

Item 1 – Introduction

Hillman Capital Management, Inc. (“HCM”) is an SEC-registered investment adviser that provides advisory services. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing

Item 2 – Relationship Services

What investment services and advice can you provide me?

HCM offers investment advisory services to retail investors. As part of these services, HCM offers discretionary advisory services to clients through separately managed accounts, sub-advisory services, sub-advisory services to Wrap Fee Programs, and dual contract services. HCM provides the following services, which are part of our standard services: three portfolio styles for separately managed accounts, including (1) Advantage Value Equity Strategy, (2) Focused Advantage Value Equity Strategy and (3) Balanced Conservative Strategy, all of which are also available as Wrap Fee Programs and a mutual fund.

HCM continuously monitors all advisory accounts and reviews the accounts themselves no less frequently than quarterly. Wrap, sub-advisory and dual contract accounts are generally reviewed with reference to a model portfolio, in accordance with the relevant client’s individual investment objectives and restrictions. With regard to advisory clients, HCM generally has discretionary authority to make the following determinations without obtaining the consent of the client before we effect the transactions: (1) which securities we buy and sell for the account and (2) the total amount of securities we buy and sell. The client grants this discretionary authority through a clause in HCM’s Investment Advisory Agreement. However, HCM may accept reasonable limitation or restriction. HCM provides investment advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments and investment companies. HCM requires a minimum of \$2,000,000 in managed assets for Advantage Value Equity and Focused Advantage Value Equity strategies and \$5,000,000 for the Balanced Conservative strategy to establish and maintain advisory client relationships. HCM reserves the right to reduce the minimum requirement for certain accounts under certain circumstances. *For additional information, see Item 4, 7, 8, 13 and 16 of the [Form ADV Part 2A](#) brochure.*

Key questions to ask:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Item 3 – Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

HCM charges a fee based on a percentage of a client’s assets under management for services we provide through Separate Accounts and Wrap Fee Programs. Fees are payable quarterly, both in arrears and in advance. Thus, some clients may pay more or less than others for similar services depending, for example, on account inception dates, number or value of related accounts, total assets under management, fee negotiation, fee waiver or the manner in which HCM’s services are obtained. Fees for services may be negotiated with each client on an individual basis or with intermediaries on a group basis. HCM may waive or reduce the fees charged to a particular client. For Wrap Program clients, HCM is compensated by the sponsor, from the total program fee paid by program clients. Each wrap fee program sponsor generally charges clients quarterly in advance based on some form of comprehensive fee based upon a percentage of the value of the client’s assets under management in the program. This comprehensive fee may include execution, consulting, custodial and other services performed or arranged by the program sponsor and an amount sufficient to cover the investment advisory services of discretionary managers (such as HCM). In some wrap fee programs, the discretionary manager’s fee is paid directly by the wrap fee client pursuant to a separate contract executed between the manager and the wrap fee client. Wrap Program fees may be more or less than your typical asset-based advisory fee. The more assets there are in your advisory account, the more you will pay in fees; thus, the firm may have an incentive to encourage you to increase the

assets in your account. *You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For additional information, please see Item 5 of the [Form ADV Part 2A](#) brochure.*

Key questions to ask:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs? How much will be invested for me?

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

As an investment adviser, HCM has a fiduciary obligation to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. HCM serves as the investment adviser to the Hillman Value Fund (the "Mutual Fund"). In some cases, HCM may invest a portion of a client's assets into the Mutual Fund. Accordingly, HCM may have a conflict of interest to the extent that it recommends for investments or invests in the Mutual Funds because HCM receives investment advisory fees from the Mutual Fund but not from unaffiliated mutual funds or other investments. HCM will not charge management fees on the portion of the clients' investment placed in these Funds. However, HCM's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. For more information about our conflicts, please see Item 10, 12 and 14 of the [Form ADV Part 2A](#) brochure.

Key question to ask:

How might your conflicts of interest affect me and how will you address them?

How do your financial professionals make money?

HCM's financial professionals are compensated based on management fees paid by advisory clients, including Wrap Programs. HCM's supervised persons do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 4 – Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. A free and simple search tool to research us and our financial professionals is available at investor.gov/CRS.

Key questions to ask:

As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5 – Additional Information

Additional information about our investment advisory services and an up-to-date copy of the relationship summary is available by contacting us at (240) 744-4500.

Key questions to ask:

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

Summary of Changes

Key updates have been made to the following section(s) since our last filing dated June 10, 2020:

- **Item 2 – Relationship Services:** Removed the private fund from the list of services HCM offers to retail investors.
- **Item 3 – Fees, Costs, Conflicts, and Standard of Conduct:** Updated the examples of conflicts of interest to remove the Hillman Long Short Fund (the “Private Fund”) and remove language stating that HCM may charge performance fees to certain client accounts.