

D. H. Hill Advisors, Inc.

Form ADV Part 2A Brochure

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This Client disclosure brochure is the most recent update of our Form ADV Part 2A. It provides Clients with information about our company, our advisory services and fees. This disclosure information should be carefully considered before you become a Client of **D.H. Hill Advisors, Inc. (“D.H. Hill”)**. If you have any questions, please call us or write to the address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about D.H. Hill is also available on our website at www.dhhill.com and the SEC’s website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

This section of the ADV Part 2A brochure is meant to describe any material changes relating to D.H. Hill that Clients should be aware of since the last update of this brochure.

No Material Changes since our last annual update of March 31, 2021:

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, if any do arise in the future. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes to our business or the services provided to you, or if there is new information to inform you about, at any time, without charge.

Currently, our Brochure may be requested by contacting our main office at 832-644-1852. Our Brochure is also available on our web site www.dhhill.com, also free of charge.

Additional information about D.H. Hill is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with D.H. Hill who are notice filed, or are required to be notice filed, as investment adviser representatives of D.H. Hill.

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ITEM 4: ADVISORY BUSINESS

Description of Business

D.H. Hill Advisors, Inc. (“D.H. Hill”) is a Texas state registered investment advisor firm. D.H. Hill is a corporation that was established in the state of Texas in 1998, founded by Dan Hill with the principal office located in Kingwood, Texas.

D.H. Hill independent representatives are located in geographically separated offices and operate through various business names or other corporate structures held out to the public for marketing purposes, for which wealth and investment management services are provided through D.H. Hill. D.H. Hill does not have any ownership interest in the representative’s trade name or other corporate structure.

General Description of Services

D.H. Hill provides a platform for independent representatives to provide wealth management services that include financial planning and personalized investment advice to its Clients based on each Client’s individual needs and circumstances. Clients work with Investment Adviser Representatives (“IARs”) to assess their individual financial needs, objectives and capacity for risk. Based on the IARs’ review and analysis, the IARs assist with administering services desired by Clients.

The advisory relationship process often starts with an initial meeting between the Client and one or more D.H. Hill IARs, gathering pertinent facts related to the client’s financial situation and concerns. The purpose of the meeting is to determine if the IAR believes the services offered by D.H. Hill would benefit the client and for the client to decide whether it would be beneficial to move forward with D.H. Hill.

Typical ways that IARs help Clients meet their objectives:

- Financial Planning and Investment Management: D.H. Hill IARs complete a risk profile assessment and analysis of Clients’ objectives, making appropriate recommendations on how to help Clients meet their financial needs. IARs then provide recommendations to Clients on how to allocate their investable assets (“Portfolio Construction”), as well as make recommendations relating to the Client’s financial life that may not directly relate to the assets that D.H. Hill manages on a discretionary basis. With this service, IARs meet with Clients at least annually, and at times more frequently, to reassess Client objectives and risk tolerances and to recommend and make modifications to Client investments as needed. In this situation, discretionary investment management is executed as described below.
- Investment Management Only: For Clients that choose D.H. Hill investment management services only, IARs work with Clients to assess their tolerance for risk and construct an investment portfolio in-line with stated risk. Once the portfolio has been constructed, the management of the assets are monitored by D.H. Hill. See below for further information about D.H. Hill’s Investment Management Services.
- Financial Planning Only: For Clients that elect Financial Planning Services only, IARs work with Clients assessing Clients’ financial needs and providing appropriate recommendations

but does not include discretionary investment management. See below for further information about D.H. Hill's Financial Planning Services.

D.H. Hill Financial Planning Services

General Financial Planning Services are delivered through a holistic approach to meet Clients' needs. These services can include, but are not limited to, the following services as applicable:

- Net worth summary
- Portfolio snapshot
- Financial goals review and analysis
- Action Items
- Portfolio construction (recommending appropriate investment strategies)
- Asset allocation recommendations

Modular Financial Planning Services are also offered by D.H. Hill and are designed to meet individual Clients' specific needs. These services can include, but are not limited to, the following:

- Cash flow management
- Investment management recommendations for non-supervised assets (i.e. 401k's and 403b's)
- Retirement planning
- Insurance needs analysis
- Education planning
- Tax planning (not including tax preparation and filing)
- Divorce Planning

Certain Clients, for example, that are small businesses may require specialized needs analyses, planning, or business performance reviews or other services.

Clients may hire D.H. Hill to provide Financial Planning Services on a one-time basis or continually until canceled. For ongoing services, with the Clients cooperation, IARs meet with Clients no less than annually to monitor and update the financial plan provided to account for changes. Meetings may occur in-person or remotely by telephone or webinar. If Clients choose not to meet with their IAR, financial advice will attempt to be provided based on information received during prior meetings.

D.H. Hill provides Financial Planning Services for Clients with varying needs and circumstances, which may differ from, or contradict, financial advice it or its IARs may follow in the management of their own assets.

D.H. Hill does not provide tax preparation and filing services. Clients are urged to consult with a tax professional for any tax advice. Certain IARs of D.H. Hill may also provide tax related services to Clients. When they do, these services are provided as an outside business activity that is not affiliated with or conducted through D.H. Hill. See the below sub-section labeled "Tax Planning" for additional information.

D.H. Hill Investment Management Services

D.H. Hill provides Investment Management Services to its Clients using a variety of asset classes and investment vehicles that typically include mutual funds, exchange traded funds (“ETFs”), equity securities, fixed income securities, and other related securities. Client accounts are generally invested in strategies, with similar accounts invested in the same securities. Accounts are also managed at a custom level, with security selection varying from one Client to another.

D.H. Hill IARs work with Clients to understand the Client’s risk tolerance, investment objectives, investment attribute preferences, and to determine an appropriate asset portfolio construction. D.H. Hill IARs determine an appropriate portfolio for each of their clients. Depending on how the Client’s assets are allocated, they are managed in different ways.

One of the ways assets are managed is through directly-managed strategies, with well-defined strategy mandates, or in custom investment portfolios. These Client assets are held on the D.H. Hill Direct investment platform. The D.H. Hill Investment Committee constructs, implements, and monitors these strategies to ensure the assets are managed as expected and according to the strategy mandates, where applicable.

The other way assets are managed is by D.H. Hill IARs. These Client assets are held on the D.H. Hill Connect investment platform. D.H. Hill Investment Committee provides oversight of each IAR with respect to their investment portfolio decision-making.

Members of the D.H. Hill Investment Committee are generally required to have both a high school and college education or equivalent experience. In addition, all personnel who provide investment financial advice are required to have financial, analytical or portfolio management experience, or to have passed the Uniform Investment Adviser Law Examination (Series 65 or Series 66), or other relevant qualifying examinations, or other valid educational background or professional designations as permitted by regulations.

Generally, Client assets are managed in set strategies where multiple accounts are invested in the same securities with the same allocation. Client assets may also be managed on a custom and/or nondiscretionary basis. All Clients have the ability to request reasonable restrictions on how their account is allocated, but D.H. Hill may not be able to accommodate all restrictions based on specific mandates of particular strategies. If D.H. Hill cannot accommodate a requested restriction, the Client and/or IAR will be notified and given the option to withdraw their request, or the Client can work with their IAR to find an investment solution that meets the Client’s expectations. If D.H. Hill is unable to accommodate a Client’s requested restrictions, the Client will need to find another firm to help meet their financial objectives.

Unless the Client specifically directs otherwise in their Client Agreement, the Client grants D.H. Hill authority to:

- use its discretion in determining the types of securities bought and sold, along with the percent allocation
- direct trades to the custodial agent
- reallocate the Client’s portfolio to keep it in line with the Client’s investment goals and risk tolerances

- rebalance the Client's account periodically to conform to the asset allocation expectations of the individual account
- replace the custodial agent if deemed necessary, after obtaining the Client's consent
- select the broker-dealer for execution of securities transactions
- vote proxies on behalf of the Client if desired, and
- deduct investment management fees directly from the Client's account

The frequency and timing of transactions in Client accounts may vary significantly, depending on the investment options chosen. Certain investment strategies offered by D.H. Hill are created to limit the amount of trading activity. Other strategies are tactical and adjust depending on micro and macroeconomic indicators. When there is significant activity, there is a potential that a wash sale is generated, negating the taxable advantage of realizing investment losses from sale of securities. Other strategies attempt to improve the taxable consequence of the assets invested, through the use of tax-loss harvesting and other tax management strategies. When deploying tax loss harvesting and other tax management strategies, D.H. Hill does not guarantee the ability to reduce the taxable consequence from managing assets. Further, attempts to reduce the taxable consequence of a portfolio may cause a disparity in the performance of the managed account, because certain assets may not be sold, when they might have been sold if taxes weren't considered. Clients are urged to work with their IAR to help choose the investment strategy that best meets their goals and objectives.

When executing transactions in Client accounts, as noted above, D.H. Hill is typically provided with the discretion to select the broker-dealer for execution of securities transactions. When deciding the appropriate method for executing transactions, D.H. Hill may choose to:

- execute all Client transactions at the same time in a block transaction,
- stage transactions, and/or
- submit each Client's transaction independently.

When trades are placed in a "block" all Client shares as part of that block are aggregated and provided an average execution price. At times, because of the size of a transaction, D.H. Hill, at its discretion, may choose to stage transactions. Staging transactions means that D.H. Hill, or its trading agent, will submit the transactions for execution at varying times and/or days. This is done to minimize the price movement of the security attributable to the transaction.

Other than its authority to request the deduction and payment of agreed upon management fees from the Client's account, D.H. Hill does not take custody of Client assets.

Sub-Manager Limited Discretion, Provided to D.H. Hill

For certain strategies, on a limited discretionary basis, D.H. Hill outsources a portion of the investment selection to independent professional asset managers, who are not affiliated with D.H. Hill, who serve as sub-advisers ("Sub-Manager" or "Sub-Adviser"). This can be done by investing directly with a sub-manager or through the D.H. Hill Select investment platform. Sub-Manager's responsibility varies and may include the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation
- apply their discretion on when to buy and sell

- apply their discretion on the timing of transactions
- select the broker-dealer for execution of securities transactions, if appropriate
- vote proxies, and
- take other portfolio management actions that D.H. Hill delegates or deems appropriate

D.H. Hill has the ability to hire third-party non-affiliated advisers to provide research to assist with the investment management of Client assets. These non-affiliated advisers do not have any authority to exercise discretion over the management of D.H. Hill's Client's assets.

When working with Sub-Advisers, their activities are overseen by the D.H. Hill Investment Committee. Upon request, D.H. Hill will provide Clients with information about any Sub-Manager participating with D.H. Hill to provide Client services. This information may include content provided by a Sub-Manager explaining its investment style, or an explanation from D.H. Hill describing the Sub-Manager's investment style. Additionally, D.H. Hill will provide Clients with a copy of the Sub-Managers Form ADV Part 2 upon request.

D.H. Hill National Accounts

D.H. Hill's National Accounts ("DHNA") provides investment advisory services to Clients. Investment management and support services for these Clients are provided remotely by telephone and email. D.H. Hill attempts to meet once a year with each Client using the DHNA services to discuss the Client's goals and objectives, and in an effort to make sure that the assets managed by D.H. Hill are aligned with the Client's objectives. For Clients managed under the DHNA, D.H. Hill charges a percent of the assets under management, negotiated with each client, based on the cost of services schedule referenced in Item 5 below. The account minimum for DHNA services may be reduced by D.H. Hill, and the fee rate may be adjusted on a case by case basis and are considered accepted upon the Client signing a Client Agreement.

Self-Directed 401(k) Accounts

Certain Clients may provide D.H. Hill with access to manage their assets on a discretionary basis through a self-directed 401(K) account service. When using this kind of service, it's important to note the following:

- D.H. Hill typically may not deduct fees from these accounts. Clients pay investment management fees by check or through direct debit of a separate account not under this program. The specific expectations for how fees may be deducted is directed by the account custodian/record keeper.
- Block trading is typically not allowed. This means that each Client order typically must be submitted to the custodian independently for execution, and different Clients may receive different prices for the same security traded. The specific expectations, if block trading is possible, is directed by the account custodian / record keeper.
- D.H. Hill charges a rate that is based on D.H. Hill's standard Cost of Services schedule discussed under Item 5. The Client's IAR negotiates the actual fee rate with each Client. The agreed upon rate will be reflected in the Client Agreement.
- D.H. Hill's typical minimum account size for this service is \$25,000. Exceptions to the account minimum are granted on a case-by-case basis and are considered accepted upon the initiation of investment advisory services by D.H. Hill.

Employer Sponsored Retirement Plan Consulting Services

D.H. Hill provides consultation services to employer- sponsored retirement plans, including pension, 401(k), and profit-sharing plans, with a broad range of comprehensive consulting services, including:

- retirement plan design and communications,
- retirement plan service provider search,
- retirement plan investment advisory services, including: investment analysis, selection, implementation, and ongoing monitoring of plan investments, and
- financial and retirement education.

When D.H. Hill is hired to conduct a comprehensive vendor search for an employer-sponsored retirement plan, this generally includes the evaluation and comparison of several third-party service providers and vendors such as plan record-keepers, actuaries, auditors and registered broker-dealers (who provide brokerage, clearing, custodial, and administrative services to the Client). Upon conclusion of its vendor search and review, D.H. Hill, generally, may recommend that the Client engage the services of one or more of these third-party service providers, which may include broker-dealers (to handle securities transactions).

For D.H. Hill to provide Clients with proper financial advice, it is strongly recommended that Clients arrange for and furnish D.H. Hill with all necessary information and authorizations concerning accounts they hold at other financial institutions. As used here, financial institutions include any broker-dealer that D.H. Hill recommends, broker-dealers selected by the Client, trust companies, banks, etc.

When working with employer-sponsored plans, D.H. Hill may also be engaged to provide non-personalized investment-related plan implementation and educational services. These services generally address issues involving employee participation in an employer-sponsored retirement plan but may include additional topics of broader concern, such as benefits summaries or general financial education workshops for plan participants. D.H. Hill may charge either a fixed fee or an hourly fee for these services or include the costs of such services with the costs of the other services provided to the Client. Educational services are provided on an “as needed” basis.

Retirement plan advisory services are specific to each Client and are based on the Client’s plan objectives (i.e. to attract, retain employees, etc.), plan status (active or frozen), funded level (over or under), risk strategy for the plan, plan investment committee involvement and participant needs and preferences, as well as other factors. When D.H. Hill is employed to provide retirement plan services, in general, its methods of analysis consider the following factors:

- The Plan’s benefit obligations to Plan participants and beneficiaries.
- Long term investment return that, when combined with company contributions, is sufficient to meet Plan liabilities and expenses.
- Investment policy and investment structure used to achieve the Plan’s or participant’s liquidity investment objective to meet benefit payment obligations and pay Plan expenses.
- Complying with ERISA, as amended, and other regulatory and legal requirements.

To support the financial advice that it offers to employer-sponsored plan Clients, D.H. Hill will consider a variety of fundamental and technical factors when searching for institutional managers

to manage Client assets. The factors used vary depending on the services provided to each specific plan. The IAR assigned to the plan will work with the Plan Sponsor to recommend a plan for generating investment recommendations.

Additional information about the factors for analyzing the institutional managers is available upon request. In certain situations, D.H. Hill may rely on third-party research recommendations for advice on institutional manager selection. Please contact D.H. Hill for further information about the method used to generate investment recommendations.

Alternative Investments

D.H. Hill offers financial advice to Clients for investments in certain alternative investments. Clients should understand that an alternative investment strategy is subject to a number of risks and is not suitable for all investors. Alternative investments are generally classified as an investment other than a traditional stock, bond, mutual fund, or exchange traded fund. Investing in alternative investments is only intended for experienced and sophisticated investors who are willing to bear the high economic risk associated with such an investment. By themselves, alternative investments do not constitute a balanced investment program.

When investing in alternative investments that are not publicly traded, D.H. Hill does not exercise discretionary authority. This is different from other investment management services where Client's provide D.H. Hill with discretion to make decisions about securities bought and sold on their behalf. When making investments in non-public alternative products or strategies, Clients are doing so based on their own independent assessment of the investment opportunity.

Clients should carefully review and consider potential risks before investing, including carefully reviewing all disclosure documents, private offering memoranda, prospectuses, or other offering materials provided by D.H. Hill and any separate manager or third-party service provider of an alternative investment. Many alternative investment offering documents are not reviewed or approved by federal or state regulators.

Alternative investments, including hedge funds, private equity funds, real estate private equity funds, interval funds and venture capital funds: (1) involve a high degree of risk, (2) often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, (3) can be highly illiquid with extended lock up periods where assets may not be sold, (4) may lack a secondary market to purchase shares that investors care to redeem, (5) are not required to provide periodic pricing or valuation information to investors, (6) may involve complex tax structures and delays in distributing important tax information, (7) are not subject to the same regulatory requirements as publicly traded securities, (8) often charge high fees which may offset any trading profits, and (9) in many cases execute investments which are not transparent and are known only to the investment manager. The performance of alternative investments, including hedge funds and other alternative funds, can be volatile. An investor could lose all or a substantial amount of his or her investment. Often, hedge fund or other alternative investment account managers have total trading authority over their funds or accounts. The use of a single advisor applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is often no secondary market for an investor's interest in alternative investments, including hedge funds and managed futures, and

none is expected to develop. Even when there is a secondary market, it is often a small group of investors willing to purchase the investment, typically resulting in a discount on the sale of the asset, versus the actual value of the underlying assets. There may be restrictions on transferring interests in any alternative investment. Alternative investment products, including hedge funds and other alternatives may even execute some portion of their trades on non-U.S. exchanges. Investing in foreign markets may entail risks that differ from those associated with investments in U.S. markets. Clients should understand that past performance is not necessarily indicative of future results and that income from alternative investments may fluctuate and that the investment's price or value may rise or fall. Accordingly, Clients may realize less than the amount than they invested.

Insurance

D.H. Hill offers financial advice on insurance and may advise certain Clients to include insurance as part of their portfolio and/or potentially advise on the sale of an insurance policy using Life Settlements. While D.H. Hill is affiliated with an insurance agency, D.H. Hill Insurance ("DHHI"), D.H. Hill does not own, nor is it affiliated with any insurance company or insurance provider. Additionally, certain IARs of D.H. Hill may be licensed as insurance agents.

When an IAR of D.H. Hill recommends an insurance product and acts as the agent for the sale of that product to the Client, the IAR is generally paid a commission for such sale. This creates a conflict of interest, as the IAR is provided an incentive to recommend the purchase of the insurance product, when earning additional compensation for the purchase. To address this conflict, if a recommendation is made to a Client about the purchase, redemption or exchange of an insurance policy, Clients are not obligated in any way to execute the recommendations made through DHHI and/or any insurance agent affiliated with D.H. Hill and/or any insurance agency that its IARs may be licensed. Further, insurance product recommendations may not be subject to the same fiduciary standard as investment advisers are subject.

Tax Planning

As part of the financial planning services offered to Clients, D.H. Hill may refer Clients to third-party, non-affiliated companies offering tax preparation services. D.H. Hill may charge the Client a fee for its assistance with providing documents to the third-party tax preparation company. D.H. Hill may also offer to cover the cost of third-party tax preparation as part of its negotiated cost of services (see Item 5 below for more information on negotiated cost of services).

D.H. Hill does not provide tax preparation and filing, or accounting services ("tax services") to Clients. However, certain supervised persons of D.H. Hill may be qualified to provide tax services based on education and training. In such instances, the supervised person may offer tax services to Clients, as an outside business activity separate from the investment services that D.H. Hill offers its Clients. Any tax services offered by these supervised persons is conducted independent of D.H. Hill by them as an outside business activity, and such services are not affiliated with D.H. Hill. Where a supervised person offers such tax services as an outside activity, Clients are not obligated in any way to hire the individual for these services. Any tax services offered to Clients is separate and distinct from D.H. Hill.

Reasonable Restrictions, Pledging and Withdrawal Securities

Clients have the option to place reasonable restrictions on their advisory services, investment management accounts, and on the financial planning analysis D.H. Hill provides, including investments in specific securities or types of securities. Requests for such restrictions are reviewed by the portfolio manager, the Client's IAR, and/or any Sub-Managers to ensure they are reasonable and will not impair D.H. Hill's ability to manage the account and/or to achieve the investment objectives and goals the Client selects.

Subject to the specific policies and procedures of the custodian for their account, Clients may pledge the securities in their account or withdraw the securities from their account (transfer in-kind to another account or custodian).

Securities Class Actions and Proofs of Claim

D.H. Hill is not obligated to file, nor will it act in any legal capacity with respect to class action settlements or related proofs of claim. If requested by the Client, D.H. Hill will try to provide the Client with the required documentation, if available.

Outsourcing of Certain Investment Operations

D.H. Hill works with various third-party service providers, to help support the operational needs of managing and servicing Client accounts. Authority provided to the outsourced service providers may include, but is not limited to, placing transactions with broker-dealers at the direction of D.H. Hill, opening accounts with Client's account custodian, processing billing, and facilitating operational requests on the Client's behalf based on instructions provided by associated persons of D.H. Hill. When providing these services, the third-party service provider is acting as an agent of D.H. Hill. Fees for these services are referenced in Item 5 below.

Miscellaneous

In performing its services, D.H. Hill does not independently verify any information it receives from Clients or from a Client's other service providers; it relies solely on the information Clients and their authorized representatives provide. The Client is free to accept or reject any recommendation made by D.H. Hill. Moreover, each Client is advised that it remains the Client's responsibility to promptly notify D.H. Hill if there is ever any change in the Client's financial situation or investment objectives so that D.H. Hill, if necessary, can re-evaluate or revise any previous recommendations or services it provided to the Client.

Investment Management: Wrap Fee Versus Non-Wrap Fee Accounts

Clients are subject to transaction costs charged by the broker-dealer executing the transactions in the Client's account. In certain instances, Clients are assessed these fees separately by their account broker-dealer (Non-Wrap), or the transaction costs may be paid by D.H. Hill in one combined fee with their investment management fee or included with their supplemental investment management fee paid to D.H. Hill (Wrap). Since the difference between the two types of accounts relate to transaction fees, depending on how the Client's assets are invested, a Wrap Fee account may cost less than a Non-Wrap Fee account, or vice versa. IARs work with Clients to determine if their account will be managed as a Wrap or Non-Wrap account. IARs are compensated based on a percentage of the assets under management, and their compensation may be higher or lower, depending on which method is chosen. Therefore, IARs may have a

financial incentive to recommend one method over another. Further, because D.H. Hill absorbs the transaction costs in wrap fee accounts, D.H. Hill may have an incentive not to place transaction orders in those accounts since doing so increases D.H. Hill's transaction costs. Thus, an incentive exists for D.H. Hill to place trades less frequently in a wrap fee account. D.H. Hill mitigates this conflict by disclosing this to the Client and by not considering the additional transaction costs when making investment decisions.

The investment management agreement, supplemental investment management cost disclosure (or documented amendment to the agreement), and/or custodian documents that each Client executes displays whether the Client or D.H. Hill pays the transaction costs. The costs paid to D.H. Hill for Wrap Fee Accounts may be higher than the fees Non-Wrap Fee accounts pay. D.H. Hill does not manage Wrap Fee accounts differently from the way it manages Non-Wrap Fee accounts. See the D.H. Hill Wrap Addendum to this Form ADV Part 2A for additional information on Wrap Fees.

In addition to the investment management costs and the transaction costs, Clients may be subject to other costs. See the Fees and Compensation section below for further detail.

Assets Under Management

Total assets under management are \$214,249,379 as of December 31, 2022. \$198,614,113 is advised on a discretionary basis and \$15,635,266 is on a non-discretionary basis.

ITEM 5: COST OF SERVICES AND COMPENSATION

Prior to engaging D.H. Hill Advisory Services, clients are required to enter into one or more agreements with D.H. Hill and the IAR setting terms and conditions of the engagement including, but not limited to: describing the scope of services to be provided, termination, confidentiality, disclosures, and client fees (collectively the "Client Agreement"). Based on a need's analysis determined by the IAR and the Client, the Agreement may include one or more of the services described above. The annual cost is negotiated with each Client and is customized depending on several factors as discussed in the "Negotiated Costs" section below. The following Cost of Services schedules provides information about how D.H. Hill charges for its services.

COST OF SERVICES SCHEDULE (Annual)			
Client Assets Under Management	Financial Planning & Investment Management	Investment Management Only	Financial Planning Only
\$0 - \$2,000,000	1.25%	1.00%	0.50%
\$2,000,000 - \$5,000,000	1.00%	0.85%	0.40%
\$5,000,000 - \$10,000,000	0.85%	0.75%	0.30%
Greater than \$10,000,000	Negotiable		

The actual Cost of Services paid by each Client is noted in the Client Agreement executed between D.H. Hill and the Client. As directed in the Client Agreement, the costs agreed to may

be higher or lower than the rates noted in the above schedule. The Negotiated Costs section below describes the variation in amounts paid by Clients for Costs of Services.

The Cost of Services noted for Financial Planning provides a general guideline used by D.H. Hill as a tiered rate multiplied by the Client's assets for which D.H. Hill provides Financial Planning. The Client's assets may include their entire net worth, or a portion. The Cost of Services and assets that the rate is applied are negotiated individually with each Client, as described in the Financial Planning Costs section below. The actual rate charged may be higher than the amount noted in the schedule applied directly against the Client's assets. This is not meant to represent the maximum rate a Client may be assessed for these services, instead is it the typical starting rate from which costs are negotiated.

The Client's total Cost of Services is a flat rate and not blended. The Total Fee charged as a percentage of assets under management to a Client Account will not exceed 2.75% of the value of the portfolio annually.

Negotiated Costs

The amount and method for calculating D.H. Hill Financial Planning and Investment Management costs as referenced in the Cost of Services schedule are negotiated with each Client and confirmed in the Client Agreement, or if the schedule has changed since the initial Client Agreement the Client signed, then through supporting documentation. While the Investment Management costs are typically assessed as a percentage of the Client's assets under D.H. Hill's management, it may also be assessed as a flat dollar amount. The Client is subject to the fee rate that is agreed to in their Client Agreement, which may be higher or lower than the fee schedule noted above.

D.H. Hill considers a number of variables when analyzing the specific services to be provided to the Client and when determining the appropriate cost for those services. Factors that determine the Cost of Services include, but are not limited to:

- the services expected to be performed
- the Client's wealth counseling and investment needs
- the amount of investable assets
- the Client's net worth
- the amount of time anticipated to be spent servicing the Client
- local regional office precedence based on historical costs charged to other similar Clients

The Client's IAR will determine the Cost of Service after carefully balancing the consultative and the implemented portions of the Client relationship. As a result, similar Clients may be charged different costs for similar services and the actual Cost of Services may be higher than the rates noted in the above schedule.

The Client's IAR reserves the right to determine whether Client accounts are "related" for purposes of aggregation. A determination of the related accounts is part of the Cost of Services negotiation between the Client and IAR. The Client should be aware that there may be certain restrictions on the aggregation of investments for ERISA, trusts, and IRA Client accounts.

In those instances where the majority of a Client's account is invested in fixed income securities, the Client's IAR reserves the right to offer a reduced Cost of Services.

For accounts where D.H. Hill is the investment adviser exercising discretion, the Cost of Services schedule is typically applicable to all assets under management, including cash and cash equivalents. The actual Cost of Services negotiated with the Client may determine that cash and/or cash equivalents are not to be included in the total Cost of Services. When cash and cash equivalents are not included, this creates a conflict of interest as D.H. Hill earns more fees when those assets are invested in securities it acquires. This conflict can be addressed by the Client and IAR pre-determining the amount of cash that will not be included with billing, or a pre-determination by the Client and IAR that a specific cash amount will be not be subject to D.H. Hill's advisory services, or by billing on all assets under management.

Financial Planning Costs

Financial Planning costs are generally based upon analysis of the Client's financial goals, event-driven needs, or more comprehensive financial advice, the terms of which are described in the Financial Planning Agreement executed between D.H. Hill and the Client.

The costs assessed are based on a number of criteria, which may include, but is not limited to:

- Investable assets / assets subject to the agreement,
- Client net worth,
- case complexity,
- services provided / Client needs,
- the amount of time spent and/or anticipated to be spent with the Client,
- preparation work prior to engagement, and/or
- customization and whether or not services were requested on an expedited basis.

Costs may be charged in a number of ways depending on the specific services being rendered, including:

- A flat cost,
- a variable cost assessed as a percent of the Client's assets under advisement,
- an hourly rate, and
- a percentage of the assets being managed by D.H. Hill in Combination with the Investment Management cost.

The cost is negotiated between D.H. Hill, the IAR, and the Client and is subject to certain minimums, as described in the Client agreement. Cost of Services is payable either in advance or in arrears. Rates vary depending on the agreed upon services, and are typically in the following ranges:

- For goals-based planning, D.H. Hill uses the Financial Planning Cost of Services schedule referenced at the beginning of this section as a general guideline for the rate charged to Clients. The rate is either charged as a standalone fee, or as an additional percentage of the assets that D.H. Hill manages for the Client. The typical minimum is \$500 and the actual cost may be significantly higher depending on the complexity and scope of the plan. The actual amount can be higher than the schedule noted at the beginning of this section.
- For hourly rates: minimum of \$200 with a maximum of \$500 per hour; and

- typically, 50% of the Cost of Services is due in advance, and the remainder is due upon delivery of the plan to the Client.

Cost of Services is negotiable. Exceptions to the minimum cost are granted on a case by case basis and are considered accepted upon the initiation of investment advisory services by D.H. Hill. Cost of Services may be charged as a one-time Financial Planning cost or Clients may select an annual on-going service for which the rate remains the same until the Client and adviser mutually agree, in writing, to a change of the cost.

Specialty Financial Planning is available at a rate to be negotiated between the Client and their IAR. The specialty Financial Planning services can include Financial Planning on advanced planning issues such as:

- Estate Planning
- Executive Compensation
- Stock Options
- Pension Plan Options
- Insurance Analysis
- Tax Planning
- Other specialty issues as needed and appropriate for the individual Client

Client deliverables that include written financial plans or recommendations for implementation of Financial Planning will typically be presented within six (6) months of the date of the Client's execution of the Agreement, but may be presented anytime during the period noted in the Client's Agreement. D.H. Hill's IAR shall make a "best efforts" attempt to deliver the planning services. If Clients choose not to meet, do not accept service, or do not respond to requests to meet, D.H. Hill will attempt to deliver services based on the information it has available.

Financial Planning Fee Payments

To pay for such services, Clients may pay by check or provide D.H. Hill with written authorization to debit an investment account on the Client's behalf.

The Financial Planning Agreement, unless otherwise stated, is for a term of one year. After the term expires, the Financial Planning Agreement will be terminated unless renewed by the Client. Within five (5) business days of the execution of a Financial Planning Agreement, a Client may terminate the Financial Planning Agreement without penalty or cost. Thereafter, collected but unearned costs may be refunded on a pro-rata basis, and, under certain circumstances, the refund may be negotiated between the Client and D.H. Hill. Among other factors, the amount of the refund may depend on the amount of work that has already been completed or the amount of time elapsed since the Client executed the Financial Planning Agreement.

Investment Management Costs

D.H. Hill charges its Clients an annual management Cost of Services based on an agreed upon percentage of the Client's assets under management. These investment management costs are payable monthly or quarterly. The method for billing these costs may vary based on custodian, local regional offices, or IARs, historical method and is agreed upon under the terms of the

Client Agreement or supporting documentation if there were changes made after the Client signed the Client Agreement.

D.H. Hill typically bills its investment management costs in advance based on the value of the assets in the Client's account at the end of the previous month or quarter (based on service provider selected). In certain situations, as agreed upon in the agreement, D.H. Hill may bill costs in arrears, based on average daily balance of the account during the prior month or quarter, rather than in advance, or other methods.

For new accounts and for new assets added after the start of a month or quarter, accounts will either be billed when the assets are available to be managed by D.H. Hill, or in arrears, after the end of the month or quarter account was funded (based on service provider selected).

D.H. Hill's annual investment management Cost of Services includes costs for the following services: review, selection, monitoring, and replacement services for a variety of securities, including but not limited to exchange traded funds, exchange traded notes, mutual funds, individual securities, bonds and sub-managers, and related services.

D.H. Hill relies on a number of different resources to price securities held in Client accounts, including multiple portfolio accounting systems (primarily Orion and Trust Company of America), pricing services and custodians. As a result, Clients may receive different statements displaying a different valuation of the same security, based on the source of the data. Additionally, different Clients with the same security may pay different costs depending on the valuation source of the securities in their specific account.

There are certain costs that Clients may incur, which are not included as part of the annual Cost of Services for Investment Management services charged by D.H. Hill. The Investment Management Cost of Services does not typically include annual costs charged by managers, Sub-Managers or fees assessed to cover manager research, and/or administration expenses. These costs range from 0% to 1% of the Client's assets under management. These costs may be charged by D.H. Hill for their management of strategies, as well as by third parties not affiliated with D.H. Hill. D.H. Hill may have an incentive to recommend its own strategies that have a manager cost associated rather than a non-affiliated manager, or into a strategy without additional costs, since it gets paid more when recommending its own strategies that have a supplemental cost. The amount that D.H. Hill is paid when Clients invest in its strategies is based on an estimate of costs, which include third party research, third party manager expense, reporting fees, and strategy implementation and trading costs. The supplemental cost charged for investing in certain investment strategies does not include custody fees, as described in the next paragraph.

In addition to, and separate from, D.H. Hill's Cost of Services and supplemental investment manager costs, Clients may be charged the following costs from their account custodian: national securities exchange costs, charges for transactions with respect to assets not executed through the custodian; short term redemption costs; costs charged to shareholders of mutual funds and exchange traded funds by the fund manager; odd-lot differentials; American Depository Receipt costs; costs associated with exchanging currencies; or other costs required by law. Administrative costs for retirement accounts and any platform (technology) costs are paid

directly by the Client, unless other arrangements have been made. Additionally, the Client will be charged for non-standard service costs incurred as a result of any special requests made by the Client, such as overnight courier or wiring costs. Financial Planning services costs, along with initial consultation costs may be charged in addition to investment management costs.

Generally, D.H. Hill imposes a minimum account size of \$5,000 and, in the case of sub-managed assets a sub-manager may impose their own minimum account requirements. Any exceptions to account minimums are considered accepted by D.H. Hill once the management of Client assets begins. Upon giving notice to D.H. Hill, or by contacting their account custodian directly, Clients may make additions to, or withdrawals from their investment management accounts. D.H. Hill reserves the right to terminate any account falling below its stated account minimum. Account minimums are imposed for various reasons, including, but not limited to the diminishing impact on the smaller allocations within a broadly diversified portfolio, the impact on a smaller portfolios' performance from transaction costs, the impact of a smaller portfolios' transaction costs on the total expense to manage the portfolio, limitations on securities that may be purchased for smaller dollar amounts, amongst other reasons.

D.H. Hill's responsibility for advising Client accounts begins at the earlier of the "Effective Date" agreed to in the Client Agreement, or the date when the Client's assets (cash and/or securities) have been credited to the Client's account at the custodian and sub-custodian, if applicable. However, in no event shall costs begin accruing prior to the date the Client signs the Client Agreement.

Where provided in its Client Agreements, and upon written notice, D.H. Hill reserves the right to amend its Cost of Services schedules at any time.

Clients should be aware that the costs charged by D.H. Hill may be higher or lower than those charged by others in the industry and that it may be possible to obtain the same or similar services from other advisers at lower or higher rates.

Clients should also be aware that Investment Professionals ("IPs" or Solicitors) not affiliated with D.H. Hill recommending these advisory services may receive compensation as a result of Clients' contracting with D.H. Hill for such services. The IP recommending services may, therefore, have a financial incentive to recommend that a Client use D.H. Hill's services over the services offered by other investment advisers.

Investment Management Fee Payment

For payment to D.H. Hill for its investment management services, D.H. Hill service providers send the custodian an invoice for monthly or quarterly cost debits. Clients will receive a monthly or quarterly statement from the custodian showing the amount of management costs that have been debited from their account. By signing the D.H. Hill Client Agreement, Clients are authorizing the debit of both the initial prorated fee and on-going monthly or quarterly costs.

Mutual Fund and ETF Cost

If mutual funds are selected for inclusion in Client accounts D.H. Hill manages, those mutual funds are either no-load funds or load-waived mutual funds. At times, mutual fund with a sales

load may be transferred to D.H. Hill as part of new assets included under D.H. Hill's management. When this is the case, it is D.H. Hill's position that the mutual funds should be sold as soon as practicable.

All mutual funds and ETFs pay management costs to their investment advisers, and certain funds and money-market accounts have other types of costs or charges, including 12b-1, administrative or shareholder servicing costs, early redemption, bank servicing or certain other costs, which may be deducted from the net asset value of the funds that may be held in Client accounts on a continuing basis. These costs are routinely charged to all fund or security shareholders or owners and are separate from and in addition to D.H. Hill's management Cost of Services.

Employer Sponsored Retirement Plan Consulting Services Costs

As described in Item 4 above, D.H. Hill provides advisory services to retirement plans. The services provided are individually negotiated with each plan sponsor or trustee and may vary significantly. D.H. Hill provides fiduciary and non-fiduciary services, it also may be granted discretion, or strictly provide non-discretionary services. Certain retirement plans are governed under ERISA, as amended, and in such instances, all costs of services assessed are assessed in line with applicable regulations. D.H. Hill furnishes all ERISA plan clients with a 408(b)(2) disclosure, explaining its cost of services applicable to the plan. All services and related costs are described in an agreement executed with each plan and D.H. Hill. Costs are determined by a number of factors, including the amount of assets of the plan, the services D.H. Hill is hired to provide, the location of the Client, the number of participants in the plan and other factors. Costs may be assessed as a flat fee, or as a percentage of the plan assets. Minimum costs may apply.

Other Costs

For custodial services, D.H. Hill utilizes the services of a number of firms to meet its Clients' needs. Custodial transaction costs (for transactions executed through the custodian's broker-dealer) may be paid by the Client or by D.H. Hill as negotiated and stated in the D.H. Hill Client Agreement. Custodians charge Clients other fees, beyond transaction costs. The additional costs charged to Clients by the custodian may include, but are not limited to, custodial and clearing agent services for Client accounts, maintenance of portfolio accounting systems, preparation and mailing of Client statements, account processing, systematic withdrawals, redemptions, retirement account custodial services (except for the retirement account termination cost), maintenance of a Client inquiry system, as well as execution of securities transactions in the Client's account. Additionally, a transaction cost is charged by the Securities and Exchange Commission (SEC) to sellers of securities that are traded on stock exchanges and subsequently assessed to Clients. These costs are from Section 31(b) of the Securities Exchange Act of 1934 and are charged to recover the costs associated with the government's supervision and regulation of the securities markets and securities professionals. Refer to ITEM 12: Brokerage Practices.

Separate from costs assessed by the custodian, some Clients of D.H. Hill receive reports that display additional detailed performance information on their account(s). Such reports are provided to offer Clients additional insight about the way their accounts are performing and are provided in addition to the reports provided Clients through their account custodian. Notwithstanding, the performance information provided through reports, Clients should rely on the custodian statements for the most accurate account information. To produce these

performance reports, D.H. Hill may charge Clients. The cost covers the reporting system expense and D.H. Hill associated administration of the system. The payment of this Reporting Cost may be made paid by D.H. Hill or by the Client, as negotiated.

Certain states require service providers to pay a Gross Receipt Tax (GRT) for services provided to residents of the state, including New Mexico. When D.H. Hill is required to pay a GRT, it directly passes through such costs to Clients for whom it applies.

Additional Product Related Reimbursement/Compensation

In certain circumstances D.H. Hill will recommend to Clients REITs, private placements and certain other securities where the underwriters or sponsors of the product, in some cases, provide a re-allowance fee to cover costs of additional research and due diligence associated with the product. A conflict of interest will exist in that a broker-dealer will recommend such securities to clients and receive this additional fee.

Outside Activities of IAR's

Certain IARs of D.H. Hill may be registered with D.H. Hill Securities, LLLP ("DHHS") a broker-dealer and FINRA member firm. D.H. Hill and DHHS are under common ownership per Dan Hill. These IARs, in their capacity as a registered representative of DHHS, may perform securities transactions on a Client's behalf, if requested to do so by the Client, and may receive a commission for the transactions. Additionally, certain IAR's of D.H. Hill may be appointed as a licensed insurance agent of an insurance agency, including D.H. Hill Insurance Services, LLC, ("DHHI"). D.H. Hill and DHHI are under common ownership per Dan Hill. In their capacity as an insurance agent, these IAR's may recommend that clients of D.H. Hill purchase an insurance policy, and may receive a commission for the transaction.

In these circumstances, Clients are under no obligation to effect securities transactions through the IAR's associated broker-dealer, or the IAR's insurance agency. Because of the potential for the IAR to generate a commission in addition to costs charged by D.H. Hill, the IAR may have an incentive to recommend investment and insurance products based on the potential compensation received, rather than the Client's needs. To address this conflict, Clients are under no obligation to place any securities or insurance transaction through an IAR of D.H. Hill. See also Item 10 "Other Financial Activities and Affiliations" below.

Terminated Accounts

If D.H. Hill's management services are terminated by written notice by either party, any unearned pre-paid costs will be refunded to the Client on a pro-rata basis. D.H. Hill will begin the process of removing it from access to the account upon notification by or to the Client; however, a reasonable amount of time will be needed to liquidate and/or transfer assets, including time for required recordkeeping, and processing, and the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

For those Clients using D.H. Hill Financial Planning services, D.H. Hill will conduct an analysis of services provided to determine if any costs have been earned, or if any portion should be refunded.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

D.H. Hill does not charge any performance-based costs (costs based on a share of capital gains on or capital appreciation of the assets of a Client).

ITEM 7: TYPES OF CLIENTS

D.H. Hill generally provides Financial Planning, and/or Investment Management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, corporations, government entities, charitable institutions, foundations, endowments, and trusts.

Minimum Account Size

Generally, D.H. Hill's investment management and planning services are available for households with minimum assets valued of at least \$25,000, with typical individual account minimums of \$5,000. The IAR may from time to time makes exceptions to the minimums, as the IAR deems appropriate. Account minimums are reviewed periodically and are subject to change. Upon giving notice to D.H. Hill, or by contacting their account custodian directly, Clients may make additions to or withdrawals from their investment management accounts. If at any time the Client's account is less than the minimum account and/or household size designated, the Agreement may be subject to termination by D.H. Hill after formal written notice is provided to the Client. D.H. Hill's investment strategies are designed as long-term investment vehicles and asset withdrawals may impede the achievement of a Client's investment objectives or goals.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

Methods of Analysis

D.H. Hill's security analysis methods may include fundamental analysis, quantitative analysis, technical analysis, cyclical analysis, and the use of technical trading models.

Fundamental Analysis – Fundamental analysis is a method of evaluating a security in an attempt to measure its intrinsic value, by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts' study anything that can affect the security's value, including macroeconomic factors such as the overall economy and industry conditions, and microeconomic factors such as financial conditions and company management. The end goal of fundamental analysis is to produce a quantitative value that an investor can compare with a security's current price, thus indicating whether the security is undervalued or overvalued.

Technical Analysis – Technical analysis involves the examination of past market data rather than specific company data in determining which securities to buy/sell. Technical analysis may involve the use of various quantitative-based calculations, variation metrics and charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of a company. These trends may include put/call ratios, pricing trends, moving averages, volume, changes in volume, among many others. These trends, both short and long-term, are used for determining specific trade entry and exit points and broad economic analysis.

Cyclical Analysis – Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (e.g., the entire market/economy) or micro (e.g.,

company specific) level, rather than the overall fundamental analysis of the health of a particular company. Cyclical analysis involves the historical patterns and trends of securities, markets or economies as a whole in an effort to determine future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential.

Technical Trading Models – Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points.

Quantitative Analysis – Quantitative analysis refers to economic, business or financial analysis that aims to understand or predict behavior or events through the use of mathematical measurements and calculations, statistical modeling and research. Quantitative analysts aim to represent a given reality in terms of a numerical value. Quantitative analysis is employed for a number of reasons, including measurement, performance evaluation or valuation of a financial instrument, and predicting real world events such as changes in a country's gross domestic product (GDP) growth rate.

Passive Management – Passive management is when investors expect a return that closely replicates the investment weighting and returns of a benchmark index and will often invest in an index fund. Multiple passive investment strategies can be combined when using passive management. For example, large cap value index may be combined with small cap value index.

Active Management – Active management is where the manager makes specific investments with the goal of outperforming an investment benchmark index.

Investment Strategies

D.H. Hill provides investment management services to its Clients using a variety of asset classes and investment vehicles that typically include mutual funds, exchange traded funds (“ETFs”), equity securities, fixed income securities, other related securities, and sub-managers. Client accounts are generally invested in strategies, with similar accounts invested in the same securities. Accounts are also managed at a custom level, with security selection varying from one Client to another. D.H. Hill IARs work with Clients to understand the Client’s risk tolerance, investment objectives, investment attribute preferences, and to determine an appropriate asset portfolio construction. D.H. Hill IARs determine an appropriate portfolio for each of their clients. Depending on how the Client assets are allocated, they are managed in different ways.

Modern Portfolio Theory - MPT Asset Allocation is a theory on how investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk. This theory was pioneered by Harry Markowitz in his paper "Portfolio Selection," published in 1952 by the Journal of Finance.

Tactical Asset Allocation – Tactical Asset Allocation is about staying in harmony with market trends and countertrends. D.H. Hill seeks to invest in an asset once it has entered an uptrend and exit once it has entered a downtrend. D.H. Hill's approach involves using different methodologies relative strength/momentum, countertrend analysis, intermarket analysis, and different time frames (daily, weekly, monthly, etc.). Tactical asset allocation is an active management strategy that allows D.H. Hill to seek extra value by rebalancing the percentage of assets held in various categories to take advantage of strong market sectors.

D.H. Hill's tactical strategies are designed with three key guiding principles:

- Mitigate downside of client's capital;
- Recognize major market trends;
- Adjust to changing market conditions.

D.H. Hill may utilize different investment strategies based upon the specific tactical strategy or strategies involved, which include long-term purchases, short-term purchases, trading and option writing. The strategies in this program include frequent trading, which can negatively affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Specialized Strategies: Specialized strategies are used for situations that need more focused exposure or less correlation to standard investments.

Single Manager Strategies: Managers can be selected and used individually or combined.

Risk of Loss

Investing in securities involves risk of loss that Clients should be prepared to bear. Investment performance can never be predicted or guaranteed and the value of a Client's account or portfolio holding will fluctuate due to market conditions and other factors. For all accounts D.H. Hill manages, there is a risk that the investments selected will underperform comparable indices.

Certain strategies that D.H. Hill may implement may exhibit higher turnover, which might have certain negative implications, including but not limited to reduced investment performance versus comparable indices, additional brokerage and transaction costs, and may, in some instances, create additional tax liability for Clients.

To implement investment management, if a Client's account initially contains securities invested rather than a cash deposit, all or a portion of the Client's securities may be sold either at the initiation of, or during, the course of management of their account. D.H. Hill is not responsible for market risk that may result in losses in a Client's account during the in-kind transfer of securities from one institution to another. The Client is responsible for any tax liabilities arising from such transactions and is encouraged to seek the financial advice of a qualified tax professional. Except as noted for above, as an outside business activity for some supervised persons, D.H. Hill, its affiliates and associated persons do not provide preparation, tax filing or legal financial advice for services it provides to Clients.

General

- **Concentrated Portfolios** – Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio. Note that there may be other circumstances not described here that could adversely affect a client's investment and prevent their portfolio from reaching its objective. Past performance is no indication of future results. Investing in securities involves a risk of loss that client, should be prepared to bear.
- **Management Risk** – Client investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities.
- **Market Risk** - The risk that investment returns will be affected by changes in the overall level of the stock market. When the stock market increases or decreases, virtually all stocks are affected to some degree. Also, referred to as systematic risk.
- **Purchasing Power Risk (Inflation Risk)** - The risk that inflation will affect the return of an investment in real dollars. In other words, the amount of goods that one dollar will purchase decreases with time. Investments that have low returns, such as savings accounts, are not likely to keep up with inflation. Investments with fixed returns, such as bonds, can decrease in value because their purchasing value will decrease with inflation.
- **Reinvestment Rate Risk** - The risk incurred when an investment's income is reinvested at a lower rate than the rate that existed at the time the original investment was made. This risk is most prevalent when interest rates fall.

Mutual Funds

- **Equity Mutual Funds** – The major risks associated with investing in equity mutual funds is similar to the risks associated with investing in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.
- **Fixed-Income Mutual Funds** – In addition to the risks associated with investing in equity mutual funds, fixed-income mutual funds also carry the following risks:
 - **Credit Risk** – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner.
 - **Interest-rate Risk** - The risk that investment returns will be affected by changes in the level of interest rates. When interest rates increase, the prices and values of bonds decrease. When interest rates decrease, the prices and values of bonds increase.
 - **Prepayment Risk** – the risk that a bond will be paid off early.

Other Investments

- **Alternative Investments** – The performance of alternative investments (e.g., commodities, futures, hedge funds; funds of hedge funds, private equity or other types of limited

partnerships) can be volatile. Alternative investments generally involve various risk factors and liquidity constraints, a complete discussion of which is set forth in the offering documents of each specific alternative investment. Due to the speculative nature of alternative investments a client must satisfy certain income or net worth standards prior to investing.

- Equity Securities – The major risks associated with investing in equity securities relate to the company’s capitalization, quality of the company’s management, quality and cost of the company’s services, the company’s ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company’s ability to create shareholder value (e.g., increase the value of the company’s stock price).
- Exchange Traded Funds – Exchange traded funds (ETFs) do not sell individual shares directly to investors and only issue their shares in large blocks. ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold, they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.
- Options Risk – Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Methods of Analysis

- Risks Associated with Methods of Analysis - D.H. Hill’s securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the firm is alert to indications that data may be incorrect, there is always the risk that D.H. Hill’s analysis may be compromised by inaccurate or misleading information.
- Technical Analysis – The primary risk in using technical analysis is that spotting historical trends may not help predict such trends in the future. Even if the trend will eventually recur, there is no guarantee than D.H. Hill will be able to accurately predict such a reoccurrence.
- Cyclical Analysis – The primary risk of cyclical analysis is that economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore, there is an attendant difficulty in predicting economic trends. Consequently, the changing value of securities that would be affected by these changing trends.
- Technical Trading Models - The primary risk of technical trading models is that historical trends and past performance cannot predict future trends and there is no assurance that the mathematical algorithms employed are designed properly, are updated with new data, or can accurately predict future market, industry, and sector performance.

Additional Risks - (i) Frequent Trading and Investment Performance: Tactical strategies can be managed on a daily, weekly, monthly, and/or quarterly basis and frequent trading may occur. Strategies involving frequent trading of securities can affect investment performance through

increased brokerage and other transaction costs and taxes. (ii) Use of Leverage: Some of the strategies can utilize levered index products. Leveraged ETFs are considered risky. The use of leverage strategies by a fund increases the risk to the fund and magnifies gains or losses on the investment. Client could incur significant losses even if the long-term performance of the underlying index showed a gain. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

ITEM 9: DISCIPLINARY INFORMATION

Investment advisers and their management persons are required to disclose all material facts regarding any legal or disciplinary events that might be material to a Client, or a prospective Client's evaluation of D.H. Hill's advisory business or the integrity of D.H. Hill's management. D.H. Hill has no reportable disciplinary information.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The CEO, CCO of D.H. Hill, Dan H. Hill, is also the principal executive officer and general securities principal of D.H. Hill Securities, LLLP ("DHHS"), a broker-dealer and FINRA member firm. He is also a registered representative of DHHS, a licensed insurance agent and a Texas Real Estate Broker. These other activities may require up to 50% of his time.

The President, CIO of D.H. Hill, John Brickhouse, is a registered representative of DHHS, and a licensed insurance agent.

D.H. Hill is related to DHHS, a broker-dealer and FINRA member firm, due to common ownership of Dan H. Hill, CEO, COO of D.H. Hill. Although D.H. Hill has no arrangements with DHHS that are material to its Advisory business or its clients, commission-based securities products may be offered to advisory clients through DHHS which creates a conflict of interest.

D.H. Hill is related to D.H. Hill Insurance Services, LLC ("DHHI"), an insurance agency, due to common ownership of Dan H. Hill, CEO, COO of D.H. Hill. Although D.H. Hill has no arrangements with DHHI that are material to its Advisory business or its clients, commission-based insurance products may be offered to advisory clients through DHHI which creates a conflict of interest.

Certain IARs of D.H. Hill are licensed as registered representatives of DHHS. When acting as a registered representative, these individuals offer brokerage services and receive commissions for those brokerage transactions. Brokerage services provided by a registered representative are different from advisory services offered through D.H. Hill. For a brokerage relationship, the standard of care is based on suitability, with the premise being that the recommended security is appropriate for a Client at the time of purchase and adheres to the Client's investment objectives and risk tolerance. Commissions earned are for a specific transaction and usually involve an upfront amount and may include a smaller ongoing commission (referred to as 12b-1 fees or trails). For an advisory relationship, fiduciary duty is mandated under Section 206 of the Investment Advisers Act of 1940, where the standard of care is higher than that of a brokerage relationship. A fiduciary standard requires investment advisers to place the clients' interests above their own. In an advisory relationship, the cost of services is typically generated

throughout the advisory relationship based on the asset size of the account, or a negotiated flat cost for services. Because of the potential for the IAR to generate a commission separate from, or in addition to fees charged by D.H. Hill, the IAR may have an incentive to recommend investment brokerage products based on the compensation they may receive rather than taking into account the Client's interest.

Certain IAR's of D.H. Hill may be appointed as a licensed insurance agent of an insurance agency, including DHHI. When acting as a licensed insurance agent, these individuals offer insurance services and receive commissions for those insurance transactions. Insurance services provided by a licensed insurance agent are different from advisory services offered through D.H. Hill. For an insurance relationship, the standard of care is based on need, with the premise being that the recommended insurance product is appropriate for a Client at the time of purchase and adheres to the Client's needs. Commissions earned are for a specific transaction and usually involve an upfront amount and may include a smaller ongoing commission. For an advisory relationship, fiduciary duty is mandated under Section 206 of the Investment Advisers Act of 1940, where the standard of care is higher than that of an insurance relationship. A fiduciary standard requires investment advisers to place the clients' interests above their own. In an advisory relationship, the cost of services is typically generated throughout the advisory relationship based on the asset size of the account, or a negotiated flat cost for services. Because of the potential for the IAR to generate a commission separate from, or in addition to fees charged by D.H. Hill, the IAR may have an incentive to recommend insurance products based on the compensation they may receive rather than taking into account the Client's interest.

Although D.H. Hill has no arrangements with DHHS and DHHI that are material to its advisory business or its clients, commission-based products may be offered to advisory clients through both DHHS and DHHI, which creates a conflict of interest. These conflicts are mitigated by the oversight of sales activity by the IAR. Further, to address these conflicts, Clients are under no obligation to place any securities or insurance transaction through an IAR of D.H. Hill.

D.H. Hill allows IARs to recommend other investment advisers, sub-managers. D.H. Hill and its IARs receive a portion of the fees Client is charged by the unaffiliated sub-manager. This does not change the fee that the Client pays.

ITEM 11:

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

D.H. Hill has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at D.H. Hill must acknowledge the terms of the Code of Ethics annually, or as required by any amendment of the Code of Ethics. Nevertheless, because the Code of Ethics in some circumstances would permit supervised persons to invest in the same securities as Clients, there is a possibility that supervised persons holding securities might benefit from market or trading activity conducted in a Client's account.

Supervised person trading is continually monitored under the Code of Ethics in an effort to prevent any potential conflicts of interest between D.H. Hill and its Clients.

D.H. Hill's Clients or prospective Clients may request a copy of its Code of Ethics by calling 832-644-1852 or writing to D.H. Hill at 1543 Green Oak Place, Suite 100, Kingwood, TX 77339.

It is D.H. Hill's policy to not broker any principal or agency cross securities transactions for Client accounts. D.H. Hill will also not broker trades between Client accounts.

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Under SEC Interpretation of Section 206(3) of the Investment Advisers Act, Release No. IA-1732, the SEC states: "We have concluded that if an investment adviser receives no compensation (other than its advisory fee), directly or indirectly, for effecting a particular agency transaction between advisory Clients, the adviser would not be "acting as broker" within the meaning of Section 206(3)". Based on this interpretation, D.H. Hill does not act as "agent" with respect to Rule 206(3) and is not subject to the written disclosure requirements of the rule.

In certain instances, a D.H. Hill portfolio manager may decide that a securities position to be liquidated in one Client's account may be a good purchase for another Client. When this occurs, the portfolio manager may conduct a needs analysis to determine whether another Client might benefit from owning the securities position. If such activity does take place, with one D.H. Hill Client selling a position and a separate Client purchasing the same position, D.H. Hill shall not be compensated or receive any financial benefit from doing so, of any kind, from either party, except for its normal asset management fee.

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. D.H. Hill does not perform principal transactions.

D.H. Hill may refer certain Clients, on a case-by-case basis, to entities offering alternative investments, including private placements. D.H. Hill's CEO is a managing member of a private placement that it referred Clients to in the past. Some of those clients still have funds invested with the private placement, and the CEO and his family members are investors in that private placement. D.H. Hill does not expect to refer clients to this private placement in the future. If it does make such a referral, it will disclose the relationship and address any conflicts of interest to clients, in writing.

When investing its own corporate funds, D.H. Hill does not intentionally invest in the same securities as its Clients or have its own proprietary account(s) alongside any Client accounts.

Certain supervised persons may have accounts managed by D.H. Hill and/or may be invested in the same securities that are recommended to Clients or held in Client accounts. Supervised persons may also hold securities or trade for their own accounts contrary to financial advice provided to Clients. If supervised persons have hired D.H. Hill to manage their accounts on a discretionary basis, those accounts are traded along with other Client accounts and are not given any different or special treatment.

ITEM 12: BROKERAGE PRACTICES

D.H. Hill does not take custody of Client assets (other than deducting management fees when authorized) and is not a broker dealer. D.H. Hill may recommend that clients use particular companies for custodian and brokerage services. D.H. Hill is not affiliated with any company that it refers Clients to for custody and/or brokerage services.

Soft Dollars

D.H. Hill receives products and services from firms providing custodial services that benefit D.H. Hill but that may not benefit all D.H. Hill Clients. These services are typically offered to all investment advisers working with the custodian and do not have a specific cost tied to the benefit. Some of these products and services assist D.H. Hill in managing and administering Client accounts. These products and services include software and other technology that provide access to Client account data (such as trade confirmations and account statements); services that facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts); research, pricing information and other market data; products and services that facilitate payment of D.H. Hill fees from its Client accounts, and assist with back office functions, recordkeeping and Client reporting. Generally, many of these services may be used to service all or a substantial number of D.H. Hill's Client accounts.

Third-party service providers also make available to D.H. Hill other services intended to help D.H. Hill manage and further develop its business enterprise but that do not directly benefit its Clients. These services include consulting, offering publications and conferences on practice management, information technology, third-party research, business succession, regulatory compliance and marketing. In addition, third-parties service providers may arrange and/or pay for these types of services rendered to D.H. Hill by independent third-parties. In certain instances, the third-party service providers discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of other third-parties providing such services to D.H. Hill. Third-party service providers may also contribute to educational events held by D.H. Hill for its supervised persons.

Account custodians may offer reduced transaction costs to associated persons of D.H. Hill that custody their personal assets at the custodian. These transaction costs may be less than the costs that are typically made available through the custodian's retail service divisions.

To offset the costs of transitioning new Client assets, the Client's account custodian may agree to reimburse the Client for all or a portion of their account transfer fees. In order for the custodian to pay transaction costs, certain minimum asset transition thresholds may be required to be met. If the minimum asset transition amounts are not met, the reimbursement will not be made and the Client would be responsible for paying their transition expense. The payment of transition

expense by a custodian creates a conflict of interest as the reduced expense may be a deciding factor to transition assets to D.H. Hill. Thus, D.H. Hill may have an incentive to recommend a custodian that will cover this expense over one that doesn't. To address this conflict of interest, prospective Clients can choose to not transfer their assets from their existing custodian or choose a different custodian than the one recommended by D.H. Hill. Choosing a different custodian may restrict D.H. Hill's ability to manage the Client's assets. While as a fiduciary, D.H. Hill seeks to act in its Clients' best interests, D.H. Hill's recommendation that Clients maintain their assets in accounts at a particular custodian may be based in part on the benefit to D.H. Hill, including the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided. This may benefit D.H. Hill more than individual Clients. D.H. Hill may have an incentive to select or recommend a broker-dealer based on its interest in receiving these benefits, rather than the Client's interest in receiving the most favorable execution. It's possible that Clients would pay lower commissions by using a broker-dealer that does not provide any benefit to D.H. Hill. A conflict of interest exists when the services provided by the vendor are based on the amount of Client assets that D.H. Hill maintains with the third-party service provider. To address this conflict, D.H. Hill will not compromise its best execution and fiduciary responsibility to its Clients.

Third-Party Service Providers

D.H. Hill typically asks Clients to custody their assets with a specific custodian. D.H. Hill's recommendation to its Clients to hold assets in custody with a particular firm is based on various factors, including, but not limited to the historical place where the assets were held in custody prior to the Client becoming a Client of D.H. Hill, and the services provided by the custodian to D.H. Hill to help service the Client's assets (see "Soft Dollars" above).

While D.H. Hill may recommend a custodian to Clients, Clients are not obligated to follow its recommendation. It is the Client's decision on where they custody their assets. If a Client chooses to custody their assets at a custodian other than what is recommended by D.H. Hill, the firm may not be able to discretionarily manage the Client's assets, thus restricting the kinds of services it can make available.

Trade Aggregation

Trading for discretionary investment management agreements is directed by and is the responsibility of D.H. Hill. D.H. Hill determines the securities to be bought or sold, the price, the timing, and the selection of broker-dealer it believes is capable of providing best execution of Client transactions. D.H. Hill's portfolio managers will generally direct transactions to D.H. Hill designated broker-dealers based on their execution capabilities. The use of a designated broker may or may not always allow D.H. Hill and/or sub-managers to obtain best price and execution of portfolio transactions than could have been obtained outside a directed brokerage arrangement. Transactions in Client accounts for certain asset classes supervised by a Sub-Manager may be directed to broker-dealers that the sub-manager believes are capable of providing better execution of Client orders. While D.H. Hill believes the broker-dealer it has selected will provide best execution and services, it is possible that better execution may be obtained through another broker-dealer. However, Clients should be aware that the directed brokerage arrangement through broker-dealers D.H. Hill selects may be viewed as an incentive

for D.H. Hill to utilize that broker-dealer regardless of execution quality in order to avoid incurring the charges that may accompany trading with other broker-dealers.

Transactions for each Client account generally will be affected independently, unless D.H. Hill decides to purchase or sell the same securities for several Client accounts at approximately the same time. D.H. Hill may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably, among D.H. Hill Clients, differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among D.H. Hill’s Clients in proportion to the purchase and sale orders placed for each Client account on any given day. To the extent that D.H. Hill determines to aggregate Client orders for the purchase or sale of securities, including securities in which D.H. Hill’s associated person(s) may invest, D.H. Hill shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, SMC Capital, Inc. D.H. Hill shall not receive any additional compensation or remuneration as a result of the aggregation.

The Client may direct D.H. Hill to use a particular broker-dealer (subject to D.H. Hill’s right to decline and/or terminate the engagement) to execute some or all transactions for the Client’s account. In such event, the Client will negotiate terms and arrangements for the account with that broker-dealer, and D.H. Hill will not seek better execution services or prices from other broker-dealers or be able to “batch” the Client’s transactions for execution through other broker-dealers with orders for other accounts managed by D.H. Hill. As a result, a Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that transactions for Client accounts are affected through a broker-dealer that refers investment management Clients to D.H. Hill, the potential for conflict of interest may arise.

Consistent with obtaining best execution, transactions for a Client’s account may be affected through broker-dealers in return for research products and/or services which assist D.H. Hill in its investment decision making process. Such research generally will be used to service all of D.H. Hill’s Clients (including accounts that may not generate commissions used to pay for investment research), but brokerage commissions paid by a Client may be used to pay for research that is not used in managing the Client’s account. The account may pay a broker-dealer a commission greater than another qualified broker-dealer might charge to affect the same transaction where D.H. Hill determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

ITEM 13: REVIEW OF ACCOUNTS

Review of Investment Management Accounts

D.H. Hill’s IARs, administrative and management personnel, and its Investment Committee members periodically and continuously monitor Client accounts for which it exercises discretionary investment management to identify situations that may warrant either a detailed review or specific action on behalf of a Client. Such reviews may include, but are not limited to, performance, client objectives, inactivity, high concentrations in individual securities, or changes in the Client’s account information or financial situation. D.H. Hill’s Investment Committee will

review directly-managed and IAR managed portfolios with respect to issues such as performance results, the need for rebalancing, or changes to portfolio.

Annual or more frequent reviews are attempted to be conducted with the Client and their IAR to discuss changes in the Client's investment objectives, risk tolerance and changes to, or new reasonable restrictions on the management of their investments. Clients are asked to either meet in person or by telephone or online conference at which time their financial situation, condition, or investment objectives or goals are reviewed. If the Client and IAR do not meet for a considerable period of time, greater than a year, after reasonable effort is made by the IAR to do so, the Client's account will be managed based on previously communicated expectations.

Rebalancing

D.H. Hill will, periodically, rebalance the discretionary investment management account holdings within a Client's account. Generally, D.H. Hill monitors the need for rebalancing at least quarterly. The primary goal is to ensure that the market value of the investments in each asset class remains closely aligned with the percentage of the total market value of the entire Client account as determined by the asset allocation model or parameters selected by the Client, within a reasonable tolerance level. In its sole discretion, D.H. Hill may change the allocations among the various asset classes on a periodic basis. Rebalancing may generate a taxable transaction for the Client. D.H. Hill does not typically factor the tax implication of a transaction when deciding when to rebalance an account. If no transactions are warranted, significant periods of time may go by without any transactions taking place. If there is no account activity, D.H. Hill is still supervising the assets.

Client Custodial Statements

Each Client with an investment management agreement receives an account statement of their account(s) at least quarterly from the custodian. The statement provides detailed information including: transactions, fee debits, and other activity during the period, securities positions and money fund positions and their end-of-period fair market values. Year-end summaries of realized gains and losses (IRS Schedule D information), and dividends and interest received (IRS 1099-INT and 1099-DIV) are mailed by the custodial agent to all Clients with taxable accounts.

Performance Reporting

In addition to the custodial reports provided to Clients, an account performance report may also be provided quarterly or at other times. The portfolio performance reports may provide realized gains or losses during the period, securities and money fund positions and their end-of-period market values, and personal investment performance. It is possible that information may be different when comparing the custodial statement to the performance report. In such situation, Clients are advised to use the custodial statement as the most accurate record of their account. Performance reports attempt to display performance net of any D.H. Hill management fees, but there may be certain instances where fees are not accounted for, including when fees are paid by check or from a separate account, not included in the performance report.

Financial Planning

Comprehensive financial plans are prepared for Clients who have retained D.H. Hill for this purpose. Upon completion of the plan, a D.H. Hill IAR will meet with the Client to review the plan and answer any questions the Client may have about the contents of the plan.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

D.H. Hill receives referrals from third parties that are not affiliated with D.H. Hill. The third parties may be paid a flat fee for referrals, or a percentage of the fees that the Client pays to D.H. Hill. In these situations, in accordance with SEC Rule 206(4)-3 under the Investment Advisers Act of 1940, a Solicitors Agreement is executed between D.H. Hill and the third party. D.H. Hill initially and annually confirms that the third party is not statutorily disqualified from providing investment adviser services. Additionally, the third party will provide a Solicitor's Separate Written Disclosure Statement to the Clients at the time of the solicitation or referral disclosing the nature of the relationship with D.H. Hill and the amount of referral fees paid.

Continuing Education & Product Training

From time-to-time, D.H. Hill organizes educational and training meetings for its associated persons. Certain product providers, non-affiliated managers and vendors are permitted to make presentations to its associated persons. The presentations may or may not provide continuing education credits, such as for insurance licensing. These providers may contribute to the cost of putting on these sessions at hotels or other meeting facilities. These products and services, how they benefit us, and the related conflicts of interest are described above in Item 12 Brokerage Practices. The availability to us of these products and services is not based on D.H. Hill giving particular investment financial advice.

Soft Dollars

D.H. Hill may receive additional benefits from third parties. See additional disclosures relating to Soft Dollars in the "Soft Dollar" section above in Item 12 Brokerage Practices.

Recruiting Expenses

As a part of D.H. Hill's business, the firm hires outside parties (recruiters) to help find investment adviser representatives interested in joining D.H. Hill, or for using D.H. Hill's platform services. The recruiters are typically paid a fee based on a percentage of the total revenue of the IAR or business referred to D.H. Hill.

ITEM 15: CUSTODY

D.H. Hill as a practice does not take custody of Client assets, outside of its authority to request the deduction and payment of agreed upon management fees from the Client's account.

Clients will receive statements at least quarterly from the broker-dealer, bank or other qualified custodian that holds and maintains Clients' investment assets. Because the custodian does not calculate the amount of the fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation, as well as their holdings and activity. D.H. Hill urges its Clients to carefully review such statements for accuracy. Clients

should contact D.H. Hill directly if they believe that there may be an error in their statement, or have any questions about any of the transactions, activity, holdings, or fees deducted.

D.H. Hill may provide Clients with a report, or document displaying the performance of their account, or specific holdings. D.H. Hill's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients are urged to rely on the statement from the custodian form the most accurate information

ITEM 16: INVESTMENT DISCRETION

At the onset of the relationship, when hiring D.H. Hill for discretionary investment management services, Clients agree to provide D.H. Hill with investment discretion for the securities to be bought and sold, including the quantity and timing, as indicated in an executed investment management agreement. D.H. Hill's IARs work with each Client to understand their objectives, including any reasonable restrictions on the management of their investments. When selecting securities and determining amounts, D.H. Hill observes the investment objectives, limitations and restrictions of the Clients it advises. In very limited situations, Clients may request to pre-clear individual transactions that are made in a managed account. D.H. Hill will take such requests into consideration at the time that the request is made and abide by such requests to the best of its ability, where possible. However, D.H. Hill has the right to reject any account requesting pre-clearance.

ITEM 17: VOTING CLIENT SECURITIES

D.H. Hill Advisors has voting authority with regard to Client securities and therefore has the authority to vote proxies on Clients behalf. D.H. Hill policy is to refrain from voting proxies because we believe the time cost of voting a proxy typically outweighs the benefits to our clients in aggregate. From time-to-time we may elect to vote proxies when we believe the benefit outweighs these costs. This may not always be in Clients best interest. Through the use of Client instructions, Client may place restrictions on our ability to participate in proxy voting.

Client may elect to receive/vote proxies and receive solicitations. These will be delivered directly by Client's custodian to Client. If D.H. Hill is not voting proxies for the Client, the Client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets.

ITEM 18: FINANCIAL INFORMATION

This item is meant to provide certain financial information or disclosures about D.H. Hill's financial condition. D.H. Hill 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.