

**Firm Brochure
Part 2 of Form ADV**

Item 1 – Cover Page

Hoxton Capital Management USA, LLC

501 Congress Ave

Suite 150

Austin, Texas 78701

737-249-9620

<http://hoxtoncapitalusa.com>

This brochure provides information about the qualifications and business practices of Hoxton Capital Management, USA, LLC; CRD # 307387. If you have any questions about the contents of this brochure, please contact us at: 737-249-9620 or by email at: dru.donatelli@hoxtoncapitalusa.com

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority. Registration does not imply a certain level of skill or training. Additional information about the Adviser is available on the SEC's website at www.adviserinfo.sec.gov

Effective March 28, 2023

Item 2 - Material Changes

This Brochure dated March 28, 2023, provides you with a summary of Hoxton Capital Management USA, LLC (HCM-USA/the Adviser/the Firm) advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item 2 is used to provide our clients with a summary of new and/or updated information; the Firm will inform you of the revision(s) based on the nature of the information as follows.

Annual Update: The Firm is required to update certain information at least annually, within 90 days of the Firm's fiscal year end of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our fiscal year end or we will provide you with our revised Brochure that will include a summary of those changes in this Item.

Material Changes: Should a material change in our operations occur, depending on the nature of the change, the Firm will promptly communicate this change to clients (and it will be summarized in this Item). "Material Changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates; or any information that is critical to a client's full understanding of who the Firm is, how to find us, and how we do business. The Firm has identified the following material changes as of the most recent brochure update:

- The Firm's Investment Adviser Representatives (IARs) offer insurance products.

See Item 4 Advisory Business- Insurance Services

- The Firm may recommend that its clients participate in a wrap-fee program, based on the client's specific financial needs and investment objectives. The Firm receives Wrap Fee Compensation when assigning accounts to FPS Services, LLC dba IPX Retirement.

See Item 4 Advisory Business-Wrap Fee Program

Full Brochure Available: Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 737-249-9620 or by email at:

dru.donatelli@hoxtoncapitalusa.com

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ADV PART 2A

Item 4 - Advisory Business

Firm Description

Hoxton Capital Management USA LLC, (HCM-USA, the Adviser/Firm) was founded in 2019. The Firm is a registered investment advisor with the Securities Exchange Commission (SEC). The Firm home office is located in Austin, Texas. HCM-USA also maintains a branch office in Jersey City, New Jersey.

The Adviser is a fee-only investment management and financial planning firm. The Firm does not sell securities on a commission basis. However, there may be some associated persons who are in other fields where they receive commissions as compensation. The Firm ownership is affiliated with entities that recommend financial products or securities.

The Adviser does not act as a custodian of client assets and the client always maintains asset control.

The Adviser does not have discretion regarding client accounts and seeks client approval prior to placing a trade on behalf of the client. The Adviser does have discretion over which brokerage firms to trade with but does not determine the resulting commissions to be paid, where the account is held in custody and/or the resulting expenses related to that custodianship.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis and not through the Firm. Any conflicts of interest arising out of the Adviser's or its associated persons are disclosed in this brochure.

Principal Owner:

HCM Trading Holdings, Ltd.

Types of Advisory Services

The Adviser provides investment supervisory services, also known as asset management services; retirement account portfolio advisory service; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues periodicals about securities by subscription; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities. On more than an occasional basis, the Adviser furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

- As of December 31, 2022, the Adviser manages \$ 217,901,277 on a non-discretionary basis.

Types of Pension Advisory Services

The Adviser focuses on assisting United Kingdom (UK) citizens currently residing in the identified states of registration (expatriates/Ex-Pats) with the management of their private UK pension scheme transfers. The private UK transfer arrangements allow all or part of a personal pension scheme, to be directed by the pension recipient (in this case the Ex-Pat) the power to direct how some or all of the Ex-Pat's contributions are invested. The transfer process creates a Self Invested Personal Pension (SIPP). The SIPP is commonly referred to as a scheme.

A scheme is the investment vehicle the Adviser may recommend for the client to purchase and/or invest. SIPP investment vehicles are strategies within the offering adviser portfolio. The portfolio is financed from many individual investor assets. The assets are aggregated for the purposes of investment. This is also referred to as pooled funds. Mutual funds, hedge funds, exchange traded funds, pension plan and unit investment trusts are all examples of professionally managed pooled funds.

The Adviser currently engages the services of several investment companies including pension trustees, on behalf of clients, electing to implement a self-directed pension plan. Trustees include but are not limited to International Financial Group (RL 360), Capital International Group, Novia Global Limited/Novia Financial plc. (Novia) and Sovereign Pension Services (UK) Limited (Sovereign). RL 360 is an Insurance Manager regulated by the Isle of Man Financial Services Authority. Novia is a qualified custodian registered with the Financial Conduct Authority (United Kingdom) pursuant to Board Rules 116.17(a)(8) and International Financial Group, Capital International Group, Novia Financial plc. and Sovereign Pension Services (UK) Limited are the investment platform trustees for the SIPP separate accounts managed on behalf of clients.

Investment funds are held in an assigned custodian account. The custodian is a third party and is not affiliated with the Adviser. Holdings are pooled and not immediately identifiable by separate certificate/name. For additional information regarding the custodial relationship refer to the SIPP Application Form.

IRA Rollover Considerations and Recommendations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account (IRA) that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the agreement you executed with the Firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by the Firm.

HCM-USA complies with the Department of Labor (DOL) Prohibited Transaction Exemption 2020-02 (PTE 2020-02) where applicable. The Firm is providing the following additional acknowledgment:

When the Adviser provides investment advice to individuals regarding a retirement plan account or individual retirement account, the firm is deemed a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way the Adviser makes money creates potential conflicts with a client's interest. Therefore, the Adviser operates under a special rule which requires the firm to act in a client's best interest and not put the Adviser's interest ahead of the client. Under this special rule's provisions, the Adviser must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the Adviser's financial interests ahead of a client when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees and investments;
- Follow policies and procedures designed to ensure advice given is in the client's best interest;
- Charge no more than is reasonable for services; and
- Provide basic information about conflicts of interest.

The Adviser benefits financially from the rollover of a client's assets from a retirement account to an account managed by the firm. This is a primary conflict of interest because when the Adviser provides investment advice, the assets increase the firm's assets under management and, in turn, its advisory fees. To meet the fiduciary responsibility the Adviser only recommends a rollover when it is deemed in the client's best interest.

The Adviser currently engages the custodial services of Interactive Brokers for investments not held in a SIPP.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Assignment of Investment Management Agreements

Agreements are assigned according to client's address of record (domicile).

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

As part of the investment management service, all aspects of the client's financial affairs are reviewed, and realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client, which often includes an annual meeting with the client. The Adviser makes use of portfolio rebalancing software to maintain client allocations according to the Investment Policy Statement in effect.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

Financial Planning Agreement

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

The financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Adviser or any of the insurance products or other products and services offered by the associated persons of the Adviser. There is an inherent conflict of interest for the Adviser whenever a financial plan recommends the use of professional investment management services or the purchase of insurance products or other financial products or services. The Adviser or its associated persons may receive compensation for financial planning and the provision of investment management services. The Adviser does not make any representation that these products and services are offered at the lowest available cost, and the client may be able to obtain the same products or services at a lower cost from other providers. As a conflict of interest may occur between the interests of the Adviser and the interests of the client; the client is under no obligation to accept any of the recommendations of the Adviser or use the services of the Adviser in particular. In addition, the client is not obligated to act upon the Adviser's recommendation, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the Adviser.

Hourly Engagements

The Adviser provides hourly services for clients who seek advice on a limited scope of work. The services are generally project based and tend to be more wide ranging in the scope of the topics covered. Fixed fees for project-based work are based on the complexity of the client's situation. The hourly rate for project-based work on a limited scope engagement is \$500.00.

Asset Management

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

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

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

Initial public offerings (IPOs) are not available through the Adviser.

Insurance Services

The Firm's Investment Adviser Representatives (IARs) offer insurance products. Products are offered through a third party relationship and not directly through the Firm. Applicable IARs are appropriately licensed to sell insurance products to clients, in the applicable jurisdiction(s), and are allowed to earn commissions on these insurance products in addition to any fees earned from financial planning, investment management or other services offered. The commissions are based on the standard commission schedule of the provider of the insurance products and are generally not negotiable. There is an inherent conflict of interest in providing these products as financial plans or investment management services as the IAR will earn additional fees for recommending the purchase of insurance products. The Adviser does not make any representation that these products are available at the lowest cost and similar products are available from other providers. The client is under no obligation to purchase insurance products through the IARs. When applicable, the Adviser shall mitigate this conflict by reviewing the financial plan or investment policy statement of the client.

Sub-Advisory Services

The Adviser provides investment management services to a client's individually managed funds offered by a third-party investment adviser (offering adviser). This relationship creates a sub-adviser role between the Adviser and the offering adviser(s). The offering advisers delegate discretionary investment authority to the Adviser to research and select and monitor portfolio securities for each of the funds. Although the Adviser and/or its representatives may introduce clients to an offering adviser or its affiliates to enter into an independent agreement for the purchase of investment products, the Adviser does not receive compensation other than the management fees per the terms of the client agreement. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that may offer a higher level of compensation to the Firm through the noted product requirements. However, the client may decline the offering adviser engagement and seek other investment adviser services.

Typically, the annual fee pro-rated and paid either monthly or quarterly, in arrears, by the offering advisory firm based upon the market value of the assets on the last day of the previous quarter as determined in accordance with the method described in the advisory agreement between the offering adviser and its client. The offering adviser and the Adviser may mutually agree to a lower fee for a particular client of the offering adviser. When calculating the advisory fee, the first quarter will commence on the first calendar quarter after the effective date of the sub-advisory agreement. Fund investors may pay management fees (those paid to the Adviser and possibly additional fees to the third-party independent offering adviser) and/or fund-related expenses to the adviser offering the fund. See the client agreement and independent third-party offering adviser agreement for a description of these fees and expenses, termination clauses, minimum investment amounts and any other requirements needed to invest in a particular fund. Typically, the sub-advisory relationships are in effect until terminated by the offering advisory

firm or the Adviser by written notice to the other. Some sub-advisory relationships require the Adviser to provide the offering advisory firm with sixty (60) days prior written notice.

Wrap Fee Programs

HCM-USA does not currently sponsor nor provide management services to any wrap fee program (an advisory program under which a specified fee is charged for investment advisory services and execution of transactions). However, the Firm may recommend that its clients participate in a wrap-fee program, based on the client's specific financial needs and investment objectives. The Firm receives Wrap Fee Compensation when assigning accounts to FPS Services, LLC dba IPX Retirement. A conflict of interest exists to the extent that the Adviser recommends the purchase of securities where the Firm and/or an IAR receive commissions or other additional compensation as a result of the recommendation.

Other Services

Clients may also engage us to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, we direct or recommend the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

In addition, the Firm provides Qualified Account Record keeping services through an affiliated administrator.

Termination of Agreements

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment. Adviser will refund any pre-paid, unearned fees based on the number of days remaining in the quarter after the effective date of termination. Refunds will be made within thirty (30) calendar days of the effective date of termination. Adviser reserves the right to charge up to \$100 to close an Account.

The Adviser reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Adviser's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within thirty (30) calendar days of the effective date of termination.

The Adviser's Privacy Policy and the Adviser's Disclosure Statement(s) shall be provided to potential client(s) less than 48 hours prior to, but not later than, the date of execution of the Wealth Management Agreement. Clients shall have the option to terminate the Agreement without penalty within five business days after the date of execution.

Item 5 - Fees and Compensation

Investment Management

The Adviser bases its fees on a percentage of assets under management, subscription fees and sub adviser commissions. These fees generate over 50% of the Firm's revenue. The term subscription fees is in reference to the Firm, where applicable, electing to provide clients a subscription fee model which may provide investment management services for a monthly fee rather than based on assets under management. The monthly subscription fee does not exceed \$1000 monthly. The term "sub adviser commissions" is in reference to fees earned by the Firm through sub adviser agreements. Lower fees for comparable services may be available from other sources.

The majority of Adviser's revenue is earned through assisting clients with the Self Invested Personal Pension (SIPP) transfer process. The SIPP is commonly referred to as a scheme. A scheme is the investment vehicle the Adviser may recommend for the Client to purchase and/or invest. SIPP investment vehicles are strategies within the offering adviser portfolio. If the client elects to invest in the SIPP, the Adviser shall collect additional charges and fees related to the SIPP which include but are not limited to the following:

Initial Fee is the fee charged by the Firm at the start of the policy. This charge will be based upon the initial deposit. If the initial deposit is \$50,000 and the initial fee is agreed at 5%, then the fee will be \$2,500.

HCM-USA Ongoing Adviser Charge refers to the ongoing charge placed on policies where there is ongoing management by an adviser. The charge will last through the agreed management period specified within Wealth Management Agreement.

The Ongoing Adviser Charge is calculated based on the valuation of the policy. The valuation figure that is used will differ depending on which provider is selected. Some providers submit monthly valuations and some provide quarterly.

In addition, through the SIPP scheme Clients are responsible for additional charges and fees related to the SIPP which include but are not limited to:

- Expenses relating to the structuring, holding or disposition of investments.
- Fees, costs and expenses related to the organization or maintenance of any intermediate entity used to acquire, hold or dispose of any one or more investments or otherwise facilitating a Client's investment activities.
- Initial set-up fees and expenses related to the third party assessment for transferring Client's assets to a SIPP.
- Manager and/or third-party account advisory and performance-based fees and expenses.

Clients are encouraged to review costs with the Firm and staff as year one expenses may exceed six percent of the Client's initial investment into a SIPP.

The Firm's minimum Advisory Service Agreement account size is generally \$25,000.00. HCM-USA charges a management fee which is calculated on a quarterly basis and collected in arrears. Management fees are based on the market value of the assets held in the client account(s) at the end of the previous quarter. Client fees are deducted from client accounts. The fee ranges from 0.5% to 1.5% per annum. The amount of the fee is reviewed on a case-by-case basis depending upon several factors including assets invested, amount of attention required to manage the relationship and the amount of work involved.

Management Fees are calculated on a quarterly basis and collected in arrears. Management Fees are based on the market value of the assets held in the Client Account(s) at the end of the previous quarter. The initial Management Fees are based on the initial market value of the assets held in the Client Account(s) at the time that the Client Account(s) is/are established.

At the beginning of each period, the Custodian or Adviser will send Client a Management Fee Notification. The Management Fee Notification will show quarter end balance, computed fee, any adjustment to fee, explanation of adjustment, and net fee to be deducted from the Account. Management Fees will be automatically deducted. Fees for the investment management services provided may be more than the cost of purchasing the same service separately or through other asset management programs. Clients are hereby advised that lower fees for comparable services may be available from other sources.

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

Financial Planning

As financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. HCM-USA offers services to assess a client's financial climate including investment and non-investment related matters and assistance regarding major financial decisions, including but not limited to the development of cash flow forecasts based on the client's particular financial goals. The minimum fixed fee for a financial plan is \$10,000.00 and shall not exceed \$15,000.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-up implementation work is billed separately at the rate of \$500.00 per hour.

Fee Billing

Investment management fees for wealth management clients are billed quarterly and collected in arrears. Management fees are based on the market value of the assets held in the client account(s) at the end of the previous quarter. The fees for investment management are based on the following schedule:

Annualized Investment Management Fees (Tiers)		
Account Value From	Account Value To	Annual Percentage Fee
£0 \$0	£500,000 \$687,792.50*	1.50%
£500,000 \$687,792.50 *	£1,000,000 \$1,375,585*	1.00%
£1,000,000 \$1,375,585*	£4,000,000 \$5,502,340*	0.8%
£4,000,000 + \$5,502,340*		0.5%

Payment in full is expected upon invoice presentation. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement. As a Self-Invested Personal Pension (SIPP) account is held in British Pound Sterling (GBP/UK Pound) the percentage deducted may be converted for informational purposes from GBP to USD in accordance with the same day exchange rates as published in the Wall Street Journal.

*USD conversion amounts displayed for informational purposes only and may not reflect the exchange rate on the actual billing date. The conversion to USD is based on end of market day for July 22, 2021, as expressly stated in the Wall Street Journal. The fee is billed quarterly in arrears, which in the previous example is \$2579.10 in fees earned by the Adviser. Account statements are provided by the product provider and custodian.

In accordance with the terms of the investment management agreement, refunds are calculated on a pro-rata basis from the point the contract was terminated to the end of the billed quarter. Further billing will be halted.

Arrangements may be made for advance or invoice billing at sole discretion of Adviser. Fees for financial plans are billed the lesser of half the agreed upon fee or \$5000.00 in advance, with the balance due upon delivery of the financial plan.

Other Fees

Unless the client portfolio account is in a wrap program, the client will likely incur fees from brokerages, custodians, administrators, and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees are based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser. *"The Adviser does not currently receive fees or commissions from any of these arrangements. Hoxton*

Capital Management USA shall periodically review the business relationships and may elect to initiate the receipt of fees.”

The Adviser or the sub-advisers selected by the Adviser may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients’ portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Adviser. The Adviser, from time to time, may select or recommend to separately managed clients the purchase of proprietary investment products. To the extent the client’s separately managed portfolio includes such proprietary products, the Adviser will adjust the client’s fee associated with the client’s separately managed account. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Adviser. These fees and expenses are described in each mutual fund’s or underlying annuity fund’s prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. No-load or load-waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser and may purchase investment products the Adviser recommends through other brokers or agents. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Adviser to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. Fees charged, by the Adviser, for clients residing in California or Pennsylvania shall not exceed three percent (3%).

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a *spread* to the broker or dealer on the other side of the transaction that is built into the purchase price of the security. In some cases, there may be fees charged which are a result of brokered trading activity by associated personnel of the Adviser that is outside of the constructs of the Adviser’s investment advisory portfolios and are thus not included in the management fee. These trades are generally at the request of the client. The fees may vary in size depending on the nature of the client’s requests.

The Adviser also receives remuneration from Investment Platform Providers for the successful introduction of business to the Provider. Related persons do not receive remuneration. Such remuneration is fully disclosed to clients in the executed client agreement. Remuneration shall not exceed five percent (5%) of the client’s original investment. Remuneration for clients residing in California or Pennsylvania shall not exceed three percent (3%) of the client’s original investment.

Conflict of Interest Between Different Fee Structures

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses, including services provided to identified family members and/or designated friends of

the Adviser at a negotiable rate outside of the Minimum Annualized Investment Management Fees. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client's or the investor's personal financial situation to ensure the investment management service provided is appropriate. Neither the Adviser nor associated personnel on behalf of the Adviser accept compensation for the sale of securities or other investment products in their role with the Firm. However, associated personnel through their outside business activities receive compensation for the sale of securities or other investment products. Outside business activities may present a conflict of interest, presenting an incentive to recommend investment products based on the compensation received, rather than on a client's needs. For additional information review **Item 10** of this Brochure. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors. The Firm and associated personnel will discuss the potential conflicts that could arise during the initial client meeting and at least annually thereafter.

Clients have the option to purchase investment products the Adviser recommends through other brokers or agents that are not affiliated with the Firm. In addition, the Adviser may provide services to identified family members or designated friends of the Adviser at a negotiable rate.

Item 6 - Performance Fees

Fees are not based on a share of the capital gains or capital appreciation of managed securities. However, the Adviser may employ certain types of investments that do charge a performance fee in which the Adviser does not participate. For these investments, refer to their product offering for an explanation and amounts of the performance fees. The Adviser does not use a performance-based fee structure.

Item 7 - Types of Clients

Description

The Adviser generally provides investment advice and pension consulting services to expatriates or other nationals residing in the United States who maintain international pension assets. The Firm may also provide retirement and investment advice to individuals, banks or thrift institutions, investment companies, pension, and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$25,000.00 of assets under management. The Adviser has the sole discretion to waive the account minimum. Accounts holding less than the minimum may be accepted when the Client and the Firm anticipate the Client adding additional funds to the account balance, bringing the total to Firm minimum account size, within a reasonable time. Other exceptions will apply to employees of the Adviser and their relatives, or relatives of existing Clients.

Clients receiving ongoing asset management services are assessed a minimum annual percentage fee ranging from 0.5% to 1.5%. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

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

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, cyclical analysis or other applicable methods.

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

Conflicts of Interest

In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively managed index and exchange-traded funds as the core investments, and then add actively managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Agreement documenting their objectives and their desired investment strategy. However, investing in securities does involve risk of loss that clients should be prepared to bear.

The Adviser's strategies do not involve frequent trading.

Market, Security, and Regulatory Risks

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

Market Risks:

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive, and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Hoxton Capital Management USA's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it is considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have the potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of

larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Leverage. When deemed appropriate by the Adviser and subject to applicable regulations, the Adviser may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

Options and Other Derivative Instruments. The Adviser may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by the Adviser. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk. The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential

of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of five percent (5%), but the rate of inflation is six percent (6%), then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rates the issuer promises to make are fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser's foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

Regulatory Risks:

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisers, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest. In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons. Identified material conflicts of interest regarding the Adviser or associated persons are disclosed in this brochure.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Security Specific Risks:

Liquidity. Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

Currency. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Limited Liquidity of Interests. An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

Lack of Registration. Funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and therefore, are subject to transfer restrictions.

Withdrawal of Capital. The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

Item 9 – Disciplinary Information

Firm personnel involved in legal or disciplinary events related to past investment activity are disclosed on the applicable Brochure Supplements including the resolution of such events.

Item 10 - Other Financial Industry Activities and Affiliations

Brokerage Affiliations

Currently, associated persons of the Adviser are not registered representatives of a broker dealer, or a futures commission merchant, commodity pool operator or commodity trading adviser. The Adviser does not maintain custody of Client assets (although the Firm may be deemed to have limited custody of Client assets if given authority to withdraw assets from the Client account. Client assets must be maintained in an account at a qualified custodian; generally, an investment company, broker-dealer or bank. The Firm conducts appropriate due diligence regarding third parties prior to engagement of services. The process ensures third party advisers are properly licensed and registered, where applicable, as an investment adviser prior to engagement. The Adviser currently engages the services of several investment companies including pension trustees, on behalf of clients, electing to implement a self-directed pension plan. Trustees include but are not limited to International Financial Group (RL 360), Capital International Group, Novia Global Limited/Novia Financial plc. (Novia) and Sovereign Pension Services (UK) Limited (Sovereign). RL 360 is an Insurance Manager regulated by the Isle of Man Financial Services Authority. Novia is a qualified custodian registered with the Financial Conduct Authority (United Kingdom) pursuant to Board Rules 116.17(a)(8) and International Financial Group, Capital International Group, Novia Financial plc. and Sovereign Pension Services (UK) Limited are the investment platform trustees for the SIPP separate accounts managed on behalf of clients.

HCM-USA is independently owned and operated. Chief Executive Officer, Christopher A. Ball, is an indirect owner of the Firm. Mr. Ball is a Financial Adviser for Hoxton Capital Management Ltd., a United Kingdom investment advisory firm. The firm is registered with the Financial Conduct Authority (FCA) and conducts business independent of the Adviser. The Managing Partner relationship is deemed a conflict of interest for Mr. Ball as his role with the global firm includes the solicitation or sales of investment products on behalf of the financial adviser.

Mr. Ball provides advisory oversight and monitoring services to Halwyn UK (a non-affiliated investment manager) as an investment committee member. Halwyn UK manages the Aditum Investment Funds, which are recommended by HCM-USA to clients. As a committee member Hoxton Marketing Management, LLC receives remuneration for Mr. Ball's committee member role. Other persons and/or entities affiliated with HCM Trading Holdings, Ltd., receive remuneration for their investment committee services. This relationship is a conflict of interest as HCM-USA and its IARs may recommend Aditum Funds to clients.

Mr. Ball is the indirect owner and Executive Director for Hoxton Capital Management FZE, a global investment administrative firm. His employment is deemed a conflict of interest as his role with the global firm includes the administration of investment products on behalf of third-party financial advisers. The Adviser reviews the submitted client applications and activity to identify potential conflicts of interest between the independent entities.

There is a conflict of interest for the Adviser and its associated personnel to recommend the services that may offer a higher level of compensation to the Firm through the noted product requirements. However, the client may decline the offering adviser engagement and seek other investment adviser services.

Qualified custodians hold Client assets in a brokerage account. Although the Adviser recommends a particular custodian/broker, the Client decides whether to do so. The Client opens the account directly with the agreed upon investment company custodian by entering into an account agreement directly with them. The Firm does not open the custodian account for Clients.

The Adviser recommends, selects, and refers clients to third-party offering advisers. The Client enters into an independent agreement with the third-party offering adviser(s) to manage all or a portion of the client's account(s). The Adviser may receive compensation directly or indirectly from the third party offering adviser(s) creating a conflict of interest.

The Adviser also receives remuneration from Investment Platform Providers for the successful introduction of business to the Provider. Related persons do not receive remuneration. Such remuneration is fully disclosed to clients in the executed client agreement. Remuneration shall not exceed five percent (5%) of the client's original investment. Remuneration for clients residing in California shall not exceed three percent (3%) of the client's original investment.

Affiliations

The Adviser does not currently have active arrangements material to its advisory or its clients with a related person who is an investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer.

The Adviser is deemed to have an indirect affiliation through HCM Trading Holdings, Ltd. as staff and ownership participate in the Halwyn UK Investment Committee, which includes the Aditum Investment Funds. As a committee member(s), staff and ownership provide advisory oversight and monitoring services to Halwyn UK on behalf of Aditum Investment Funds. Participating staff receive remuneration in their committee member role through Hoxton Marketing Management LLC (HMM UAE). This relationship is a conflict of interest as the firm and its IARs recommend Aditum Funds to clients.

Mr. Ball maintains indirect ownership of several international investment advisory firms through his majority ownership of HCM Trading Holdings, Ltd. He is the Executive Director for Hoxton Capital Management FZE, a global investment administrative firm. His business activity is deemed a conflict of interest. The entity serves as a third-party administrator on behalf of several independent entities operating in and regulated by various jurisdictions and regulators. There are varying degrees of business and administrative relationships and/or associations between some of these entities.

Mr. Ball is a regulated Financial Adviser for Hoxton Capital Management (UK) Ltd., a United Kingdom investment advisory firm. The firm is registered with the Financial Conduct Authority

(FCA) and conducts business independent of the Adviser. He is the Executive Director for Hoxton Capital Management Australia Pty. Ltd.

His ownership and oversight for the advisory firms is deemed a conflict of interest as his role with the global firms includes the solicitation or sales of investment products on behalf of the financial firms.

Mr. Donatelli is the sole proprietor for the Law Office of Philip Andru Donatelli. The general practice provides civil legal guidance to clients regarding property management, real estate, corporate guidance, securities, tax and where applicable litigation representation.

There is a conflict of interest for the Adviser and its associated personnel to recommend the services that may offer a higher level of compensation to the Firm through noted product requirements of the offering adviser. However, the client may decline the offering adviser engagement and seek other investment adviser services.

At any known time, the Adviser or its related personnel's affiliation with the noted persons and/or entities may create a conflict of interest as the Adviser or related personnel receive compensation for its affiliated activities. However, clients of the Adviser are not required to use the services offered by the associated person of the Adviser. The Adviser does not make any representation that the recommended services are at the lowest cost available and clients may be able to obtain those services and/or products at a more favorable rate from other service providers.

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

Code of Ethics

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Compliance Officer of the Adviser.

Participation or Interest in Client Transactions

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and

employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Personal Trading

The Chief Compliance Officer of the Adviser is Philip Andru Donatelli. Mr. Donatelli reviews employee trades each quarter (except for his own trading activity which is reviewed by a director of the Firm). The reviews assist the Firm in monitoring employee personal trading activity to discourage the trading from affecting the markets and allowing Firm clients preferential treatment. The Firm and associated persons do not recommend buy or sell securities for client accounts, in which the Adviser and associated persons has a material financial interest.

Item 12 - Brokerage Practices

Brokerage Selection and Soft Dollars

The Adviser has the authority over the selection of the broker to be used without obtaining specific client consent. Commission rates to be paid are addressed and acknowledged between the client and the broker via the formal independent third-party offering adviser agreement. The Adviser may recommend brokerage firms as qualified custodians and for trade execution. The Adviser currently engages the services of several investment companies including pension trustees, on behalf of clients, electing to implement a self-directed pension plan. Trustees include but are not limited to International Financial Group (RL 360), Capital International Group, and Novia Financial plc. (Novia). RL 360 is an Insurance Manager regulated by the Isle of Man Financial Services Authority. Novia is a qualified custodian registered with the Financial Conduct Authority (United Kingdom) pursuant to Board Rules 116.17(a)(8) and International Financial Group, Capital International Group, Novia Financial plc./ Novia Global Limited and Sovereign Pension Services (UK) Limited are the investment platform trustees for the SIPP separate accounts managed on behalf of clients.

The Adviser does not currently receive fees or commissions from any of these arrangements. Hoxton Capital Management USA shall periodically review the business relationships and may elect to initiate the receipt of fees.

In selecting brokers or dealers to execute transactions, Adviser will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Adviser is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., soft dollars) provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Adviser to strive for the best

price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

Order Aggregation

The Firm does not aggregate orders as it is a non-discretionary Adviser.

Directing Brokerage for Client Referrals

The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

Directed Brokerage

The Adviser allows clients to direct brokerage, but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct Adviser to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. The Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the Adviser to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

Item 13 - Review of Accounts

Periodic Reviews

The Firm's Investment Committee or equivalent shall periodically review account activity. In addition, account reviews are performed quarterly by the Executive Director, Christopher A. Ball, or his designee. The review includes considering the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Review Triggers

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

Regular Reports

Clients receive reports on an annual basis. The written reports may include account valuation, performance stated in dollars and as a percent, net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives. Clients receive statements of account positions no less than quarterly from the account custodian.

Item 14 - Client Referrals and Other Compensation

Incoming Client Referrals

The Adviser receives client referrals which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The Firm does not compensate referring parties for these referrals.

Referrals to Third Parties

The Adviser may receive remuneration from Investment Platform Providers for the successful introduction of business to the Provider. Related persons do not receive remuneration. Such remuneration is fully disclosed to clients in the executed client agreement. Remuneration shall not exceed five percent (5%) of the client's original investment. Remuneration for clients residing in California shall not exceed three percent (3%) of the client's original investment.

Item 15 - Custody

Custody Policy

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

Account Statements

All assets are held at qualified custodians. Clients are encouraged to request their custodian provide their account statement(s) not less than quarterly to their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies and should compare the information set forth in their applicable statement(s) from the Adviser with the statement(s) received directly from the custodian to ensure accuracy of all account transactions.

Performance Reports

Pursuant to recent industry amendments advisers are encouraged to urge clients to compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

California Residents

Pursuant to California Code of Regulation, Section 260.237(b)(3) the Firm acknowledges the following:

- A. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- B. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- C. Each time a fee is directly deducted from a client account, the investment adviser concurrently:
 - i. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and
 - ii. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.
- D. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV.

Pennsylvania Residents

Pursuant to Pennsylvania Code of Rules and Regulation, Section 303.042(3)(i)(A-D) the Firm acknowledges the following:

- A. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- B. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- C. The investment adviser sends the qualified custodian written notice of the amount of the fee to be deducted from the client's account; and
- D. The investment adviser sends the client a written invoice itemizing the fee, including any formulae used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Illinois Residents

Pursuant to the Illinois Securities Law of 1953, Administrative Rule Section 130.844, the Firm acknowledges the following:

- A. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.
- B. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.

Item 16 - Investment Discretion

The Adviser does not have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The Adviser does not have discretion of client accounts and seeks client approval prior to placing a trade on behalf of the client. The Firm's non-discretionary authority regarding investments is subject to certain limitations. These limitations and restrictions are disclosed in writing at the account's inception.

The Adviser will consult with the client prior to each trade in order to obtain client approval for the transaction(s). This includes the client authorizing the Adviser to select the custodian to be used and the commission rates paid. The Adviser does not receive any portion of the transaction fees paid by the client to the custodian on certain trades.

Item 17 - Voting Client Securities

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

Item 18 - Financial Information

The Adviser does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that the Firm is subject to and the Adviser has not been the subject of a bankruptcy petition in the last ten years.

The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$500.00 per client, and six months or more in advance.

Business Continuity Plan

The Adviser has a Business Continuity Plan in place which provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water

pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

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

Summary of Business Continuity Plan

A summary of the business continuity plan is available upon request to HCM-USA's Chief Compliance Officer.

Information Security Program

Information Security

The Adviser maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Practices

Below is a summary of the Adviser's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Chief Compliance Officer of the Adviser.

Types of Non Public Personal Information the Firm Collects

We collect nonpublic personal information about you that is either provided to us by you or obtained by us with your authorization. This can include your Social Security number, date of birth, banking information and account numbers and/or balances, sources of income, or other information. When you are no longer our client, we may continue to share your information only as described in this notice.

Parties to the Firm Disclosure Information

All investment advisers may need to share personal information to run their everyday business. Below, we list the typical reasons that we may share your personal information:

- For everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus;
- For our marketing – to offer our products and services to you; or
- For our affiliate's everyday business purposes – information about your transactions and experiences

If you are a new client, we may begin sharing your information on the day you sign our Client Agreement. When you are no longer our customer, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

Protecting the Confidentiality of Current and Former Client Information

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law, including physical, electronic, and procedural security measures such as computer safeguards and secured files and building.

Definitions

Affiliates – Financial or nonfinancial companies related by common ownership or control.

Non-affiliates – Financial or nonfinancial companies not related by common ownership or control.

Joint marketing – A formal agreement between non-affiliated financial companies that together market financial products or services to you.