

## **Firm Brochure**

(Part 2A of Form ADV)

**HMS Financial Services, LLC**  
**10 Calendar Ct., Suite 200**  
**PO Box 6965, Columbia, SC 29260**  
**PHONE (803)790-6113**  
**FAX (803)787-9180**  
**HMSFS.com**  
**Scot@HMSFS.com**

This brochure provides information about the qualifications and business practices of HMS FINANCIAL SERVICES, LLC. If you have any questions about the contents of this brochure, please contact us at: (803)790-6113, or by email at: Scot@HMSLFS.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 HMS FINANCIAL SERVICES, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration does not imply a particular level of expertise or competency.

March 30, 2020

## **Material Changes**

---

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

---

### **Material Changes since the Last Update**

As of March 30, 2021, the Firm applied for SEC Registration.

---

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (803)790-6113 or by email at: Scot@HMSFS.com.

# Table of Contents

<b>Material Changes.....</b>	<b>i</b>
Annual Update .....	i
Material Changes since the Last Update .....	i
Full Brochure Available .....	i
<b>Advisory Business .....</b>	<b>1</b>
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships .....	2
Types of Agreements.....	2
Advisory Service Agreement.....	2
Asset Management .....	3
Termination of Agreement .....	3
<b>Fees and Compensation.....</b>	<b>3</b>
Description .....	3
Fee Billing .....	4
Other Fees.....	4
Expense Ratios.....	4
Past Due Accounts and Termination of Agreement .....	4
<b>Performance-Based Fees .....</b>	<b>4</b>
Sharing of Capital Gains .....	4
<b>Types of Clients.....</b>	<b>5</b>
Description .....	5
Account Minimums.....	5
<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>5</b>
Methods of Analysis.....	5
Investment Strategies .....	7
Risk of Loss .....	7
<b>Disciplinary Information .....</b>	<b>8</b>
Legal and Disciplinary.....	8

<b>Other Financial Industry Activities and Affiliations .....</b>	<b>9</b>
Financial Industry Activities.....	9
Affiliations .....	9
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>9</b>
Code of Ethics .....	9
Participation or Interest in Client Transactions.....	9
Personal Trading.....	9
<b>Brokerage Practices.....</b>	<b>10</b>
Selecting Brokerage Firms.....	10
Best Execution .....	10
Soft Dollars .....	10
Order Aggregation .....	10
<b>Review of Accounts .....</b>	<b>11</b>
Periodic Reviews .....	11
Review Triggers .....	11
Regular Reports.....	11
<b>Client Referrals and Other Compensation .....</b>	<b>11</b>
Incoming Referrals.....	11
Referrals Out .....	11
Other Compensation.....	11
<b>Custody.....</b>	<b>12</b>
Account Statements.....	12
Performance Reports.....	12
<b>Investment Discretion.....</b>	<b>12</b>
Discretionary Authority for Trading.....	12
Limited Power of Attorney.....	12
<b>Voting Client Securities .....</b>	<b>12</b>
Proxy Votes .....	12
<b>Financial Information .....</b>	<b>13</b>
Financial Condition .....	13

<b>Business Continuity Plan .....</b>	<b>13</b>
General .....	13
Disasters .....	13
Alternate Offices .....	14
Loss of Key Personnel .....	14
<b>Information Security Program.....</b>	<b>14</b>
Information Security .....	14
Privacy Notice .....	14
<b>Requirements for State Registered Advisers .....</b>	<b>Error! Bookmark not defined.</b>
Principal Executive Officers and Management Persons.....	<b>Error! Bookmark not defined.</b>
Other Business Activities .....	<b>Error! Bookmark not defined.</b>
Performance Based Fees .....	<b>Error! Bookmark not defined.</b>
Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons.....	<b>Error! Bookmark not defined.</b>
Material Relationships Maintained by this Advisory Business or Management Persons With Issuers of Securities .....	<b>Error! Bookmark not defined.</b>
<b>Brochure Supplement (Part 2B of Form ADV) .....</b>	<b>Error! Bookmark not defined.</b>
Education and Business Standards .....	<b>Error! Bookmark not defined.</b>
Professional Certifications .....	<b>Error! Bookmark not defined.</b>
SCOT J. BYTNAR, CERTIFICATIONS .....	<b>Error! Bookmark not defined.</b>

# Advisory Business

---

## Firm Description

HMS FINANCIAL SERVICES, LLC, was founded in 1998.

HMS FINANCIAL SERVICES, LLC provides personalized confidential financial advice and investment management to individuals, pension and profit sharing plans, and trusts and is available to estates, charitable organizations and small businesses. Advice is provided through direct consultation with clients and may include: determination of financial objectives, identification of financial problems, investment management, education funding, and retirement planning.

Investment advice is an integral part of our service. In addition, HMS FINANCIAL SERVICES, LLC advises clients regarding cash flow, college planning, retirement planning, and limited tax planning. However, clients should speak with a tax professional regarding the impact of any advice by HMS.

Investment advice is provided, with the client making the final decision with respect to the appropriate investment objective(s) of his or her accounts with investment selection performed by the firm. HMS FINANCIAL SERVICES, LLC does not act as a custodian of client assets. The client always maintains asset control. HMS FINANCIAL SERVICES, LLC places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, as a part of an Investment Advisory Agreement. Periodic reviews are communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial advice and investment management may be beneficial to the client.

---

## Principal Owners

Scot J. Bytnar is a 100% stockholder.

---

## Types of Advisory Services

HMS FINANCIAL SERVICES, LLC provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment

advice through consultations; and provides periodic narrative updates regarding economic or market news or information that is perceived to be current or relevant to clients.

On more than an occasional basis, HMS FINANCIAL SERVICES, LLC furnishes advice to clients on matters not involving securities, such as financial planning matters, retirement planning and limited taxation issues.

As of **12/31/2020**, HMS FINANCIAL SERVICES, LLC manages approximately **\$119,695,867** in assets for approximately 280 clients. Approximately \$118,49,118 is managed on a discretionary basis, and \$1,216,749 is managed on a non-discretionary basis.

---

### **Tailored Relationships**

The goals and objectives for each client are documented in our Investment Advisory Agreement and our portfolio management system. Investment policy statements may be created that provide a more detailed description of the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

---

### **Types of Agreements**

The following agreements define the typical client relationships.

---

### **Advisory Service Agreement**

Most clients choose to have HMS FINANCIAL SERVICES, LLC manage their assets in order to obtain ongoing in-depth financial advice and life planning. Many aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are discussed and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes investment management (including performance reporting) as well as the implementation of recommendations made.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value as of the date of termination/transfer of the account(s) is/are used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

---

## **Asset Management**

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. HMS FINANCIAL SERVICES, LLC does not receive any compensation, in any form, from fund companies or brokerages.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through HMS FINANCIAL SERVICES, LLC.

---

## **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying HMS FINANCIAL SERVICES, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

HMS FINANCIAL SERVICES, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing.

## **Fees and Compensation**

---

### **Description**

HMS FINANCIAL SERVICES, LLC bases its fees on a percentage of assets under management.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets in all managed accounts according to the following schedule:

- 1.00% on the first \$500,000;
- 0.75% on the next \$1,000,000 (from 500,001 to 1,500,000);
- 0.50% on the next \$1,500,000 (from 1,500,001 to 3,000,000);
- 0.35% on the next \$2,000,000 (from 3,000,001 to 5,000,000); and
- 0.10% on the assets above \$5,000,000.

The minimum annual fee is \$375 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above. Fees may be negotiable.



---

### **Fee Billing**

Investment management fees are billed quarterly, in *arrears*, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Clients may authorize Custodians to deduct fees directly from client accounts. The client must consent in advance to direct debiting of their investment account.

---

### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

HMS FINANCIAL SERVICES, LLC, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

---

### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to HMS FINANCIAL SERVICES, LLC.

However please note that the performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

---

### **Past Due Accounts and Termination of Agreement**

HMS FINANCIAL SERVICES, LLC reserves the right to stop work on any account or directly debit certain client accounts that are more than 30 days overdue. In addition, HMS FINANCIAL SERVICES, LLC reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in HMS FINANCIAL SERVICES, LLC's judgment, to providing proper financial advice.

## **Performance-Based Fees**

---

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

HMS FINANCIAL SERVICES, LLC does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

---

### Description

HMS FINANCIAL SERVICES, LLC generally provides investment advice to individuals, pension and profit sharing plans, and trusts, but may be available for providing advice to estates, charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

---

### Account Minimums

HMS FINANCIAL SERVICES, LLC, does not maintain an account minimum but we reserve the right to refuse to provide services for accounts representing a minimally invested relationship with our firm.

In general, when an account falls below \$37,500 in value, the minimum annual fee of \$375 is charged, however this may be waived or lowered depending upon the type of client or account.

HMS FINANCIAL SERVICES, LLC has the discretion to waive the account minimum. Accounts of less than \$37,500 may be set up when the client and the advisor anticipate that the client will add additional funds to the accounts or have the intention of expanding the investment management relationship over a reasonable amount of time. Other exceptions will apply to employees of HMS FINANCIAL SERVICES, LLC and their relatives, or relatives of existing clients.

Unless otherwise stipulated to with respect to new client accounts or relationships, clients receiving ongoing asset management services will be assessed a \$375 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

## Methods of Analysis, Investment Strategies and Risk of Loss

---

### Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

CHARTING ANALYSIS

Charting is a technical analysis that charts the patterns of stocks, bonds, and commodities to help determine buy and sell recommendations for clients. It is a way of gathering and processing price and volume information in a security by applying mathematical equations and plotting the resulting data onto graphs in order to predict future price movements. A graphical historical record assists the analyst in spotting the effect of key events on a security's price, its performance over a period of time, and whether it is trading near its high, near its low or in between. Chartists believe that recurring patterns of trading, commonly referred to as indicators, can help them forecast future price movements.

## FUNDAMENTAL ANALYSIS

A fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysis attempts to determine the true value of a company or security by looking at all aspects of the company or security, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price with the aim of determining what sort of position to take with that security (e.g. if underpriced, the security should be bought; if overpriced the security should sold). Fundamental analysis uses real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for many types of securities.

## TECHNICAL ANALYSIS

A technical analysis is a method of evaluating securities that analyzes statistics generated by market activity, such as past prices and volume. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses past market data and statistical tools to identify patterns that can suggest future activity. Historical performance of securities and the markets can indicate future performance.

## CYCLICAL ANALYSIS

A cyclical analysis assumes the market reacts in reoccurring patterns that can be identified and leveraged to provide performance. Cyclical analysis of economic cycles is used to determine how these reoccurring patterns, or cycles, affect the returns of a given investment, asset, or company. Cyclical analysis is a time-based assessment which incorporates past and present performance to determine future value. Cyclical analyses exist because the broad economy has been shown to move in cycles, from periods of peak performance to periods of low performance. The risks of this strategy are two-fold: (1) the markets do not always repeat cyclical patterns; and (2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that HMS FINANCIAL SERVICES, LLC may use include Morningstar mutual fund information, Morningstar stock information, Fidelity Investments research, proprietary mutual fund company literature, and the various public and advisory sources contained on the World Wide Web.

---

## Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation. In general, portfolios are created utilizing a number of no-load or waived load mutual funds, stocks, ETFs, etc., representing the various asset classes desired in the overall allocation. Client portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during periodic consultations. The client may change these objectives at any time. Each client executes an Investment Advisory Agreement that documents their objectives and their desired investment strategy.

---

## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

---

### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

---

### Financial Industry Activities

HMS FINANCIAL SERVICES, LLC is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

---

### Affiliations

HMS FINANCIAL SERVICES, LLC does not maintain any formal arrangements that are material to its advisory services or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

---

### Code of Ethics

The employees of HMS FINANCIAL SERVICES, LLC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

---

### Participation or Interest in Client Transactions

HMS FINANCIAL SERVICES, LLC and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the HMS FINANCIAL SERVICES, LLC *Compliance Manual*.

---

### Personal Trading

The Chief Compliance Officer of HMS FINANCIAL SERVICES, LLC is Scot J. Bytnar. He reviews all employee trades each quarter. His trades are self-reviewed. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

# Brokerage Practices

---

## Selecting Brokerage Firms

HMS FINANCIAL SERVICES, LLC does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. HMS FINANCIAL SERVICES, LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

HMS FINANCIAL SERVICES, LLC recommends discount brokerage firms and trust companies (qualified custodians), such as Fidelity Institutional Wealth Services/National Financial Services. HMS FINANCIAL SERVICES, LLC maintains relationship with Fidelity Institutional Wealth Services to assist our firm with certain back office and administrative functions.

HMS FINANCIAL SERVICES, LLC *does not* receive fees or commissions from any of these arrangements.

---

## Best Execution

HMS FINANCIAL SERVICES, LLC reviews the execution of trades at each custodian each quarter. The review process is documented in the HMS FINANCIAL SERVICES, LLC *Compliance Manual*. Trading fees charged by the custodians are also reviewed on a quarterly basis. HMS FINANCIAL SERVICES, LLC does not receive any portion of the trading fees.

---

## Soft Dollars

HMS FINANCIAL SERVICES, LLC receives investment portfolio software, and certain back-office and administrative services because some client assets are under the Custody of Fidelity. There is no fee charged or credit provided with respect to this exchange.

The selection of Fidelity Institutional Wealth Services as a custodian for clients is not contingent on this relationship; however, most client assets are held by Fidelity due to their outstanding services provided.

---

## Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. HMS does not utilize trade aggregation.

## Review of Accounts

---

### Periodic Reviews

Account reviews are performed quarterly by Scot J. Bytnar. Account reviews are performed more frequently when market conditions dictate.

---

### Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

---

### Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least a quarterly basis. *Advisory Service Agreement* clients receive written quarterly updates. The written updates may include a generalized narrative, investment performance calculations and a brief summary of objectives and progress towards meeting those objectives.

## Client Referrals and Other Compensation

---

### Incoming Referrals

HMS FINANCIAL SERVICES, LLC has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

---

### Referrals Out

HMS FINANCIAL SERVICES, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

---

### Other Compensation

N/A



## Custody

---

### Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record on monthly basis.

---

### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by HMS FINANCIAL SERVICES, LLC.

## Investment Discretion

---

### Discretionary Authority for Trading

HMS FINANCIAL SERVICES, LLC accepts discretionary authority to manage securities accounts on behalf of clients. HMS FINANCIAL SERVICES, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, HMS FINANCIAL SERVICES, LLC consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates – if any - paid to the custodian. HMS FINANCIAL SERVICES, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

---

### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## Voting Client Securities

---

### Proxy Votes

HMS FINANCIAL SERVICES, LLC does not offer to vote proxies on securities for new clients. Generally new clients are expected to vote their own proxies. New clients will receive proxy and other solicitation information directly from their Custodian or Transfer Agent. In the event proxy

information is received by the Advisor, a good faith attempt will be made to forward the information to the Client. In the event a Client wishes to review any such information, the Client may contact his Advisor during normal business hours.

However, some legacy clients continue to (and certain clients subject to ERISA) continue to request that HMS FINANCIAL SERVICES, LLC vote proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. All such proxies will be voted in accordance with the recommendations of the Board of Directors. In the event a client wishes to vote a proxy not in accordance with this policy, the Client may contact HMS FINANCIAL SERVICES, LLC, in writing to direct any such changes. A Client may at any time, in writing, request HMS FINANCIAL SERVICES, LLC, to provide further information regarding previous votes of Client proxies. A copy of HMS FINANCIAL SERVICES, LLC's proxy voting policy is available upon request.

## **Financial Information**

---

### **Financial Condition**

HMS FINANCIAL SERVICES, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because HMS FINANCIAL SERVICES, LLC does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

---

### **General**

HMS FINANCIAL SERVICES, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

---

**Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

---

**Loss of Key Personnel**

HMS FINANCIAL SERVICES, LLC has an informal Business Continuation Agreement with another financial advisor to support HMS FINANCIAL SERVICES, LLC in the event of Scot J. Bytnar's serious disability or death.

## **Information Security Program**

---

**Information Security**

HMS FINANCIAL SERVICES, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

---

**Privacy Notice**

HMS FINANCIAL SERVICES, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, and information about transactions between you and third parties. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.