

HOLLENCREST CAPITAL MANAGEMENT, LLC

100 Bayview Circle, Suite 500, Newport Beach, CA 92660

Form CRS (Relationship Summary, ADV Part 3), Last Updated March 31, 2021

Item 1. Introduction

Hollencrest Capital Management, LLC (Hollencrest, HCM, us, our), is a Registered Investment Advisor (“RIA”) registered with the U.S. Securities and Exchange Commission. To help you research firms and financial professionals, you can access free and simple tools available at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing. Detailed information on HCM is available in our Form ADV Part 2A, including Item 4 on our Advisory Business, Item 5 on our Fees and Compensation, Item 7 on our Types of Clients, and Item 11 on our Code of Ethics.

Item 2. Relationships and Services

What investment services and advice can you provide me?

HCM offers investment advisory services to retail investors and other investment clients. We offer both discretionary and consulting (non-discretionary) management of client assets. We assist our clients with (a) risk assessment and management, (b) portfolio design and construction, and (c) strategic planning. Initially and ongoing, HCM works with each client to understand their risk tolerances and investment objectives, and their long-term wealth management needs. We discuss many elements, including individual and family needs and desires, total return objectives, investment experience, risk tolerance, financial information (such as other assets, tax liabilities, cash flow needs, debts, financial obligations, etc.), personal and family planning, gifting strategies and philanthropic activities, and any other information applicable to the client’s investor profile. Although HCM does not have any stated asset minimums or other limitations regarding accepting new clients, the amount and nature of the client’s investable assets are important considerations in coming to a mutual decision regarding a relationship between HCM and a prospective client.

After the initial conversation and planning process with the client, an agreement describing the discretionary or consulting services, fees, and requirements of both HCM and the client is signed by both parties. In providing discretionary services, HCM determines the holdings and trading in these portfolios. In providing consulting services, HCM recommends investments and strategies, and the client is responsible for authorizing the investments and strategies. Some clients receive both discretionary and consulting services, covering different assets. For discretionary services, we also have an Investment Policy Statement (IPS) and an IPS Confirmation Letter, signed by both parties, that describe the guidelines and restrictions for the client’s accounts and assets.

HCM monitors client assets and accounts at least monthly, and generally more frequently, to ensure that the accounts are meeting the client’s guidelines. Most HCM clients speak with their advisor at least quarterly, and we encourage clients to contact HCM any time they have a concern or question.

For clients who meet certain qualifications (per government regulation) and when appropriate for the client’s needs, HCM can recommend private investments, such as private equity and venture capital funds, real estate, and other alternative investments. It is important for clients to read the offering documents and/or agreements prior to investing to understand the risks and conflicts of interest. The client is responsible for authorizing and directing the investment in these kinds of assets.

Questions to ask your financial professional:

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 has established the standard fee schedules shown below. HCM can negotiate management fees, which include asset-based and fixed fee schedules. HCM’s fees do not include service charges or other transaction costs, or fees charged by the custodian, which are borne solely by the client. Some investments, for example mutual funds or exchange traded funds, and other such fund type investments, have advisory and other fees and expenses, which are also borne by the client. The annual fee schedule is identified in the agreement between HCM and the client. Fees are billed quarterly, in arrears, and for clients with one of the following fee

schedules, each tier is applied in the fee calculation. HCM’s standard fee schedules are as follows:

<u>Discretionary Services</u> For Clients With Balanced, Equity, Or Other Portfolios		<u>Discretionary Services</u> For Clients With Fixed Income Only Portfolios		<u>Consulting Services</u> For Clients With Non-Discretionary Portfolios	
Assets Managed	Fee Level	Assets Managed	Fee Level	Assets Managed	Fee Level
First \$5 Million	1.00%	First \$3 Million	0.60%	First \$50 Million	0.35%
Next \$5 Million	0.85%	Next \$2 Million	0.50%	Assets over \$50M	0.25%
Next \$10 Million	0.75%	Next \$5 Million	0.45%		
Assets over \$10M	0.65%	Assets over \$10M	0.35%		

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, and how much will be invested for me?

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. More detailed information is available in our Form ADV Part 2A, Item 5.

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

When we act as your investment adviser, we have 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:

Proprietary Products: HCM recommends some products that we manage.

Third-Party Payments: HCM recommends some investments from which HCM receives income.

Before a client invests in a proprietary product, or an investment that HCM manages or provides income to HCM, HCM’s involvement in that investment is fully disclosed to the client, including fee disclosure statements. Also, that investment is excluded from any HCM discretionary or consulting fees charged to the client.

How do your financial professionals make money?

HCM’s financial professionals receive standard salaries and subjective bonuses. The firm also receives income from the management of proprietary products, and from providing services associated with some investments. These arrangements present conflicts of interest where a professional or the firm could be tempted to make decisions designed to increase these forms of income. However, HCM personnel are carefully monitored to ensure that they adhere to all guidelines and controls. Also, HCM income and responsibilities connected with recommended investments are fully disclosed to clients considering investing in them. Some of our professionals are also licensed to sell insurance with, and receive income from, Hollencrest Insurance Services, LLC. ***HCM maintains internal controls to ensure that all investments or recommendations made place the client’s interests before those of HCM or its employees.***

Item 4. Disciplinary History

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

Yes. Please see our ADV Part 2A, Item 9. Also, Investor.gov/CRS is a free and simple research tool.

Item 5. Additional Information

Please visit our website, hollencrest.com, to review our Form CRS (relationship summary), Form ADV Part 2, and other disclosures and descriptive materials. Please contact us for a copy of any of these documents in either electronic or paper form. Our office numbers are 949-737-7700 and 800-838-8951. Please feel free to contact us with any questions you may have.

Questions to ask your financial professional:

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?