



HARDYREED

Item 1 – Cover Page

Hardy Reed, LLC

101 South Front Street, Tupelo, MS 38804

662-823-4722

www.hardyreed.com

3/30/2017

This Brochure provides information about the qualifications and business practices of Hardy Reed, LLC. If you have any questions about the contents of this Brochure, please contact us at 662-823-4722 and/or info@hardyreed.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.

Hardy Reed, LLC is a Registered Investment Adviser (“Adviser”). Registration 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.

Additional information about Hardy Reed, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.



Item 2 – Material Changes

There have been no material changes to this Brochure since our last annual update on 3/30/2016.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our company’s fiscal year. We may further provide ongoing disclosure information about material changes as necessary.

We will provide you, as needed and without charge, with a new Brochure based on changes or new information.

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Item 4 – Advisory Business

Hardy Reed, LLC provides financial planning, wealth management and investment management services to individuals and high-net-worth individuals, trusts and estates. Hardy Reed, LLC also provides fiduciary consulting, pension consulting and investment management services to pension and profit-sharing plans, and it provides fiduciary services and investment management services to charitable organizations, corporations and business entities.

Scott Reed and John C. Hardy created Hardy Reed, LLC on August 18, 2006, and are the principal owners. Mr. Reed is Chief Executive Officer, and Mr. Hardy is President.

As of 12/31/2016, Hardy Reed, LLC had 244 discretionary clients with \$642,257,334 in assets under management. In addition, Hardy Reed, LLC provided consulting services to clients with assets totaling \$235,124,710, for a total of \$877,382,044 in advised assets.

Hardy Reed, LLC may provide its clients with a broad range of comprehensive financial planning, consulting and investment advisory services (which may include non-investment-related matters) on the following types of investments:

- Mutual funds
- Exchange traded funds (ETFs)
- Equity securities (including exchange-listed, over-the-counter and foreign-issued securities)
- Separately Managed Accounts
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit (CDs)
- Municipal securities
- Investment company securities (including variable life insurance and variable annuities)
- Hedge funds or “funds of funds”
- United States government and agency securities
- Options on securities
- Any type of investment held in a client’s portfolio at the beginning of the advisory relationship

Hardy Reed, LLC may also recommend that clients who are “accredited investors” as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private funds when consistent with the client’s investment objectives.

Hardy Reed, LLC also may render nondiscretionary investment management services to clients relative to (1) variable life/annuity products that they may own and/or (2) their individual employer-sponsored retirement plans. In so doing, Hardy Reed, LLC either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product owned by the client or at the custodian designated by the sponsor of the client’s retirement plan.



Hardy Reed, LLC generally recommends that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively “Fidelity”) for investment management accounts. Hardy Reed, LLC does not receive any fees or commissions for this referral.

Hardy Reed, LLC primarily allocates its clients’ investment management assets, on a discretionary basis, among mutual funds and ETFs in accordance with the investment objectives of the client. Hardy Reed, LLC may allocate its clients’ investment management assets on a limited, discretionary basis among Separate Account Managers and fund of funds in accordance with the investment objectives of the client.

For certain clients, Hardy Reed may recommend a sub-adviser, also known as a Separate Account Manager, to manage a separate portfolio of individual securities. When Hardy Reed, LLC recommends a Separate Account Manager, the client authorizes the active discretionary management of a portion of their assets by and/or among certain investment advisers, based on the stated investment objectives of the client. Hardy Reed, LLC shall continue to render services to the client relative to the discretionary selection of Separate Account Managers, and will continue to monitor and review the client’s account performances and investment objectives. When selecting a Separate Account Manager for a client, Hardy Reed, LLC shall review information about the Separate Account Manager, such as its disclosure statement and/or material supplied by the Separate Account Manager or its parties, to assess the Separate Account Manager’s investment strategies, past performance and risk profile to the extent available. The client will pay a separate fee to the Separate Account Manager in addition to the fee paid to Hardy Reed, LLC. Hardy Reed, LLC receives no part of the Separate Account Manager fee, nor does Hardy Reed, LLC receive any additional compensation related to a client utilizing a Separate Account Manager.

Hardy Reed, LLC may implement its investment management recommendations only after the client has arranged for and furnished Hardy Reed, LLC with appropriate information and authorization regarding accounts to be managed by Hardy Reed, LLC with selected financial institutions. Financial institutions shall include, but are not limited to, Fidelity, any other broker-dealer recommended by Hardy Reed, LLC, a broker-dealer directed by the client, trust companies, banks, etc.

In performing its financial planning services, Hardy Reed, LLC shall not be required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, custodian) and is expressly authorized to rely on such information. The client is under no obligation to act on any of the recommendations made by Hardy Reed, LLC. Moreover, clients are advised that it remains their responsibility to promptly notify Hardy Reed, LLC if their financial situation or investment objectives change and they wish to review, evaluate or revise Hardy Reed, LLC’s previous recommendations and/or services or to impose any reasonable restrictions on Hardy Reed, LLC’s management services.

Hardy Reed, LLC or the client may assign their agreement based on a negative consent of the other party.

Item 5 – Fees and Compensation

Investment Advisory Services

Prior to engaging Hardy Reed, LLC to provide any investment advisory services, the client will be required to enter into one or more written agreements with Hardy Reed, LLC setting forth the terms and conditions under which Hardy Reed, LLC shall render its services. The annual fee shall generally vary (between .25% and 1.50%)



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depending on the market value of the assets under management and the type of investment management services to be rendered. In other cases, Hardy Reed, LLC may instead choose to charge a flat or fixed fee. Hardy Reed, LLC's annual fee shall be prorated and charged quarterly in advance, based on the market value of the assets on the last day of the previous quarter. Hardy Reed, LLC reserves the right to negotiate fees for various reasons.

Clients may incur certain charges imposed by the financial institution(s) and other third parties, such as fees charged by Separate Account Managers; custodial fees; charges imposed directly by a mutual fund or exchange traded fund or a fund of funds in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses); 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. In addition, if Hardy Reed, LLC recommends that a client invest in private funds, Hardy Reed, LLC shall receive no additional compensation but shall continue to receive applicable investment advisory fees on the client's assets under management. All such charges, fees and commissions are exclusive of, and in addition to, Hardy Reed, LLC's fee. Hardy Reed, LLC does not receive any portion of these charges, commissions, fees and costs.

Hardy Reed, LLC's agreement and/or any agreement with a custodial financial institution may authorize Hardy Reed, LLC to debit the client's account for the amount of Hardy Reed, LLC's fee through the custodial financial institution. This fee is remitted directly to Hardy Reed, LLC in accordance with applicable custody rules. The custodial financial institution will agree to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of management fees paid directly to Hardy Reed, LLC.

When Hardy Reed, LLC refers a client to certain Separate Account Manager(s), the investment manager's compensation is in addition to Hardy Reed, LLC's fee and is included in the total client advisory fee deducted by the custodian. Hardy Reed, LLC receives the Separate Account Manager's investment management fee from the client account. Hardy Reed, LLC is then responsible for paying the fee to the Separate Account Manager(s) in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 as amended, and any corresponding state securities laws, rules, regulations, or requirements.

The client may make additions to and withdrawals from the account at any time, subject to Hardy Reed, LLC's right to terminate an account. If assets are deposited into or withdrawn from an account after a quarter begins, the fee payable with respect to such assets is not adjusted or prorated based on the number of days remaining in the quarter. Clients may withdraw account assets on notice to Hardy Reed, LLC, subject to the usual and customary securities settlement procedures. Hardy Reed, LLC designs its portfolios as long-term investments, and asset withdrawals may impede achievement of a client's investment objectives.

For the initial quarter of investment management services, the fees shall be calculated on a pro rata basis. The agreement between Hardy Reed, LLC and the client will continue in effect until terminated by either party pursuant to the terms of the agreement. Hardy Reed, LLC's annual fee shall be prorated through the date of termination, and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner. Hardy Reed, LLC does not impose an account minimum for starting or maintaining an account. However, Hardy Reed, LLC generally does impose a minimum annual fee of \$10,000 for its investment management services. This minimum fee may have the effect of making Hardy Reed, LLC's services impractical for clients with small accounts. Hardy Reed, LLC may negotiate a lower client management fee based on certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar



amount of assets to be managed, related accounts, account composition, pre-existing client, account retention and pro bono activities.

Additions to a client's account may be in cash or securities, although Hardy Reed, LLC reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Hardy Reed, LLC may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

Financial Planning Services

Prior to engaging Hardy Reed, LLC to provide financial planning services, the client will be required to enter into one or more written agreements with Hardy Reed, LLC setting forth the terms and conditions under which Hardy Reed, LLC shall render its services. If engaged, Hardy Reed, LLC generally charges a flat or fixed fee based on the scope of services.

Generally, Hardy Reed, LLC requires one-half of the financial planning fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed-upon services. Either party may terminate the agreement by written notice to the other. In the event the client terminates Hardy Reed, LLC's financial planning services, the balance of Hardy Reed, LLC's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client shall be entitled to a full refund. Hardy Reed, LLC's financial planning fees are negotiable but generally range from a \$1,000 to \$10,000 fixed fee or a \$250 hourly fee, depending on the level and scope of the services and the professional rendering the financial planning services.

The financial planning analysis performed by Hardy Reed, LLC can and does include recommendations for investment advisory services that Hardy Reed, LLC provides. A consulting or financial planning client is not required to engage Hardy Reed, LLC for investment advisory services recommended during the consulting and financial planning analysis.

Fiduciary Services

Prior to engaging Hardy Reed, LLC to provide fiduciary services – which may include any or all of the following: fiduciary training, fiduciary assessment, preparation for CEFEX certification and ongoing fiduciary consulting – the client will be required to enter into one or more written agreements with Hardy Reed, LLC setting forth the terms and conditions under which Hardy Reed, LLC shall render its services. If engaged, Hardy Reed, LLC generally charges a flat or fixed fee based on the scope of services.

Generally, Hardy Reed, LLC requires one-half of the fiduciary services fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon completion of the agreed-upon services. Either party may terminate the agreement by written notice to the other. In the event the client terminates Hardy Reed, LLC's fiduciary services, the balance of Hardy Reed, LLC's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client shall be entitled to a full refund. Hardy Reed, LLC's fiduciary services fees are negotiable but



generally range from a \$2,500 to \$30,000 fixed fee or a \$250 hourly fee, depending on the level and scope of the services and the professional rendering the fiduciary services.

The fiduciary services performed by Hardy Reed, LLC may include an assessment of the client's current investment advisory/management services. Hardy Reed, LLC may provide similar investment management services which may be a material conflict of interest. A fiduciary services client is not required to engage Hardy Reed, LLC for investment advisory services.

Pension Consulting Services

Prior to engaging Hardy Reed, LLC to provide pension consulting services – which may include one or more of the following: plan governance consulting, ERISA consulting, fiduciary consulting and/or investment monitoring – the client will be required to enter into one or more written agreements with Hardy Reed, LLC setting forth the terms and conditions under which Hardy Reed, LLC shall render its services. If engaged, Hardy Reed, LLC generally charges a flat or fixed fee based on the scope of services.

Hardy Reed, LLC's pension services fees are negotiable but generally range from a \$10,000 to \$25,000 fixed fee or a \$250 hourly fee, depending on the level and scope of the services and the professional rendering the fiduciary services. Hardy Reed, LLC may charge an asset-based fee instead of a flat or fixed fee. The annual asset-based fee shall vary (between 0.10% and 0.30%) depending on the market value of the assets under management and the type of pension consulting services to be rendered. If Hardy Reed, LLC chooses to charge a flat or fixed annual fee, such fee shall be prorated and charged quarterly in advance, based on the market value of the assets on the last day of the previous quarter. Hardy Reed, LLC reserves the right to negotiate fees for various reasons.

Either party may terminate the agreement by written notice to the other. In the event the client terminates Hardy Reed, LLC's pension consulting services, the balance of Hardy Reed, LLC's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client shall be entitled to a full refund.

The pension consulting services performed by Hardy Reed, LLC may include an assessment of the client's current investment advisory/management services. Hardy Reed, LLC may provide similar investment advisory/management services which may be a material conflict of interest. A pension consulting services client is not required to engage Hardy Reed, LLC for investment advisory services.

Investment Consulting Services

Prior to engaging Hardy Reed, LLC to provide investment consulting services which differ substantially from Hardy Reed, LLC's investment advisory services. Investment consulting services may include investment monitoring and/or nondiscretionary investment recommendations. The client will be required to enter into one or more written agreements with Hardy Reed, LLC setting forth the terms and conditions under which Hardy Reed, LLC shall render its services. If engaged, Hardy Reed, LLC generally charges a flat or fixed fee based on the scope of services.

Hardy Reed, LLC's investment services fees are negotiable but generally range from a \$2,500 to \$10,000 fixed fee or a \$250 hourly fee, depending on the level and scope of the services and the professional rendering the



fiduciary services. Hardy Reed, LLC may charge an asset-based fee instead of a flat or fixed fee. The annual asset-based fee shall vary (between 0.10% and .30%) depending on the market value of the assets under management and the type of investment consulting services to be rendered. If Hardy Reed, LLC chooses to charge a flat or fixed annual fee, such fee shall be prorated and charged quarterly in advance, based on the market value of the assets on the last day of the previous quarter. Hardy Reed, LLC reserves the right to negotiate fees for various reasons.

Either party may terminate the agreement by written notice to the other. In the event the client terminates Hardy Reed, LLC's investment consulting services, the balance of Hardy Reed, LLC's unearned fees (if any) shall be refunded to the client. If termination occurs within five business days of entering into an agreement for such services, the client shall be entitled to a full refund.

The investment consulting services performed by Hardy Reed, LLC may include an assessment of the client's current investment advisory/management services. Hardy Reed, LLC may provide similar investment advisory/management services which may be a material conflict of interest. An investment consulting services client is not required to engage Hardy Reed, LLC for investment advisory services.

Item 6 – Performance-Based Fees and Side-by-Side Management

Hardy Reed, LLC 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).

Item 7 – Types of Clients

Hardy Reed, LLC provides financial planning, wealth management and investment advisory services to individuals and high-net-worth individuals, trusts and estates. Hardy Reed, LLC also provides fiduciary consulting, pension consulting and investment advisory/management services to pension and profit-sharing plans, and it provides fiduciary services and investment management services to charitable organizations, corporations and business entities.

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

Hardy Reed, LLC may use the following sources, either independently or in tandem, to obtain information with which to conduct its analysis:

- Internal research
- Third-party research
- Financial newspapers and magazines
- Annual reports, prospectuses and filings with the Securities and Exchange Commission
- Company press releases

When selecting a Separate Account Manager for a client, Hardy Reed, LLC shall review information about the Separate Account Manager(s) such as:

- Its disclosure statement and/or material supplied by the Separate Account Manager(s)
- A description of the Separate Account Manager's investment strategies
- Past performance
- Risk profile to the extent available



Hardy Reed, LLC uses the following investment strategies:

- Modern Portfolio Theory (combined with assessment of our clients' needs and/or risk tolerance) – a theory of investment management that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets
- Investing in diversified mutual funds (with varying risk and investment characteristics)
- Investing in diversified exchange traded funds (ETFs) (with varying risk and investment characteristics)
- Investing in “funds of funds”
- Investing in liquid alternative investments (mutual funds or ETFs where the underlying investments are alternative investments including real estate, hedge funds, commodities, futures, etc.)
- Investing in individual securities including stocks, bonds, cash and cash equivalents
- Hardy Reed, LLC may also recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Separate Account Manager(s), based on the stated investment objectives of the client

While diversification attempts to limit losses, it does not guarantee against them. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Hardy Reed, LLC or the integrity of Hardy Reed, LLC's management. Hardy Reed, LLC has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Hardy Reed, LLC may provide its clients with a broad range of comprehensive financial planning and/or consulting services (which may include non-investment-related matters). Hardy Reed, LLC may charge a separate fee for these services, which shall be agreed upon prior to rendering the services.

Item 11 – Code of Ethics

Hardy Reed, LLC has adopted a Code of Ethics for all Access 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 the unlawful use of material non-public information, and personal securities trading procedures, including reporting clients' personal securities holdings and transactions and obtaining pre-approval for certain investments such as initial public offerings and limited offerings, among other things. All Access Persons at Hardy Reed, LLC must acknowledge the terms of the Code of Ethics annually or as amended.

Subject to satisfying this policy and applicable laws, officers, directors and employees of Hardy Reed, LLC and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for Hardy Reed, LLC's clients.



The Code of Ethics is designed to ensure the personal securities transactions, activities and interests of the Access Persons of Hardy Reed, LLC will not interfere with (1) making decisions in the best interest of advisory clients and (2) implementing such decisions while allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions based on a determination that these would materially not interfere with the best interest of Hardy Reed, LLC's clients. Hardy Reed, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Anita M. Giglio, Director of Client Services, at 662-823-4722 or agiglio@hardyreed.com.

Hardy Reed, LLC and individuals associated with our firm are prohibited from engaging in principal or agency cross-transactions.

Item 12 – Brokerage Practices

Brokerage commissions and/or transaction fees charged by Fidelity or any other designated broker-dealer are exclusive of, and in addition to, Hardy Reed, LLC's fee.

Factors that Hardy Reed, LLC considers in recommending Fidelity, or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research and service. Fidelity will assess a standard transaction fee for many funds and other securities. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other broker-dealers.

Hardy Reed, LLC has a duty to obtain "best execution" when executing a client's trades. However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Hardy Reed, LLC determines, in good faith, that the commission is reasonable in relation to the value of the brokerage. In seeking best execution, the determinative factor is not the lowest possible cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, among others, execution capability, commission rates and responsiveness. Consistent with the foregoing, while Hardy Reed, LLC will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

If the client requests Hardy Reed, LLC arrange for the execution of securities brokerage transactions for the client's account, Hardy Reed, LLC shall direct such transactions through broker-dealers that Hardy Reed, LLC reasonably believes will provide best execution. Hardy Reed, LLC shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution.

A client may direct Hardy Reed, LLC in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Hardy Reed, LLC will not seek better execution services or prices from other broker-dealers or be able to "aggregate" client transactions for execution through other broker-dealers with orders for other accounts managed by Hardy Reed, LLC. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Hardy Reed, LLC may decline a client's request to direct brokerage if, in Hardy Reed, LLC's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.



Transactions for each client generally will be effected independently, unless Hardy Reed, LLC decides to purchase or sell the same securities for several clients at approximately the same time. Hardy Reed, LLC may (but is not obligated to) combine or “aggregate” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Hardy Reed, LLC’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, the purchase and sale orders placed for each client on any given day will generally be averaged as to price and allocated pro rata among Hardy Reed, LLC’s clients. Hardy Reed, LLC may receive from Fidelity, without cost to Hardy Reed, LLC, computer software and related systems support, which allow Hardy Reed, LLC to better monitor client accounts maintained at Fidelity. Hardy Reed, LLC may receive the software and related support without cost because Hardy Reed, LLC renders investment management services to clients who maintain assets at Fidelity. The software and related systems support may benefit Hardy Reed, LLC but not its clients directly. In fulfilling its duties to its clients, Hardy Reed, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Hardy Reed, LLC’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Hardy Reed, LLC’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, Hardy Reed, LLC may receive the following services from Fidelity through Fidelity Institutional Wealth Services: duplicate client confirmations and bundled duplicate statements, access to a trading desk that exclusively services its registered investment advisor group participants, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, and access to an electronic communication network for client order entry and account information.

Item 13 – Review of Accounts

For those clients to whom Hardy Reed, LLC provides investment advisory services, Hardy Reed, LLC monitors those portfolios as part of an ongoing process. In addition, regular account reviews may be performed on a quarterly, semiannual or annual basis based on client preference.

For those clients to whom Hardy Reed, LLC provides financial planning and/or consulting services, reviews are conducted on an as-needed basis by one of Hardy Reed, LLC’s designated personnel. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Hardy Reed, LLC and to keep Hardy Reed, LLC informed of any changes thereto. Hardy Reed, LLC shall offer an annual client review to each client to discuss its previous services and/or recommendations along with the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Hardy Reed, LLC provides investment advisory services will also receive a report from Hardy Reed, LLC that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis (please also see Item 15 – Custody).

Those clients to whom Hardy Reed, LLC provides financial planning and/or consulting services will receive reports from Hardy Reed, LLC summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Hardy Reed, LLC.



Item 14 – Client Referrals and Other Compensation

When Hardy Reed, LLC refers a client to certain Separate Account Manager(s), the investment manager's compensation is in addition to Hardy Reed, LLC's fee and is included in the total client advisory fee deducted by the custodian. Hardy Reed, LLC receives the Separate Account Manager's investment management fee from the client account. Hardy Reed, LLC is then responsible for paying the fee to the Separate Account Manager(s) in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 as amended, and any corresponding state securities laws, rules, regulations, or requirements.

As a matter of firm policy and practice, Hardy Reed, LLC does not compensate any person for client referrals.

Item 15 – Custody

As previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure, the firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact Hardy Reed, LLC directly if they believe that there may be an error in their statement.

Aside from being able to directly debit fees, the firm does not have actual or constructive custody of client accounts.

Item 16 – Investment Discretion

Hardy Reed, LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the type 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 particular client account. When selecting securities and determining amounts, Hardy Reed, LLC observes the investment policies, limitations and restrictions of the clients it advises. Investment guidelines and restrictions must be provided to Hardy Reed, LLC in writing.

Hardy Reed, LLC may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain Separate Account Managers, based on the stated investment objectives of the client. Hardy Reed, LLC shall continue to render services to the client relative to the discretionary selection of Separate Account Managers and to monitor and review the client's account performances and investment objectives.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Hardy Reed, LLC does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client



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portfolios. As a courtesy, Hardy Reed, LLC may provide information to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

In accordance with the requirement that registered investment advisers provide clients with certain financial information or disclosures about their financial condition, Hardy Reed, LLC 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.