients, the volume generated by our clients' transactions benefits FCS and Focus in attracting, retaining, and negotiating with Network Institutions. Accordingly, for those reasons, HIG has a conflict of interest when recommending FCS's services to clients. HIG mitigates this conflict by: (1) fully and fairly disclosing the material facts



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concerning the above arrangements to our clients, including in this Brochure; and (2) offering FCS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, HIG notes that clients who use FCS's services will receive robust product-specific disclosure from the Network Institutions and other unaffiliated third-party intermediaries that provide services to our clients.

HIG has an additional conflict of interest when we recommend FCS to provide credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidating some or all of the assets we manage.

#### *FCS Credit Solutions*

For FCS credit solutions, the interest rate of the loan is ultimately dictated by the lender, although in some circumstances FCS may have the ability to influence the lender to lower the interest rate of the loan within certain parameters. The final rate may be higher or lower than the prevailing market rate. HIG can offer no assurances that the rates offered to you by the lender are the lowest possible rates available in the marketplace.

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients' custodians. While the FCS program facilitates secured loans through Network Institutions, clients are free instead to work directly with institutions outside the FCS program. Because of the limited number of participating Network Institutions and FCS's financial arrangements with those institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A Network Institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The Network Institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the Network Institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.



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### *FCS Cash Management Solutions*

For FCS cash management solutions, as stated above, certain third-party intermediaries provide administrative and settlement services in connection with the program. Those intermediaries each charge a fixed basis point fee on total deposits in the program. Before any interest is paid into client accounts, the Network Institutions and certain unaffiliated third-party service providers take their fees out, and the net interest is then credited to clients' accounts. Engaging FCS, the Network Institutions, and these other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes.

Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the Network Institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in the FCS cash management program if the client prefers to hold cash at the Network Institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

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

HIG has adopted a Code of Ethics for all supervised persons of the firm, which emphasizes the firm's commitment to ethical conduct. HIG's Code of Ethics describes the firm's standard of business conduct, fiduciary duties and responsibilities to clients. The Code of Ethics sets forth HIG's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with HIG may buy or sell securities for their personal accounts identical to, and/or different from those recommended to clients. It is the expressed policy of HIG that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, HIG requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and transaction reports to the firm's principal. HIG also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

HIG's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. HIG requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.





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It is HIG's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Adviser will also not cross trades between client accounts.

HIG will provide a complete copy of its Code of Ethics to any client or prospective client upon request. To request a copy, please contact Nell Schiffer at (314) 448-4023.

## *Item 12 – Brokerage Practices*

### *Investment Management Services: Hillfolio, Hill, Hilltop*

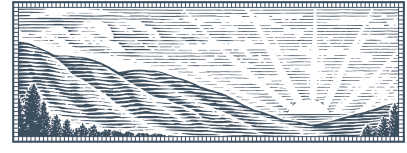
HIG participates in the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. ("Schwab"). Through Schwab Advisor Services, Schwab provides HIG and our clients with institutional brokerage services, trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab is a FINRA member broker dealer. HIG receives benefits that it would not receive if it did not offer investment advice and use Schwab as a custodian.

As discussed in Item 4, HIG contracts Schwab for the technology platform and related trading and account management services for Hillfolio. Clients do not pay brokerage commissions or any other fees to Schwab as part of Hillfolio.

The Schwab brokerage program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions, though HIG does have brokerage relationships with other custodians. HIG regularly reviews these programs to ensure that HIG's recommendations are consistent with its fiduciary duty to achieve best execution. These trading platforms are essential to HIG's service arrangements and capabilities. As part of these programs,

HIG recommends the use of fixed income funds for most clients. HIG exercises authority to arrange client transactions in fixed income securities. HIG has the ability to purchase individual fixed income securities when it is best for the client. HIG has established a prime brokerage account relationship with Schwab through which it may purchase fixed income products directly from third parties and maintain custody at Schwab. In this situation, HIG will seek to select those brokers or dealers that will provide the best services at the lowest transaction costs possible. The reasonableness of brokerage costs, commissions and markup/mark downs is based on the broker dealer's ability to provide professional services, competitive execution, and other services that will help HIG in providing investment management services to clients. Client trades in fixed income securities may be aggregated with trades for other advisory clients to achieve better pricing and commission costs. All trades, including for fixed income, are allocated in the best interest of the client as set forth in HIG's policy and procedures manual. Where there is a limited supply of a security, HIG will allocate investment opportunities among its clients in a fair and reasonable manner.





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Clients may provide this authority to a third-party fixed income sub-advisor retained by HIG on the client's behalf by designating the fixed income sub-advisor with trading authority over the client's brokerage account. HIG will provide clients with the Disclosure Brochure (Form ADV Part 2) of the fixed income sub-advisor used.

Schwab does not charge clients a custody fee and is not compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the broker. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker.

HIG generally does not aggregate any client transactions for mutual funds or ETFs. Client accounts are individually reviewed and managed, and, in almost all circumstances, transaction costs are not saved by aggregating orders in which HIG arranges transactions.

HIG does not have any arrangements to compensate any broker dealer for client referrals. HIG does not have any soft dollar arrangements.

HIG may also recommend no-load annuity products and other specialty products, for which HIG receives no commission or other sales-related compensation.

When trading client accounts, errors may periodically occur. HIG does not retain any client trade error gains. HIG makes clients whole with respect to any trade error losses incurred by the client and caused by HIG.

### *Hill Institutional*

HIG does not arrange for the execution of securities transactions for plans as a part of this service. Transactions are executed directly through employee plan participation. Assets are custodied at Ascensus Trust.

## **Item 13 – Review of Accounts**

### *Hillfolio, Hill, Hilltop*

Account assets are supervised continuously and reviewed periodically by the trading team and lead advisors, but not less than quarterly. The review process contains each of the following elements:

- assessing client goals and objectives;
- evaluating the employed strategy(ies);
- monitoring the portfolio(s); and
- addressing the need to rebalance.

Additional non-periodic account reviews may be triggered by any of the following events:



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- a specific client request;
- a change in client goals and objectives;
- tax loss harvesting opportunities;
- an imbalance in a portfolio asset allocation; and
- market/economic conditions.

For Hill and Hilltop fixed income portfolios, certain account review responsibilities may be delegated to a third-party fixed income sub-advisor as described earlier in this document.

Hill and Hilltop clients will receive quarterly performance reports that summarize the client's account and asset allocation. Hillfolio, Hill, and Hilltop clients also receive monthly or quarterly statements from their account custodian, which will outline the client's current positions and current market value.

#### *Hill Institutional*

Plan assets are reviewed periodically by the trading team and lead advisors, but not less than quarterly, according to the standards and situations described above for investment management accounts.

Hill Institutional accounts receive monthly or quarterly statements from their plan administrator. HIG may provide additional reports and recommendations to plan sponsors based on its review of plan asset performance or specific client requests.

### *Item 14 – Client Referrals and Other Compensation*

As indicated under the disclosure for Item 12, Schwab provides HIG with access to services generally available only to institutional investors. The services include brokerage, custody, research, and access to mutual funds and other investments that otherwise would require a significantly higher minimum initial investment.

HIG is exempt from paying fees for these services with Schwab because at least \$10 million of client assets are held at Schwab.

These services benefit HIG but may not benefit its clients' accounts. Many of the products and services assist HIG in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of HIG's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services are used to service all or a substantial number of HIG's accounts.



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Mutual fund companies and custodians; including DFA, AQR, Bridgeway, Vanguard and Schwab; provide continuing education for HIG personnel. Schwab may also make available to HIG other services intended to help HIG manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

These services are designed to assist HIG plan and design its services for clients. These companies may occasionally pay for HIG employees' continuing education which may include conference admission, airfare, or hotel accommodations.

Clients should be aware that economic benefits from a custodian or mutual fund company create a potential conflict of interest, as these benefits may influence HIG's recommendation of this custodian or mutual fund company over one that does not furnish similar services. HIG attempts to mitigate this potential conflict by performing regular reviews of the services provided by custodians and mutual fund companies, and by ensuring that clients are receiving the best possible value.

HIG does not enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers.

DFA, through its web-based service, may provide referrals of investor clients to HIG. DFA makes such referrals to many investment advisors based upon the geographic location of the prospective client and minimum AUM levels. DFA is not compensated for these referrals by HIG. DFA does not provide any other referral help to HIG.

HIG has arrangements in place with certain third party solicitors whereby we compensate them for referring clients to us. Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending the adviser receives an economic benefit for doing so. The Advisers Act addresses this conflict of interest by requiring disclosures related to the referral, including a description of the material terms of the compensation arrangement with the solicitor.

We pay third-party solicitors a percentage of the advisory fees we receive from referred clients. We require third party solicitors who introduce potential clients to us to provide the potential client, at the time of the solicitation, with a copy of this disclosure brochure and a copy of a disclosure statement which explains that the solicitor will be compensated for the referral and contains the terms and conditions of the solicitation arrangement, including the percentage of the advisory fees or other compensation the solicitor is to receive.

HIG's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best practices conferences, which typically include HIG, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including HIG. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to



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advertise their products and services to Focus firms, including HIG. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause HIG to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including HIG. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

No entities have provided conference sponsorship in the last year.

## *Item 15 – Custody*

We are deemed to have custody of a client's assets if the client authorizes us to deduct our advisory fees directly from the client's account and/or to perform third-party transfers. This is the case for accounts in enrolled in Hillfolio, Hill, and Hilltop. Schwab, JP Morgan, Vanguard, Missouri MOST, or Utah 529 maintain actual custody of clients' assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. HIG urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## *Item 16 – Investment Discretion*

Investment management clients are requested to provide HIG with written authority to determine which securities, and the amounts of securities, that are bought or sold. Any reasonable limitations on discretionary authority shall be included in the client's advisory agreement or added as an addendum. Clients may change or amend these limitations at any time. Such amendments shall be submitted in writing. HIG reserves the right, in its sole discretion, to reject any such restrictions.

## *Item 17 – Voting Client Securities*

### *Hill, Hilltop*

Upon request, HIG will accept the authority to vote proxies on behalf of clients. HIG's voting of proxies will be consistent with the investor's stated goals. Clients may obtain a copy of the firm's complete proxy voting policies and procedures upon written request to HIG. HIG maintains records of proxy voting materials and voting activity and clients may request, in writing, information on how proxies have been voted.



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Clients should note that HIG will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements or bankruptcies. If desired, clients may direct HIG to transmit copies of class action notices to the client or a third party. Upon such direction, HIG will make commercially reasonable efforts to forward such notices in a timely manner.

A copy of HIG's proxy voting policy will be provided upon receipt of a written request. Such requests may be sent to:

Chief Compliance Officer  
Hill Investment Group Partners, LLC  
7701 Forsyth Blvd.  
Suite 350  
Saint Louis, MO 63105

### *Hillfolio*

Clients enrolled in Hillfolio designate Schwab to vote proxies for the funds held in their accounts. Additional information about this arrangement is available in the Hillfolio Disclosure Brochure.

## *Item 18 – Financial Information*

HIG does not require the prepayment of fees of \$1,200 or more, six months or more in advance, and as such is not required to file a balance sheet. HIG has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.