

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**March 2023**



**HIGHVIEW**  
CAPITAL MANAGEMENT

**2150 E. Lake Cook Road, Suite 820**  
**Buffalo Grove, IL 60089**  
[www.hv-cap.com](http://www.hv-cap.com)

**Firm Contact:**  
**Mark Sansoterra**  
**Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Highview Capital Management, LLC. If clients have any questions about the contents of this brochure, please contact us at 888-757-6610. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about our firm is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #306195.

Please note that the use of the term "registered investment adviser" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise clients for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

Highview Capital Management, LLC (“Highview”) is required to make clients aware of information that has changed since the last annual update to the Firm Brochure (“Brochure”) and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Highview has no material changes from its last ADV, Part2A Amendment dated March 2022.

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## Item 4: Advisory Business

Highview Capital Management, LLC (“Highview” or “our firm”) is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed under the laws of the State of Delaware in 2019 and has been in business as an investment adviser since 2020. Highview is an SEC-registered investment adviser, owned by Michael McNitt, Mark Sansoterra & Nicklaus Streit (“Managing Partners”).

The purpose of this Brochure is to provide a summary of the services we offer as well as to disclose the conflicts of interest associated with the investment transactions, compensation and any other matters related to investment decisions made by our firm or its representatives. As a fiduciary, it is our duty to always act in the client’s best interest. This is accomplished in part by knowing our client. Our firm has established a service-oriented advisory practice with open lines of communication for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. Working with clients to understand their investment objectives while educating them about our process facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

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#### **Wealth Management:**

As part of our Wealth Management service clients will be provided discretionary asset management and financial planning or consulting services. This service is designed to assist clients in meeting their financial goals through the use of a financial plan or consultation. Our firm conducts client meetings to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what is learned, an investment approach is presented to the client, consisting of individual stocks, bonds, ETFs, options, mutual funds and other public and private securities or investments. Once the appropriate portfolio has been determined, portfolios are continuously and regularly monitored, and if necessary, rebalanced based upon the client’s individual needs, stated goals and objectives.

#### **Tailoring of Advisory Services**

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Our firm offers individualized investment advice to our Wealth Management clients. Each Wealth Management client can place reasonable restrictions on the types of investments to be held in the portfolio. Clients should be aware that placing investment restrictions on the management of their account(s) may impact performance. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

For certain assets custodied at Pershing, clients may obtain a securities-backed line of credit (“SBLOC”) through either Bank of New York Mellon N.A. or its affiliate Pershing, LLC (“Lender”). Interest rates between the two entities are typically identical. The Lender is not affiliated with Highview or any of its affiliates. Interested Clients will complete a loan application and loan agreement through the Lender, and Lender will determine the Client’s eligible line of credit subject to the Lender’s eligibility requirements and terms and conditions. Client assets will continue to be custodied at Pershing. While Client assets will be considered pledged as collateral for the loan, Highview may be able to continue to manage the assets consistent with the goals and objectives of the Client. Highview will generally recommend an SBLOC after careful consideration and review with the Client. Each Client has unique circumstances that will be evaluated on a case-by-case basis. By utilizing an SBLOC, the Client’s portfolio remains invested consistent with their objectives rather than changing the asset allocations to withdraw funds. The main risks to the Client in establishing an SBLOC are: 1) a decline in the market value of the collateral assets, and 2) a default on the SBLOC. Depending upon the specific event, Clients could be subject to a limitation on the available credit, be required to deposit additional assets, or make an immediate payment. In an extreme case of default, the forced liquidation of securities is also a possibility. This may have significant negative tax ramifications for the Client. Highview does not receive any fees or payments from the Lender or Custodian.

If a Client chooses to utilize a line of credit instead of selling securities, Highview may benefit by receiving an advisory fee on a greater total value of securities in a Client’s account, which is not reduced by any outstanding amounts on the line of credit.

### **Participation in Wrap Fee Programs**

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Our firm does not offer or sponsor a wrap fee program.

### **Regulatory Assets Under Management**

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As of December 31, 2022, our firm had \$232,274,160 of regulatory assets under discretionary management, and \$46,200,832 of assets under non-discretionary management.

## **Item 5: Fees & Compensation**

### **Compensation for Our Advisory Services**

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#### **Wealth Management:**

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
First \$2,000,000	1.00%

\$2,000,000.01 to \$5,000,000	0.75%
\$5,000,000.01 to \$10,000,000	0.60%
\$10,000,000.01 to \$50,000,000	0.60% (Flat Fee)
Above \$50,000,000	Negotiable

Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Annualized fees are billed on a pro-rata basis monthly in arrears based on the value of the account(s) on the last day of the month. Adjustments are made for deposits and withdrawals during the month. Fees are negotiable and will be deducted from client account(s). The firm has a minimum asset management fee of \$20,000 per year. Our firm does not offer direct invoicing. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets, transactions affecting the assets, and all account disbursements, including the amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

In certain circumstances, we may agree to provide services under a separate financial planning fee in lieu of the investment management fee schedule above. Typically, this occurs when a client either a) is an executive at a company which provides perquisites for this benefit; or b) does not currently meet our firm minimums and we mutually agree to establish a relationship in advance of a liquidity event in their future. This arrangement would be documented in an engagement letter (the "Planning Agreement") and structured on a flat-fee basis annually. The first payment (25%) will be due upon the signing of the Planning Agreement and 25% due at the beginning of each quarter thereafter until the end of the twelve-month period. The Planning Agreement will automatically renew each year unless otherwise directed by the client or by our firm.

The Planning Agreement fee will be determined by the scope of the engagement with an annual minimum fee of \$10,000. If a client decides to engage our firm for investment management services, the Planning Agreement fee will cease upon the signing of a Wealth Management Agreement and any remaining amount of the pre-paid Planning Agreement fee will be credited to the client's account. However, any amount of the Planning Agreement fee will be credited only if greater than the investment management fee as assessed in the manner set forth above.

Temporary fee discounts may also be provided to clients on a case-by-case basis. All pricing and fee-related exceptions are subject to the discretion of the Managing Partners.

### **Other Types of Fees & Expenses**

Clients will incur transaction costs for trades by their chosen custodian via individual transaction charges. Pershing Advisor Solutions, LLC ("PAS") has agreed to not charge transaction fees for U.S. listed equities and exchange traded funds, however ticket charges may exist for individual fixed income securities and certain open ended mutual funds. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian.

Clients may also pay expenses imposed by the chosen custodian(s) for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses), mark-ups and mark-downs, spreads paid to market makers, fees for trades executed away from custodian, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Our firm does not receive any portion of these fees, and in the best interest of the client aims to avoid recommending mutual fund share classes subject to sales charges, 12b-1 fees, and load charges.

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### **Termination & Refunds**

Either party may terminate the advisory agreement signed with our firm for Wealth Management services or the Planning Agreement in writing at any time. Upon notice of termination pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

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### **Commissionable Securities Sales**

Our firm and representatives do not sell securities for a commission in advisory accounts.

## **Item 6: Performance-Based Fees & Side-By-Side Management**

Our firm does not charge performance-based fees.

## **Item 7: Types of Clients & Account Requirements**

Our firm has the following types of clients: Individuals and High Net Worth Individuals; Trusts, Estates or Charitable Organizations; Corporations, Limited Liability Companies and/or Other Business Types.

Our firm requires a minimum relationship of \$2,000,000 for our Wealth Management service as noted on our fee schedule. In certain circumstances exceptions to these minimums may be made; for example, where the owner of the account is expected to meet the initial investment in the near future or when other business-related conditions exist.

## **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

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### **Methods of Analysis**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that recurring forces drive asset price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will identify turning points. It should be expected this type of analysis will be used in conjunction with other methods of analysis.

**Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk.; and (e) to find out the intrinsic value of the shares.

Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security. Analysis can be done from a variety of perspectives such as: (a) relative to the company's own historical metrics, valuation parameters, and financial performance over time; and (b) relative to industry peers current or recent metrics, valuation parameters, and financial performance. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. It should be expected this type of analysis will be used in conjunction with other methods of analysis.

**Qualitative Analysis:** A securities analysis that uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. Qualitative analysis contrasts with quantitative analysis, which focuses on numbers that can be found on reports such as balance sheets. The two techniques, however, will often be used together in order to examine a company's operations and evaluate its potential as an investment opportunity. Qualitative analysis deals with intangible, inexact concerns that belong to the social and experiential realm rather than the mathematical one. This approach depends on the kind of intelligence that machines (currently) lack, since things like positive associations with a brand, management trustworthiness, customer satisfaction, competitive advantage and cultural shifts are difficult, arguably impossible, to capture with numerical inputs. A risk in using qualitative analysis is that subjective judgment may prove incorrect. It should be expected this type of analysis will be used in conjunction with other methods of analysis.

**Quantitative Analysis:** The use of models, or algorithms, to evaluate assets for investment. The process usually consists of searching vast databases for patterns, such as correlations among liquid assets or price-movement patterns (trend following or mean reversion) and outliers with respect to a combination of valuation and operating metrics. The resulting strategies may involve high-frequency trading. The results of the analysis are taken into consideration in the decision to buy or sell securities and in the management of portfolio characteristics. A risk in using quantitative analysis is that the methods or models used may be based on assumptions that prove to be incorrect. It should be expected this type of analysis will be used in conjunction with other methods of analysis.



**Sector Analysis:** Sector analysis involves identification and analysis of various industries or economic sectors that are likely to exhibit superior performance. Academic studies indicate that the health of a stock's sector is as important as the performance of the individual stock itself. In other words, even the best stock located in a weak sector will often perform poorly because that sector is out of favor. Each industry has differences in terms of its customer base, market share among firms, industry growth, competition, regulation and business cycles. Learning how the industry operates provides a deeper understanding of a company's financial health. One method of analyzing a company's growth potential is examining whether the amount of customers in the overall market is expected to grow. It should be expected this type of analysis will be used in conjunction with other methods of analysis.

**Technical Analysis:** A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price, volume, and volatility. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be. It should be expected this type of analysis will be used in conjunction with other methods of analysis.

### **Investment Strategies We Use**

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We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Asset Allocation:** The implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. A fundamental justification for asset allocation is the notion that different asset classes offer returns that are not perfectly correlated, hence diversification reduces the overall risk in terms of the variability of returns for a given level of risk. Although risk is reduced as long as correlations are not perfect, it is typically forecast (wholly or in part) based on statistical relationships (like correlation and variance) that existed over some past period. Expectations for return are often derived in the same way.

An asset class is a group of economic resources sharing similar characteristics, such as riskiness and return. There are many types of assets that may or may not be included in an asset allocation strategy. The "traditional" asset classes are equities, fixed income, and cash equivalents. Equities can be divided further into sub asset classes such as large capitalization, mid cap, small cap, foreign developed, foreign emerging (including frontier markets), Real Estate Investment Trusts (REITS), and Master Limited Partnerships (MLPs). They can also be divided into various "styles" such as core, growth, value, high dividend, dividend growth, momentum, high beta, low beta and other factors. There are frequently multiple ways to classify

a group of equities such as large cap growth or small cap high dividend. Fixed income can be divided further into sub asset classes such as investment grade and junk (high yield). Issuers of fixed income securities can be government, municipal, or corporate entities who may elect to utilize a variety of instruments such as fixed, floating, or zero-coupon bonds, preferred stock, convertible securities, or bank loans securitized by a third party. Cash equivalents typically consist of money market funds, sweep vehicles, and certificates of deposit (CDs). Allocation among these three provides a starting point for asset allocation. More recently an Alternatives asset class has become part of asset allocation strategies. This asset class generally consists of commodities and Private Market investments. Commodities can be divided further into precious and industrial metals, agricultural raw materials, and energy products. Private Market investments can be divided further into private real estate, hedged strategies (such as market neutral, long/short, or event driven), private equity, venture capital, distressed securities, and private lending. Our firm will consider and facilitate investments in each of these asset classes on a case-by-case basis as appropriate given the client's overall risk tolerance, financial goals, and liquidity needs. It should be expected that a high degree of variance may exist between two unrelated client portfolios, as determined by their respective circumstances.

There are several types of asset allocation strategies based on investment goals, risk tolerance, time frames and diversification. The most common forms of asset allocation are strategic, dynamic, tactical, and core-satellite.

- Strategic Asset Allocation: The primary goal of a strategic asset allocation is to create an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Generally speaking, strategic asset allocation strategies are agnostic to economic environments, i.e., they do not change their allocation postures relative to changing market or economic conditions.
- Dynamic Asset Allocation: Dynamic asset allocation is similar to strategic asset allocation in that portfolios are built by allocating to an asset mix that seeks to provide the optimal balance between expected risk and return for a long-term investment horizon. Like strategic allocation strategies, dynamic strategies largely retain exposure to their original asset classes; however, unlike strategic strategies, dynamic asset allocation portfolios will adjust their postures over time relative to changes in the economic environment.
- Tactical Asset Allocation: Tactical asset allocation is a strategy in which an investor takes a more active approach that tries to position a portfolio into those assets, sectors, or individual stocks that show the most potential for perceived gains. While an original asset mix is formulated much like strategic and dynamic portfolio, tactical strategies are often traded more actively and are free to move entirely in and out of their core asset classes.
- Core-Satellite Asset Allocation: Core-Satellite allocation strategies generally contain a 'core' strategic element making up the most significant portion of the portfolio, while applying a dynamic or tactical 'satellite' strategy that makes up a smaller part of the portfolio. In this way, core-satellite allocation strategies are a hybrid of the strategic and dynamic/tactical allocation strategies mentioned above.

**Fixed Income:** Fixed income is a type of investing or budgeting style for which real return rates or periodic income is received at regular intervals and at reasonably predictable levels. Fixed-income investors typically have a low degree of risk tolerance and/or a limited time horizon (i.e., less than 10 years).

Some examples of fixed-income investments include treasuries, money market instruments, corporate bonds, asset-backed securities, municipal bonds and international bonds. The primary risk associated with fixed-income investments is the borrower defaulting on his payment. Other considerations include

exchange rate risk for international bonds and interest rate risk for longer-dated securities. The most common type of fixed-income security is a bond. Bonds are issued by federal governments, local municipalities and major corporations. Fixed-income securities are recommended for investors seeking a diverse portfolio; however, the percentage of the portfolio dedicated to fixed income depends on your own personal investment style. There is also an opportunity to diversify the fixed-income component of a portfolio. Riskier fixed-income products, such as junk bonds and longer-dated products, should comprise a lower percentage of your overall portfolio.

The interest payment on fixed-income securities is considered regular income and is determined based on the creditworthiness of the borrower and current market rates. In general, bonds and fixed-income securities with longer-dated maturities pay a higher rate, also referred to as the coupon rate, because they are considered riskier. The longer the security is on the market, the more time it has to lose its value and/or default. At the end of the bond term, or at bond maturity, the borrower returns the amount borrowed, also referred to as the principal or par value.

**Long-Term Purchases:** Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm decides to sell.

**Short-Term Purchases:** When utilizing this strategy, our firm may also on occasion purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm does this in an attempt to take advantage of conditions that our firm believes will soon result in a price swing in the securities our firm purchase. It is not the intention of the firm that short-term purchases comprise a significant portion of returns or trading activity.

**Cash Balances:** Our firm generally invests client cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, our firm tries to achieve the highest return on client cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to our Wealth Management services, as applicable. The firm may also hold money market balances as part of a short-duration fixed income strategy, asset allocation, or in anticipation of client withdrawals.

### **Risk of Loss**

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Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease, and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, and that while diversification may help mitigate the risk of investment losses, it does not eliminate it. It should not be expected that our firm will attempt to "time the market" with significant purchases or sales in an attempt to avoid imminent losses or capture imminent gains. However, clients investing a large balance of cash should expect careful thought and consideration will be given to purchases of securities such that such transactions are scaled in over time in a dollar cost

averaging strategy to avoid putting substantial capital at risk at one time. Clients are encouraged to ask our firm any questions regarding their risk tolerance.

**Capital Risk:** Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100% of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

**Company Risk:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Economic Risk:** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

**Equity (Stock) Market Risk:** Common stocks are susceptible to general stock market fluctuations and volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.

**Fixed Income Securities Risk:** Typically, the values of fixed-income securities change inversely with prevailing interest rates. Therefore, a fundamental risk of fixed-income securities is interest rate risk, which is the risk that their value will decline as prevailing interest rates rise, which may cause your account value to likewise decrease, and vice versa. How particular fixed income securities react to changes in interest rates will depend on the specific characteristics of each security. Fixed-income securities are also subject to credit risk, prepayment risk, valuation risk, and liquidity risk. Credit risk is the chance that a bond issuer will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of a bond to decline.

**Inflation Risk:** Inflation risk involves the concern that in the future, your capital from your investment will not have the same purchasing power that it has today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today.

**Interest Rate Risk:** Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other

words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

**Liquidity Risk:** Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e., not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

**Manager Risk:** There is always the possibility that poor security selection will cause your investments to underperform relative to benchmarks or other funds with a similar investment objective.

**Market Risk:** The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company's intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security's price due to company specific events (e.g., earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g., such as a "bear" market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not a guarantee of future returns.

**Past Performance:** Regardless of the skill or competence of our professionals, investors should realize that even the most diligent and thorough analysis and implementation of securities, managers, and strategies cannot predict or guarantee the future performance of any particular investment instrument or portfolio, nor can past investment results be in any way relied upon as a predictor of future returns.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

## Item 10: Other Financial Industry Activities & Affiliations

Our firm has no other financial industry activities and affiliations to disclose.

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

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demand the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

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While our firm does not maintain physical custody of client assets, we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts (see *Item 15 Custody*,

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

below). Client assets must be maintained by a qualified custodian. Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness and quality of trade execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services
- Additional or ancillary services provided

With this in consideration, our firm recommends the services of Pershing Advisor Solutions LLC ("PAS"), member FINRA/SIPC, to maintain custody of client assets and to effect trades for their accounts. Although our firm recommends PAS, it is the client's decision to custody assets with PAS. Our firm is independently owned and operated and is not affiliated with PAS. PAS generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through PAS or that settle into PAS accounts. Client accounts will be charged directly any transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with PAS and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise. Additionally, PAS has agreed not to charge transaction fees for U.S. listed equities and exchange traded funds.

PAS also makes available custodial accounts through BNY Mellon should clients need or prefer principal and income accounting. BNY Mellon custody accounts charge an account minimum of \$500 or a range of 5-8 basis points, whichever is greater, based on the level of each client's assets with BNY Mellon. Clients may also incur transaction charges based on activity in the accounts. Our firm passes through these charges to clients, and we do not receive any of these charges. Our firm has no financial incentive to recommend BNY Mellon accounts over PAS.

PAS may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by PAS may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; and other products or services that provide lawful and appropriate assistance by PAS to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

PAS does not make client brokerage commissions generated by client transactions available for our firm's use. The aforementioned research and brokerage services are used by our firm to manage accounts for which our firm has investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of PAS as a custodial recommendation. Our firm examined this potential conflict of interest when choosing to recommend PAS and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution. Our firm will periodically review our relationship with our custodian to ensure the recommendation remains in the best interest of our clients and will facilitate changes to costs or services rendered as necessary.

Our clients may pay a transaction fee or commission to PAS that is higher than another qualified broker dealer might charge to effect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

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Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### **Client Brokerage Commissions**

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PAS does not make client brokerage commissions generated by client transactions available for our firm's use.

### **Client Transactions in Return for Soft Dollars**

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Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

### **Directed Brokerage**

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Our firm requires the use of PAS although certain exceptions by written client direction will be considered. Please note that not all advisory firms have this requirement.

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#### **Client-Directed Brokerage**

Our firm does not allow client-directed brokerage.

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#### **Aggregation of Purchase or Sale**

Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Item 13: Review of Accounts or Financial Plans**

Mark Sansoterra, Managing Partner & Chief Compliance Officer, reviews accounts on at least a quarterly basis for our Wealth Management clients. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Wealth Management clients are contacted. Our firm may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

### **Item 14: Client Referrals & Other Compensation**

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#### **Pershing Advisor Solutions LLC**

Except for the arrangements outlined in Item 12 of this brochure, our firm has no additional arrangements to disclose.

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#### **Referral Fees**

Our firm does not pay referral fees to independent solicitors for the referral of their clients to our firm in accordance with relevant state statutes and rules.

## Item 15: Custody

While our firm does not maintain physical custody of client assets (which are maintained by a qualified custodian, as discussed above), we are deemed to have custody of certain client assets if given the authority to withdraw assets from client accounts, as further described below under “Standing Instructions.” All our clients receive account statements directly from their qualified custodian(s) at least quarterly upon opening of an account. We urge our clients to carefully review these statements. Additionally, if our firm decides to send its own account statements to clients, such statements will include a legend that recommends the client compare the account statements received from the qualified custodian with those received from our firm. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

On February 21, 2017, the SEC issued a no-action letter (“Letter”) with respect to Rule 206(4)-2 (“Custody Rule”) under the Investment Advisers Act of 1940 (“Advisers Act”). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with our custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## Item 16: Investment Discretion

Clients must provide our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Reasonable limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm’s written acknowledgement. Clients who wish to maintain a self-directed account on the PAS platform to facilitate their own trading and investment

ideas may do so at their discretion and this account will be considered non-managed. The firm will not offer specific investment advice related to the securities held in said account and will not charge any management fee for that account. The firm may, however, incorporate a self-directed account (at PAS or any other custodian) into their financial planning analysis and recommendations as appropriate.

### Item 17: Voting Client Securities

Our firm votes client proxies when authorized to do so in writing by a client. Our firm understands our duty to vote client proxies and to do so in the best interest of our clients. Furthermore, it is understood that any material conflicts between our interests and those of our clients with regard to proxy voting must be resolved before proxies are voted. Our firm subscribes to a proxy monitor and voting agent service offered by Broadridge Investor Communication Solutions, Inc. ("Broadridge"), which includes access to proxy analyses with research and vote recommendations from Glass, Lewis & Co. ("Glass Lewis"). Our firm will generally vote in accordance with the recommendations of Glass Lewis but may vote in a different fashion on particular votes if our firm determines that such actions are in the best interest of our clients. Where applicable, our firm will consider any specific voting guidelines designated in writing by a client. Clients may request a copy of our written policies and procedures regarding proxy voting and/or information on how particular proxies were voted by contacting our Chief Compliance Officer, Mark Sansoterra, by phone at 888-757-6610 or email at [mark.sansoterra@hv-cap.com](mailto:mark.sansoterra@hv-cap.com). Our firm does not pay for proxy voting services with soft dollars. Also, our firm does not charge an additional fee for proxy voting services.

### Item 18: Financial Information

Our firm is not required to provide financial information in this Brochure because:

- Our firm does not require the prepayment of more than \$1200 in fees when services cannot be rendered within 6 months.
- Our firm does not take custody of client funds or securities.
- Our firm does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- Our firm has never been the subject of a bankruptcy proceeding.

### Item 19: Requirements for State-Registered Advisers

As an SEC-registered investment adviser, this section is not applicable to Highview.