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## **INVESTMENTS DISCLOSURE DOCUMENT**

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As of March 2014

## **ADVISORY BUSINESS**

Hancock Holding Company (NASDAQ: HBHC) is the parent company to Hancock Bank and Whitney Bank. These entities are collectively referred to within this Brochure, where appropriate, as the "Company". Hancock Horizon Investments, an unincorporated department within the Company, refers to, within this document, the investment teams from these entities and are collectively referred to within this Brochure, where appropriate, as the "Investment Group".

The Company has been in operation since 1899; the Investment Group has provided investment management services to its clients for over 20 years and custody services virtually since its inception. Assets under management as of December 31, 2013 are approximately \$6.1 billion with assets under administration approximating \$14.1 billion. Current investment strategies date from 1998 and later.

## **TYPES OF CLIENTS AND CONDITIONS FOR MANAGING ACCOUNTS**

The Investment Group is responsible for the management of assets for institutional and high net worth clients including pension plans, endowments, foundations, government entities, corporations, trusts and estates. The Investment Group offers separate account management which focuses on clients with investment assets in excess of \$1 million.

The Investment Group receives fees based on a percentage of assets under its management. The Investment Group does provide investment supervisory services and in certain situations provides ancillary financial planning or some similarly termed services. The Investment Group primarily manages accounts with a value of \$1 million or more, and, unless otherwise agreed, charge fees based on the market value for Equity and Balanced Portfolios are 80 basis points on the first \$5 million; 60 basis points on the next \$5 million; 50 basis points on the next \$10 million; 40 basis points on the next \$30 million; 30 basis points on the next \$50 million and are negotiated on portfolios over \$100 million. There is an \$20,000 minimum annual fee. For Fixed Income Intermediate Duration Portfolios, the charge on the market value of portfolios is 40 basis points on the first \$5 million; 30 basis points on the next \$10 million; 25 basis points on the next \$35 million; 22.5 basis points on the next 450 million and is negotiated on portfolios over \$100 million. There is a \$15,000 minimum annual fee. For Fixed Income - Short Duration Portfolios, the charge on the market value of portfolios is 25 basis points on the first \$10 million; 20 basis points on the next \$15 million; 15 basis points on the next \$25 million; 10 basis points on the next \$50 million; and negotiated on portfolios over \$100 million. There is a \$15,000 minimum annual fee. This is a general fee schedule and it does not apply to previously negotiated contracts. The Investment Group also participates in wrap-fee programs which may result in different fees and services.

## **METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES, RISK OF LOSS**

Our methods of analysis include charting, fundamental and technical techniques. Sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Types of securities that are available for investment include common stocks, fixed income securities, mutual funds and real estate. Equity investment securities used include exchange listed securities, securities traded over the counter, foreign issuers, warrants, option contracts and futures contracts or intangibles. Based on the account certain investments may be held according to security characteristics, such as income, growth, and size of the company; according to industry and specific companies within industries; geographic location of companies of issue, such as utilities, maturities of debt securities, and tax exemption of income.

Listed below is a general description of the investment strategies that the Investment Group currently manages.

## EQUITY:

Large Cap Core – Focus is on both value and growth stocks of reasonably priced companies with high financial quality and trading liquidity. The Investment Group employs a quantitative method of analysis in its investment decision-making process.

Value – Seeks long-term capital appreciation with a secondary goal of current income. Focus is on investing in “undervalued” companies with large capitalization (in excess of \$2 billion) that are of sound financial quality and are actively traded. The Investment Group employs a quantitative method of analysis in its investment decision-making process.

Growth – Seeks long-term capital appreciation. Focus is on large market capitalization stocks whose sales and earnings are expected to grow at an above average rate. The Investment Group employs a quantitative method of analysis in its investment decision-making process.

Small Cap Core – Focus is on both value and growth stocks of reasonably priced companies. The Investment Group employs a quantitative method of analysis in its investment decision-making process.

Small Cap Regional – Seeks long-term capital appreciation by investing primarily in common stocks located or doing business in Alabama, Florida, Georgia, Louisiana, Mississippi, and Texas. The Burkenroad Reports investment research is utilized for investment decisions as well as the Investment Group’s quantitative method of analysis.

International – Seeks long-term capital appreciation by investing primarily in equity securities of foreign companies. This strategy is sub-advised by EARNEST Partners, LLC.

Long / Short – Seeks long-term capital appreciation by investing in both long and short positions of U.S. companies included in the S&P 1500 Composite. Using a quantitative model, the Investment Group buys stocks “long” that it believes are undervalued relative to their peers, and sells stocks “short” that are believed to be overvalued compared to their peers.

Diversified Income - seeks to maximize current income and, secondarily, achieve long-term capital appreciation, by investing in a broad range of income-producing securities, including, but not limited to, common and preferred stocks, corporate bonds, government securities, municipal bonds, real estate investment trusts (“REITs”), master limited partnerships (“MLPs”) and mortgage-backed and asset – backed securities

## FIXED INCOME:

Intermediate Duration – Seeks total return through current income and capital appreciation, consistent with the preservation of capital.

Short Duration – Enhanced Cash with a concentration in high quality securities including U.S. Treasury, U.S. Agency securities and commercial paper.

Government Money Market – Seeks to preserve principal value and maintain a high degree of liquidity while providing current income.

Tax Free Income – Seeks current income exempt from both federal and personal income tax.

## DISCIPLINARY INFORMATION

We do not have any legal, financial or other “disciplinary” item to report.

## BUSINESS ACTIVITIES/FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

The principal business of the Company involves something other than providing investment advice. The Investment Group is an unincorporated department within a banking institution, i.e., Hancock Holding Company. Hancock Holding Company (Nasdaq: HBHC) is the parent company of Hancock Bank and

Whitney Bank, institutions founded more than a century ago on ideals of Honor & Integrity, Strength & Stability, Commitment to Service, Teamwork and Personal Responsibility. The Company operates across a Gulf South corridor spanning South Mississippi; southern Alabama; south central Louisiana; the northern, central, and Panhandle regions of Florida; and metropolitan Houston, Texas.

The Hancock Holding Company financial services family also includes Hancock Investment Services, Inc.; Hancock Insurance Agency and Whitney Insurance Agency; and corporate trust office in Gulfport and Jackson, MS, New Orleans and Baton Rouge, LA and Orlando FL.; and Harrison Finance Company.

The Company provides office space, equipment, technology, personnel, materials, and other overhead support to the Investment Group as well as asset custody services to certain clients of the Investment Group.

The Investment Group engages solely in the business of providing investment management services.

## **CODE OF ETHICS AND PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

In an effort to prevent any conflicts from arising and in accordance with Rule 17j-1 under the Investment Company Act of 1940 (the "1940 Act"), the Investment Group has adopted a Code of Ethics to address transactions that may create or appear to create conflicts of interest, and to establish reporting requirements and procedures. Officers, directors and employees of the Investment Group are expected to act with integrity and good faith. They must accomplish all personal securities transactions in a manner that avoids conflict (or the appearance of conflict) between their personal interests and those of the Investment Group. They must avoid actions or activities that allow (or appear to allow) themselves or their family to benefit from their position with the Investment Group, or that bring into question their independence or judgment. The Investment Group will provide a copy of the Code of Ethics to any client or prospective client upon request.

The Investment Group does not buy securities for itself or sell securities it owns to any clients, nor does it affect securities transactions for compensation for any client. The Investment Group does not recommend to clients that they buy or sell securities or investment products in which the Investment Group or any related party has some financial interest. The Investment Group does not buy or sell for itself securities that it also recommends to clients.

## **INVESTMENT OR BROKERAGE DISCRETION**

As provided in the Securities Exchange Act of 1934 (the "1934 Act"), higher commissions may be paid to broker-dealers who provide brokerage and research services than to broker-dealers who do not provide research services if such higher commissions are deemed reasonable in relation to the value of the brokerage and research services provided. Although transactions are directed to broker-dealers who provide such brokerage and research services, The Investment Group believes that the commissions paid to such broker-dealers are not, in general, higher than commissions that would be paid to broker-dealers not providing such services and that such commissions are reasonable in relation to the value of the brokerage and research services provided.

The Investment Group may allocate some or all commission brokerage business generated by the Investment Group and accounts under management to brokers or dealers who provide brokerage and research services. These research services include advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; furnishing of analyses and reports concerning issuers, securities or industries; providing information on economic factors and trends, assisting in determining portfolio strategy, providing computer software used in security analyses, and providing portfolio performance evaluation and technical market analyses. Such services are used by the Investment Group in connection with its investment decision-making process.

All products and services received by the Investment Group, via effecting securities transactions upon behalf of clients, are within the safe harbor established by Section 28(e) of the 1934 Act. The Investment Group will disclose this policy to its clients in writing on an annual basis. All soft dollar arrangements must be documented and acknowledged in writing. At least annually, Third Party Research and Broker Commitments Report are reviewed to ensure that management is monitoring soft-dollar usage appropriately.

The Investment Group may place a combined order for two or more accounts or funds engaged in the purchase or sale of the same security if, in its judgment, joint execution is in the best interest of each client and will result in best price and execution. Orders are placed as a block trade, and all accounts receive the same execution price. An order that is partially filled will be allocated pro rata in proportion to the size of each account's order. It is believed that the ability of the accounts to participate in volume transactions will generally be beneficial to the accounts. Although it is recognized that, in some cases, the joint execution of orders could adversely affect the price or volume of the security that a particular account may obtain, it is the opinion of the Investment Group that the advantages of combined orders outweigh the possible disadvantages of separate transactions.

## **REVIEW OF ACCOUNTS**

For equity, fixed income, and money market portfolios, cash flows are reviewed daily to make sure all liquidity is invested properly and an adequate level of cash is maintained to meet possible disbursements. Accounts are also reviewed daily to insure that they remain in compliance with all applicable laws and regulations.

At least quarterly, the Investment Group may provide a written report to their clients. This report reviews current economic conditions, account performance, and the Investment Group's strategy going forward.

Equity portfolios: Reviews are completed on two levels: economic sector and individual stocks. Based on the objective of the account (Core, Value, or Growth), current economic conditions, and relative valuations, sector strategies are reviewed to develop the proper mix to reach an account's objective. Also, the Investment Group reviews individual stocks in an account to determine whether an issue should be held or sold.

Fixed Income portfolios: Reviews are completed on three levels: sector, duration, and individual issue. Based on current sector valuation levels and the Investment Group's expectations going forward, sector weightings are determined to best achieve the objective of the account. The Investment Group's expectations of interest rate shifts will determine whether an account will have duration longer or shorter than its benchmark. Finally, individual issues are reviewed for credit quality and valuation.

Money Market portfolios: Reviews are completed on two levels: sector and days to maturity. Sector weightings and the account's days to maturity are reviewed based on the account's objective and the Investment Group's expectations for short-term interest rates.

Reviewers: John Portwood – Chief Investment Strategist – Mr. Portwood is responsible for developing investment strategy for all accounts managed by the Investment Group. Jeffery Tanguis – Director of Fixed Income and Trading – Mr. Tanguis is responsible for management of all fixed income and money market portfolios. David Lundgren – Director of Equities and Research – Mr. Lundgren is responsible for the management of equity portfolios. Gregory Hodlewsky - Investment Director – Mr. Hodlewsky is responsible for the supervision of the portfolio management staff. Luther McDougal - Investment Director – Mr. McDougal is responsible for performance analysis and trading.

## **CUSTODY AND INVESTMENT DISCRETION**

The Company does provide custodial services to clients. Eligible clients will receive account statements from custodian on a periodic basis. The Investment Group does have full authority and discretion under applicable account agreements. These include the power to buy, sell, retain and exchange investments, and exercise such other powers as the Investment Group deems appropriate to manage and execute transactions for the client's account in a manner consistent with the portfolio selected by the client. The agreement shall include any limitations on this discretionary authority and any restrictions that client wishes to place on the account. Clients may change or amend these limitations or restrictions at any time. Amendments must be submitted in writing.

For accounts that are managed through a wrap program, please refer to the wrap program documentation for details on custody and investment discretion. Each program may differ as to what services are provided.

## **PROXY VOTING**

The Investment Group has in place a proxy voting policy established in compliance with SEC and other regulatory agencies guidelines. A copy of this policy may be obtained upon request to the Investment Group at the address shown on page 1.

The voting of proxies shall be the responsibility of the investment division in those cases where the beneficial owner has not chosen to vote the proxy. The primary objective for the Group, in its fiduciary capacity, is to represent and vote for the best long-term interest of its beneficiaries, exercising the care, skill, prudence and diligence required by §404(a)(1)(b) of ERISA.

With regard to distribution of proxy materials, the Group shall conform to the SEC rules contained in the Shareholders Communications Act. The Group shall:

- (1) Upon receipt of the proxy, other proxy soliciting material, and/or annual reports to security holders, forward such materials to its customers who are beneficial owners of the registrant's securities no later than five business days after the receipt of the proxy material or annual reports; and
- (2) Upon receipt of the proxy, other proxy soliciting material, and/or annual reports to security holders, forward to each beneficial owner on whose behalf it holds securities, no later than five business days after the date it receives such material a request for voting instructions.

Each item to be voted on should be voted separately and individually on the proxy and not voted in blank. The proxy must be dated and signed by a partner of the appropriate nominee if it is in nominee's name; otherwise, the Group's name and the capacity in which it serves should be on the proxy plus the voting officer's name and title. Proxies may also be voted electronically or through the Internet.

Unless the proxy was passed on to an authorized party, a record is to be maintained as of the date it was voted or the reasons for not voting it.

## **EDUCATION AND BUSINESS STANDARDS**

The Investment Group has general education standards and business experience required of those in determining or giving investment advice to clients. Individuals shall have a bachelor's degree and/or working on advanced degrees or programs (CFA/MBA) and/or three to five years of practical experience. Individuals shall have excellent organizational skills with the ability to handle and accurately complete multiple tasks sometimes under severe time constraints. Numerical and computer skills are essential.



## EDUCATION AND BUSINESS BACKGROUND

The education and business background of each of the principals of The Investment Group is as follows:

John Portwood, CFA, serves as Director and Chief Investment Strategist. He has more than 37 years of investment experience. Prior to joining Hancock Bank in 1998, Mr. Portwood served in a similar capacity for First Commerce Corporation in New Orleans since 1993. Mr. Portwood has a BA in Economics from Rhodes College. He is a member of the CFA Society of Louisiana.

David Lundgren, Jr., CFA, serves as Director of Equities and Research. He is responsible for the management of equity separate accounts and the Hancock Horizon Value, Growth and Burkenroad mutual funds. He has more than 15 years investment experience. Prior to joining the Company in 1998, Mr. Lundgren served in a similar capacity for First Commerce Corporation since 1993. Mr. Lundgren holds a B.S. in Finance and a Master of Business Administration from the University of New Orleans.

Gregory W. Hodlewsky, CFA, serves as an Investment Director for the Investment Group. Greg has over 20 years of experience in the investment industry, managing investment portfolios for individuals, foundations, endowments and mutual funds. Greg focuses on aligning investment portfolios using the equity approach, blending fundamental research with quantitative statistical analysis to build optimal portfolios designed to outperform their respective benchmarks. Greg earned his undergraduate degree from the University of Wisconsin and his Master's degree from Georgia State University. He is a member of the CFA Society of Louisiana.

Jeffery Tanguis serves as Director of Fixed Income and Trading for the Investment Group. He is responsible for the management of separate accounts and the Hancock Horizon Strategic Income Bond Fund, and Treasury Securities Money Market Fund. Mr. Tanguis has over 20 years of institutional fixed income portfolio management experience including mutual funds, pension plans, insurance company assets, public and corporate funds. Prior to joining the Company in 2005, Mr. Tanguis held a similar position at Hibernia National Bank, New Orleans. Mr. Tanguis received his B.S. in Finance from Louisiana State University.

Luther McDougal, IV, CFA, serves as an Investment Director and has more than 20 years of investment management experience, with special emphasis on equities, fixed income and performance measurement, which has positioned him to oversee many of our largest and most affluent clients. He is currently a member of the CFA Society of Louisiana. Luther received both his B.S. and M.B.A. degrees from Tulane University.

Mark Duthu, Executive Vice President, oversees the Trust & Asset Management line of business for the Company. Mark has over 30 years of experience in trust and investment services. Mark is a graduate of The University of Louisiana at Lafayette. He also graduated from the ABA's National Graduate School, Evanston, IL, earning the designations of Certified Financial Services Counselor and Certified Trust and Financial Advisor.

Clif Saik serves as Director of Wealth Management for the Company. Clif is an Executive Officer of the Company and is a member of the Management Committee. He attended Tulane University and received his B.S. in Finance from the University of New Orleans. Clif formerly served as Director of the Trust and Financial Services Group for First Commerce Corporation. He has over 17 years of senior management experience in trust and investment services.

## REGULATORY OVERSIGHT

As stated above in "Organization, Clients, Services and Fees," the Investment Group is an unincorporated department of Hancock Bank and Whitney Bank, a banking corporation chartered under the laws of the state with trust powers, and, as such is regulated by the Federal Deposit Insurance Corporation (FDIC) and Mississippi Department of Banking and Consumer Finance. Thus, it is not required to be nor is it registered with the SEC for its investment management services.



# Hancock Holding Company

## Privacy Policy

### FACTS

#### WHAT DOES HANCOCK HOLDING COMPANY DO WITH YOUR PERSONAL INFORMATION?

Rev. 3/2014

#6-58

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- Credit history and credit scores
- Account balances and payment history

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Hancock Holding Company (HHC) chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does HHC share?	Can you limit this sharing?
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
<b>For our marketing purposes</b> — to offer our products and services to you	YES	NO
<b>For joint marketing with other financial companies</b>	YES	NO
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	YES	NO
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	YES	YES
<b>For our affiliates to market to you</b>	YES	YES
<b>For nonaffiliates to market to you</b>	NO	WE DON'T SHARE

#### To limit our sharing:

Call toll-free 888-416-4502. Our menu will prompt you through our choices. Please note: If you are a new customer, we can begin sharing your information 30 days from the date we sent this notice. When you are *no longer* our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

#### Questions?

Call 800-522-6542



**Who we are:****Who is providing this notice?**

Hancock Holding Company is made up of a number of financial service providers such as banks, investment companies and insurance companies.

**What we do:****How does Hancock Holding Company protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

We restrict access to confidential information to those employees who need to know such information to administer your account(s).

**How does Hancock Holding Company collect my personal information?**

We collect your personal information, for example, when you:

- Open an account or apply for a loan
- Pay your bills or use your debit card
- Show your driver's license

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

**Why can't I limit all sharing?**

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes—information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

**What happens when I limit sharing for an account I hold jointly with someone else?**

Your choices will apply to everyone on your account – unless you tell us otherwise.

**Definitions:****Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include financial companies such as our Whitney Bank, Hancock Investment Services, Inc., Harrison Finance Company, and others such as Hancock Insurance Agency.*

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Nonaffiliates we share with include companies such as direct marketing companies and check-printing companies.*

**Joint marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- *Our joint marketing partners include companies such as credit card companies and insurance companies.*

Hancock Holding Company family of companies: Whitney Bank (doing business in Texas and Louisiana and doing business as "Hancock Bank" in Mississippi, Alabama and Florida), Hancock Investment Services, Inc. (including Whitney Investment Services, Whitney Investment Services, Inc., Whitney Investment Services of Texas, Inc.), Hancock Insurance Agency (including Whitney Insurance Agency, Inc., Whitney Insurance Agency of Texas, Inc., Hancock Insurance Agency of Alabama, Inc. and Hancock Insurance Agency of Florida, Inc.), Harrison Finance Company (including Harrison Loan Company).