



MHP ASSET MANAGEMENT LLC

PO Box 601, Alton, NH 03809

603-447-1979

www.MHP-Asset.com

March 25, 2024

This brochure provides information about the qualifications and business practices of MHP Asset Management LLC (CRD #139995). If you have any questions about the contents of this Brochure, please contact us at 603-447-1979 or Mark@MHP-Asset.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about MHP Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Our brochure may be requested at no charge by contacting Maurice Patterson at 603-447-1979 or Mark@MHP-Asset.com. It is also available on our website: www.MHP-Asset.com.

MHP Asset Management LLC is a registered/licensed investment adviser in the states of New Hampshire and Maine. Registration/licensure of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Books and records are retained at the principal office located at 322 W. Main St., Tilton, NH.

ITEM 2**MATERIAL CHANGES**

January 31, 2024: Item 4 Advisory Services was modified to include Selection of Other Advisors. MHP Asset Management LLC no longer differentiates between Mixed Account portfolios and Fixed Income Only portfolios and all accounts will be subject to the same fee schedule. Item 5 Fees and Compensation was modified to reflect this change.

The material changes discussed above are only those changes that have been made to the Brochure since the firm's last annual updated of the Brochure. The date of the last annual update of the Brochure was January 31, 2024.

TABLE OF CONTENTS

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business.....	4
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-by-Side Management.....	7
Item 7	Types of Clients	7
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	7
Item 9	Disciplinary Information	11
Item 10	Other Financial Industry Activities and Affiliations.....	11
Item 11	Code of Ethics, Participation in Client Transactions and Personal Trading.....	11
Item 12	Brokerage Practices	13
Item 13	Review of Accounts.....	17
Item 14	Client Referrals and Other Compensation	18
Item 15	Custody	18
Item 16	Investment Discretion.....	18
Item 17	Voting Client Securities	19
Item 18	Financial Information.....	19
Item 19	Requirements for State Registered Advisers.....	19

MHP Asset Management LLC (“MHP Asset Management” or “MHP”) was founded and 100% owned and managed by Maurice Patterson and has been providing advisory services since May 2006.

MHP Asset Management is primarily the designer and manager of investment portfolios made up of individual securities (equities, investment grade bonds, exchange traded funds, options contracts), that are tailored to the client’s risk tolerance, purpose and objectives. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance. Clients of MHP may impose restrictions on certain securities or types of securities.

MHP Asset Management may periodically recommend and refer clients to unaffiliated money managers or investment advisors. Through this arrangement, the client will then enter into an advisory agreement with the third-party money manager authorizing them to assist and advise the client in establishing investment objectives and develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such, the third-party money manager will receive a portion of MHP’s investment advisory fee, billed monthly in arrears. MHP will manage the ongoing client relationship, and no additional fees will be charged to the client for the sub-advisor investment management services. A client may be able to directly engage unaffiliated money managers or investment advisors to obtain advisory services without MHP’s oversight. In that case, the client would not receive the services provided by MHP, which are designed, among other things, to assist the client in determining which products or services are most appropriate to the client’s financial condition and objectives.

MHP Asset Management reviews client accounts no less than annually with the client and will rebalance portfolios no less than annually. Fixed income is managed as needed due to called issues or coupon payments to be re-invested. Options contracts are reviewed and adjusted per expiration of options contract.

MHP Asset Management does not provide portfolio management services to wrap fee programs.

As of December 31, 2023, MHP Asset Management managed \$38,700,000 on a discretionary basis and \$1,150,000 on a non-discretionary basis.

ITEM 5

FEES AND COMPENSATION

The specific manner in which fees are charged by MHP Asset Management is established in a client's written agreement with MHP Asset Management. MHP Asset Management will bill its fees monthly, in arrears, based on the value of portfolio assets of the account on the last business day of the month. Management fees will be prorated for each capital contribution and withdrawal made during the applicable calendar month or quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during the month will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement. Accounts managed by sub-advisors do not incur any additional fees. MHP pays a portion of its investment management fee to the sub-advisor as consideration for its services.

MHP Asset Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, dealers, third-party managers, and others, such as advisory fees charged by sub-advisors, investment managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to MHP Asset Management's fee, and MHP Asset Management shall not receive any portion of these commissions, fees and costs. Sub-advisory fees will be directly deducted from the account by the sub-advisor, and MHP Asset Management's advisory fee will be remitted to it by the sub-advisor. There is no increase in advisory fees on any accounts managed by the sub-advisor.

Fee Only Compensation: This model minimizes, but it does not eliminate an adviser's conflicts of interest. Fee-Only financial adviser charges the client's account directly through its Custodian for his/her advice and/or management. No other financial reward is provided by any institution – which means that the adviser does not receive

commissions on the actions they take on the client's behalf. Compensation is based on a percentage of assets managed. Clients do not have the choice to be billed independently; all fees will be deducted from the client's account by the custodian. No fees will be billed in advance.

Item 12 further describes the factors that MHP Asset Management considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

The fee schedule applicable as of this brochure is as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$5,000 - \$250,000	1.25%
\$250,001 - \$1 million	1.00%
Over \$1 million	0.80%

The above fee schedule serves only as a guideline and may be negotiated at the discretion of MHP Asset Management. Aggregated or family accounts may qualify for a lower fee schedule. Fees are calculated based on a breakpoint schedule. For example, a \$450,000 account would be calculated annually as follows: $(\$450,000 \times 1.00\%) / 12 = \375 per month. Options strategies may incur an additional 25 basis points (0.25%) to the stated fee. Total advisory fees will never exceed 2.0% annually.

Asset management fees will be directly deducted from the client account on a monthly basis by the qualified custodian. The client will give written authorization permitting MHP Asset Management to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client and MHP Asset Management will also send an invoice to the client outlining the fee calculation and time period covered, and the amount withdrawn from the client account at the same time the fee deduction invoice is sent to the qualified custodian. At no time will MHP Asset Management accept or maintain custody of a client's funds or securities except for authorized fee deduction.

MHP Asset Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

There are no known conflicts of interest regarding MHP's fees and compensation.

Charles Schwab & Co., Inc. is the recommended broker of choice for MHP Asset Management. Clients are not required to trade through broker-dealers recommended by MHP.

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

MHP does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets). It is felt that such fee arrangements create an incentive for the adviser to favor performance-based fee accounts over other accounts in the allocation of investment opportunities because the adviser potentially could earn more money based on the performance of the account. MHP has set in place procedures designed and implemented to ensure that all clients are treated fairly and equally.

ITEM 7 **TYPES OF CLIENTS**

MHP Asset Management provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, private investment funds and other U.S. institutions.

MHP Asset Management's cumulative minimum account requirement for opening and maintaining an account is \$5,000. However, based on facts and circumstances the Advisor may, at its sole discretion, accept accounts with a lower value.

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

MHP Asset Management believes in "modern portfolio theory" of using low and non-correlated asset classes in relation to the risk profile of client, to mitigate risk and enhance return.

MHP manages fixed income portfolios primarily using investment grade corporate bonds.

We manage fixed income investments with objectives of creating stable portfolios, dependable cash flows and predictable rates of return with measured levels of risk. When acquiring an individual bond, we emphasize investment-grade vehicles with good value, reasonable yields and minimize credit and interest rate risk. Risks associated with investments in debt securities include issuer-specific volatility greater than the market as a whole, impairment of collateral, restrictions on liquidity during certain market conditions prepayment of principal, and market value fluctuations with interest rate changes.

For equities, we favor the ownership of stocks of high-quality companies with a history of earnings growth and corporate management with demonstrated success in adding to shareholder value. Our selection process includes:

- 1) Independent quantitative and qualitative research.
- 2) Collaboration among members of our investment ensure the best thinking is reflected in our portfolios, and
- 3) Independent analysis to give us confidence in our convictions.

Investment and trading risk associated with equities include market value fluctuations from short price declines which can include complete value loss for individual securities.

With exchange traded funds, like other securities, past performance does not guarantee future results.

Our securities analysis methods rely on the assumptions that the information provided by companies, analyst, ratings agencies and other public sources is accurate and unbiased.

Information used includes economic conditions, historical data, industry outlook, inflation, interest rates, income tax regulations, as well as fiscal and monetary policies in the United States and foreign countries.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks. Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

MHP Asset Management does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

Risks of Investing in Stocks

All investments involve some degree of risk. In finance, risk refers to the degree of

uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product has different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be.

- **Business Risk:** With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.
- **Volatility Risk:** Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.
- **Liquidity Risk:** This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products.

Risks that apply to Equity Strategies, including ETFs

Management Risk: Due to its passive and defensive management, a portfolio could underperform other portfolios with similar investment objectives and/or strategies.

- **Allocation Risk:** A portfolio may use an asset allocation strategy in pursuit of its investment objective. There is a risk that a portfolio's allocation among asset classes or investments will cause a portfolio to lose value or cause it to underperform other portfolios with a similar investment objective and/or strategy, or that the investments themselves will not produce the returns expected.
- **Sector/Industry Risk:** The risk that the strategy's concentration in equities in

a specific sector or industry will cause the strategy to be more exposed to the price movements in and developments affecting that sector.

- **Market and Timing Risk:** Prices of securities may become more volatile due to general market conditions that are not specifically related to a particular company, such as adverse economic conditions or outlooks, adverse investor sentiment, changes in the outlook for corporate earnings, or changes in interest rates.
- **Event Risk:** The possibility that an unforeseen event will negatively affect a company or industry, and thus, increase the volatility of the security.
- **Liquidity Risk:** The risk that exists when a security's limited marketability prevents it from being bought or sold quickly enough to avoid or minimize a loss.

Risks of Investing in Investment Grade Bonds

Bonds come in a variety of forms, each bringing different benefits, risks, and tax considerations. Corporate bonds are issued by corporations and investment grade corporate bonds are generally considered to be among the safer types of bonds to invest in, though not as safe as securities issued by the U.S. Government. The primary risks associated with corporate bonds are credit risk, interest rate risk, and market risk. In addition, some corporate bonds can be called for redemption by the issuer and have their principal repaid to the investor prior to the maturity date. When bonds are called in a declining interest environment, investors may not be able to obtain new bonds that offer the same yield. Based on their credit rating, corporate bonds can be either investment grade (IG) or non-investment grade. The principal and interest on investment grade bonds are considered more likely than non-investment grade corporate bonds to be paid on time. However, no company is ever completely risk free the potential for default by the issuer is always present. If a company defaults on its bonds and goes bankrupt, bondholders have a claim on the company's assets and cash flows – priority of payment is based on priority of claim.

Risks of Investing in Options

Options are financial contracts that have values derived from underlying assets. Like stocks, bonds, and ETFs, options carry no guarantees, and investors in options may lose the entire principal invested or more. Using options on an underlying security creates risks that are different from investing in that security, and unique skills may be required to use options strategies effectively. Option prices tend to be much more volatile than their underlying securities due to leverage that is fundamental to their design which can magnify the price changes in the option relative to the underlying.

Option sellers tend to bear significantly more risk than option buyers. While the maximum loss of a purchased option is generally limited to the option's price, a written (or sold) option can incur losses in excess of the value of the option or collateral required. For example, a short put option by itself can incur a loss equal to the strike price if the stock price goes to zero. A short call option by itself can theoretically have unlimited losses if the underlying stock price increases significantly past the strike price. The performance of an option strategy is influenced by the selection of underlying securities, expiration dates and strike prices. Similar option strategies using different underlying securities can have significantly different results. The success or failure of option strategies to accomplish their objectives can be significantly impacted by timing of market price movements relative to the expirations of long and short options held in the portfolio. Additionally, similar option strategies with different strike price selections can have significantly different results over time.

ITEM 9 DISCIPLINARY INFORMATION

Licensed investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MHP Asset Management or the integrity of MHP Asset Management's management.

MHP was the subject of a Consent Order and Censure issued by the New Hampshire Bureau of Securities on August 19, 2014. During a routine examination of the firm by Bureau of Securities examiners, it was determined that MHP had committed violations of the New Hampshire Revised Securities Act. The firm voluntarily submitted an offer of settlement and consented to a written censure. We invite you to visit adviserinfo.sec.gov for a free and simple search tool to research our firm using our CRD number, which is 139995.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Managing member, Maurice Patterson, is also licensed and registered as an insurance agent to sell various insurance products for various insurance companies. Approximately 10% of his time is spent in this practice offering clients advice or products from this activity. These practices represent a conflict of interest because it allows Mr. Patterson an incentive to recommend products based on the commission or fee received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation; and by the fact that clients are not required to purchase any products. Clients have the option to purchase these products through any insurance agent of their choosing.

ITEM 11 CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

MHP Asset Management has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its

clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at MHP Asset Management must acknowledge the terms of the Code of Ethics annually, or as amended. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of MHP Asset Management will not interfere with making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of MHP Asset Management's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between MHP Asset Management and its clients.

MHP Asset Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which MHP Asset Management has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which MHP Asset Management, its affiliates and/or clients, directly or indirectly, have a position of interest. MHP Asset Management's employees and persons associated with MHP Asset Management are required to follow MHP Asset Management's Code of Ethics.

Subject to satisfying this policy and applicable laws, officers, directors and employees of MHP Asset Management and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for MHP Asset Management's clients, either by MHP Asset Management or by third-party managers or sub-advisors. This practice creates a conflict of interest in that personnel of MHP can take advantage of the advance knowledge of securities trading and trade for their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of securities owned by those of MHP's personnel and affiliates. To mitigate these conflicts, MHP Asset Management has adopted a Code of Ethics as noted above, which is available upon request. Finally, supervised persons of MHP Asset Management are fiduciaries by law and are required to put the client's

interest before those of the firm and themselves.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with MHP Asset Management's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. MHP Asset Management will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is MHP Asset Management's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. MHP Asset Management will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually licensed as a broker-dealer or has an affiliated broker-dealer.

ITEM 12 BROKERAGE PRACTICES

If requested by the client, MHP Asset Management may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service, and industry reputation. MHP Asset Management will consider factors such as commission, price, speed and quality of execution, client management tools, and convenience of access for both the firm and client in making its suggestion. MHP Asset Management intends to recommend that our clients use Charles Schwab & Co., Inc., a registered broker-dealer, member SIPC, as the qualified custodian.

The custodian and brokers we use

MHP Asset Management does not maintain custody of your assets, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered

broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

How we select brokers/custodians

We seek to recommend a custodian/broker that will hold your assets and execute transactions

on terms that are overall most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your brokerage and custody costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many ETFs and online stock and options trades) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions

and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker/dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

Services that benefit you

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client

accounts

- provide pricing and other market data
- facilitate payment of our fees from our clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

Our interest in Schwab's services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business and Schwab's payment for services for which we would otherwise have to pay rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/custodians") and not Schwab's services that benefit only us.

For any such products and services MHP Asset Management receives from Schwab or other custodians, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

MHP Asset Management does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to

clients.

MHP Asset Management does not permit clients to direct brokerage. Not all firms require their clients to direct brokerage.

MHP Asset Management may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of MHP Asset Management's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. MHP Asset Management may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

ITEM 13

REVIEW OF ACCOUNTS

MHP Asset Management reviews client accounts no less than annually with the client and will rebalance portfolios no less than every 366 days. Fixed income is managed as needed due to called issues or coupon payments to be re-invested. Options contracts are reviewed and adjusted per expiration of options contract. The client is encouraged to notify MHP Asset Management if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from and generated by broker-dealers and others who are involved with client accounts, including Charles Schwab & Co., Inc. and any other broker, dealer, trust company, bank, or other entity

where the client has an account. Such reports may contain account performance, trade confirmations, and holdings. MHP Asset Management does not guarantee the accuracy of these reports and does not deliver separate client reports. Clients are urged to compare the account statements they receive from the custodian with any separate reports, and any discrepancies should be immediately brought to MHP Asset Management's attention.

ITEM 14 **CLIENT REFERRALS AND OTHER COMPENSATION**

Compensation is not paid for client-based referrals or to anyone not properly licensed to accept advisory fees.

ITEM 15 **CUSTODY**

MHP Asset Management does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5, which describes the safeguards around direct fee deduction and note that the client will receive from MHP Asset Management an invoice outlining the fee calculation and time period covered, and the amount withdrawn from the client account at the same time the fee deduction invoice is sent to the qualified custodian). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements against MHP Asset Management's fee invoice carefully. Although MHP Asset Management does not provide clients with periodic reports or account statements, if we decide to do so in the future we encourage you to compare the account statements you receive from the qualified custodian with those received from us. Any discrepancies should be immediately brought to the firm's attention.

ITEM 16 **INVESTMENT DISCRETION**

MHP Asset Management usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the client account. For example, clients may limit MHP Asset Management's discretionary authority to hire an unaffiliated money manager or investment advisor without discussing it with the client first. MHP Asset Management also manages accounts on a non-discretionary basis, where clients will approve all transactions in their accounts prior to an order being entered. In such cases, clients with non-discretionary accounts are at a disadvantage when compared to clients with discretionary accounts because of the need for MHP Asset Management to first obtain client approval to place trades. This can result in trade delays and missed investment opportunity. However, MHP Asset

Management never seeks to “time the market” and the risk of missed investment opportunity is not a substantial risk in MHP Asset Management’s investment strategy.

When selecting securities and determining amounts, MHP Asset Management observes the investment policies, limitations and restrictions of the clients for which it advises. For licensed investment companies, MHP Asset Management's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to MHP Asset Management in writing.

ITEM 17 **VOTING CLIENT SECURITIES**

Clients may obtain a copy of MHP Asset Management's complete proxy voting policies and procedures upon request. MHP Asset Management does not vote client proxies but will assist the client with their vote if requested.

ITEM 18 **FINANCIAL INFORMATION**

Licensed investment advisers are required in this item to provide you with certain financial information or disclosures about MHP Asset Management's financial condition. MHP Asset Management has discretionary authority over client accounts and has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. MHP Asset Management does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, and is not required to file a balance sheet. MHP Asset Management has never been subject to a bankruptcy petition.

ITEM 19 **REQUIREMENTS FOR STATE LICENSED ADVISERS**

Maurice Patterson is the principal officer and manager of MHP Asset Management. Maurice Patterson has an MBA from Anna Maria College and a bachelor’s degree in Economics from Roger Williams University.

Maurice Patterson has been an adjunct professor teaching Economics and Investment Management at Roger Williams University (1996-1997) and Granite State College (2006-2008).

Maurice Patterson has managed MHP Asset Management since inception in 2006. Maurice also managed MHP Capital Management from 2006 - 2011, where he managed a commodity trading advisory.

MHP conducts workshops that are at no cost to the attendees. Typical workshop topics are Social Security, Medicare, Retirement income planning, Sequence of return risk, Asset based LTC, Vetting your broker or advisor, etc. Specific recommendations are not offered at these workshops. The workshops are educational in nature and nothing is sold. Discovery phone calls are offered to participants who want additional information regarding the topic discussed.

Massachusetts's law (950 CMR 12-205(9)(C) 13 MGL 110A) prohibits us from disclosing the nonpublic personal information about you to other third parties unless we have your prior written consent. If you decide at some point to either terminate my services or become an inactive customer, we shall continue to adhere to this privacy policy

A disciplinary history of the Registrant or its representatives, if any, can be obtained by calling the Massachusetts Securities Division at (617) 727-3548.