



ADV Part 2A

HUNTLEIGH ADVISORS, INC.

TRADITIONAL ADVISORY SERVICE

March 30, 2021

Huntleigh Advisors, Inc.

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This brochure provides information about the qualifications and business practices of Huntleigh Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 314-236-8888 or coconnell@oconnelllawfirm.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.

Huntleigh Advisors, Inc. is a registered investment advisor. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Huntleigh Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Clients can search this website by using our name or by using a unique identification number known as a CRD number. The CRD number for Huntleigh Advisors, Inc. is 113412.

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Item 2: SUMMARY OF MATERIAL CHANGES

Material Changes Since the Last Update

This Section outlines specific material changes that have been made to the Brochure since our last annual update on March 26, 2020

Here are the material changes since our last update.

Item 4, Advisory Business: We:

- Updated the background of the firm to clearly list all affiliated entities, and the conflict of interest these affiliated relationships raise due to the financial benefits to us of the relationships
- Clarified the explanation of the agreement between clients and the firm
- Clarified the distinction between discretionary and non-discretionary accounts
- Added explanations of our sub-advisor arrangements and the Wells Fargo Wrap Program
- Clarified the risks associated with placing trading restrictions on your account

Item 5, Fees and Compensation: We:

- Added details around the fees charged, minimum fees charged, and the conflicts of interest the firm has under these arrangements, as well as additional costs clients pay beyond advisory fees charged to clients
- Clarified that assets held in an advisory account may cost you more or less than if the assets were held in a commission-based brokerage account
- Clarified language regarding the custodian's statements and fee calculations
- Clarified fees charged for the Huntleigh Advisors Model Portfolios and Huntleigh MindShare Small Companies Fee Schedule, as well as how fees are charged in different investment levels
- Added disclosures regarding the different types of mutual funds and the fees charged, and the conflicts of interest that arise when we sell certain types of mutual funds
- Added disclosures regarding the Wells Fargo Wrap Program

Item 6, Performance-Based Fees and Side-By-Side Management: We:

- Added a description of side-by-side management and how we attempt to aggregate transactions of clients with those of employee-owned accounts

Item 10, Other Financial Industry Activities and Affiliations: We:

- Added additional language to clarify our conflicts of interest due to our affiliate relationships that arise due to the financial benefits to us of the relationships

Item 11, Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: We:

- Provided clarifying language regarding principal and agency trades in your account
- Added language as to how we aggregate client transactions and how clients with custodians, other than the custodian used by us, will not be able to aggregate their transactions with our custodian

Item 12, Brokerage Practices: We:

- Clarified language around our relationship with Huntleigh Securities Corporation, our affiliate, and our custodian relationship with First Clearing
- Clarified language regarding client ability to direct brokerage to a firm other than Huntleigh Securities Corporation
- Explanation of revenue sharing among HAI, Huntleigh Securities Corporation, our affiliate, and our custodian relationship with First Clearing

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Item 4: ADVISORY BUSINESS

Huntleigh Advisors, Inc. Traditional Advisory Services

Established in 2001, Huntleigh Advisors, Inc. (“HAI”) is an employee-owned advisory firm registered with the SEC pursuant to Section 203 of the Investment Advisers Act of 1940, as amended (the “Act”). Our principal place of business is located in St. Louis, Missouri with satellite offices across Metro St. Louis and southern Illinois.

As used in this Brochure, the words “we”, “our” and “us,” “Advisor”, or “HAI” refer to Huntleigh Advisors, Inc. The words “you”, “your”, and “client” refer to you as either a client or prospective client of HAI.

Our primary owners are Robert L. Chambers and Michael B. Rowan.

HAI is affiliated with the other companies comprising the Huntleigh Group. Those entities are:

- Datatex Investment Services, Inc. (“DTX”), an SEC registered investment advisor
- Huntleigh Securities Corporation (“HSC”) an SEC registered broker-dealer and FINRA member
- K.W. Chambers & Co., (“KWC”) an SEC registered broker-dealer and FINRA member

This corporate structure creates a conflict of interest in that they all share the same office space in St. Louis, MO. Further, one or more individual officers and directors are officers and directors of one or more of the above entities. The conflict exists in that these individuals benefit from any cross-business among these entities. In addition, there is a risk that such officers and directors will make a decision that benefits one or more of these other entities to the detriment of HAI. Further, pursuant to our Privacy Policy we share client information with one or more of these affiliated entities.

HSC executes client transactions on fully disclosed basis through Wells Fargo Clearing Services (“First Clearing”),¹ a registered broker-dealer and member FINRA/SIPC.

HAI believes that the markets are not always efficient, therefore, through research we try to identify securities that we believe are selling for less than their perceived value. HAI uses a variety of resources and methods to conduct our analysis. These include, but are not limited to, fundamental analysis, technical analysis, and cyclical information and analysis.

We provide investment management services on a discretionary or non-discretionary basis to high net worth individuals, institutions, and not-for-profit organizations. Services may also be provided to additional clients as described in the section titled Types of Clients. Discretion means that we have permission to make investment decisions for your account without prior consultation with you, the client. While most services provided by HAI are discretionary, we also provide non-discretionary services.

Before an account can be opened, you will be asked to sign an advisory agreement. The advisory agreement outlines the services, strategies, and fees charged. By signing this agreement, unless agreed to otherwise by HAI in writing, you grant HAI discretionary authority over your account which allows us to invest and reinvest your account assets in securities and amounts of such securities to be purchased or

¹ First Clearing is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

sold without prior consultation with you. Unless otherwise directed by the customer in writing, HAI will select and/or recommend which broker-dealer to use without prior consultation with the customer. The broker-dealer chosen by HAI is HSC. This relationship creates a conflict of interest for HAI as fees earned by HSC indirectly benefit HAI.

Within the advisory agreement, you will be asked to provide us with additional details and information regarding you and your account. You will also complete a risk questionnaire based on your personal investment goals. You have the option to place reasonable restrictions on your account which can be added to your advisory agreement. For example, a routine restriction is one that prevents us from purchasing or selling certain companies in a client's account. Any client may reasonably specify in the advisory agreement or otherwise instruct us regarding specific limitations on purchasing or selling certain holdings.

You should note that if you impose restrictions it may adversely affect the composition and performance of your investment portfolio. You should also note that your investment portfolio is treated individually by considering each purchase or sale for your account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and you should not expect that the composition or performance of your investment portfolio would necessarily be consistent with our similar clients.

Further, upon opening an account and in compliance with our anti-money laundering policy, we will ask you to provide certain identifying documentation such as government issued identification, articles of incorporation, partnership agreement or trust instruments.

Through personal discussions in which goals and objectives based on your particular circumstances are established, we develop your personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine your individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. We primarily invest client funds in the following securities: exchange-listed securities, securities traded over-the-counter, warrants, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, mutual fund shares, United States governmental securities, and options contracts on securities. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

*Please refer to the section titled **Methods of Analysis, Investment Strategies and Risk of Loss** for a discussion of these securities and any additional types of securities that may be purchased in your account along with a discussion of the associated risks.*

Although we retain investment discretion over your account as outlined in the section titled Investment Discretion, you have the right to impose reasonable restrictions or constraints regarding specific conditions or limitations on the types of investments to be made for your account. All such restrictions or constraints, and any modifications to existing restrictions or constraints, are to be agreed upon in writing. We reserve the right to reject or to terminate an account if we believe the restrictions or constraints imposed are not reasonable or prohibit effective management of the account. You should understand that the account

restrictions or constraints may affect the performance of your account, either positively or negatively. Accounts with restrictions may result in performance dispersion due to security holdings and cash levels differing from other accounts in the same investment strategy. The portfolio manager works to maintain dispersion at a minimum among the accounts, and, therefore, accounts with restrictions may receive an allocation of a similar non-restricted security and/or may contain higher or lower cash levels than other accounts in the same strategy.

You should note that if you impose restrictions it may adversely affect the composition and performance of your investment portfolio. You should also note that your investment portfolio is treated individually by considering each purchase or sale for your account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ, and you should not expect that the composition or performance of your investment portfolio would necessarily be consistent with our similar clients.

Discretionary Management

In its discretionary accounts, HAI has investment discretion with respect to the agreed upon investment allocation and client investment objectives HAI does not have discretion to move funds without the client's written consent other than to same name accounts within the same Custodian.

Non-Discretionary Management

In its non-discretionary accounts, HAI does not have investment discretion with respect to any of the assets. It is understood that the client is relying on HAI for general investment advice and client is under no obligation to act on any investment advice provided by HAI. HAI is given the ability to debit client accounts for advisory fees. HAI does not have discretion to move funds without the client's written consent, other than to same name accounts within the same Custodian. For these clients, HAI can only act on behalf of clients upon their express instructions. In such case, we cannot act on the clients' behalf in the event of a volatile market with price swings that affect, negatively or positively, the values of the clients' holding. Any action taken must first be approved by the clients.

Sub-advisor Arrangements

When implementing a Sub-Advisor strategy, HAI will identify Investment Managers that are included in our advisory program pursuant to an agreement (the "Sub-Advisor Agreement"), between HAI and the Investment Manager (the "Sub-Advisor"), or strategies that are approved by HAI's Investment Committee.

HAI cannot retain on the client's behalf any Third-Party Investment Manager(s) with whom HAI does not have a Sub-Advisor Agreement. Pursuant to the sub-advisor agreement, Sub-Advisor will receive a quarterly fee (the "Sub-Advisory Fee") for each Client Account managed by Sub-Advisor. After receiving prior approval from Advisor, Sub-Advisor shall have the ability to directly debit Client Accounts on a quarterly basis for the applicable Fee.

One sub-advisor with whom HAI has an arrangement is Dana Investment Advisors, Inc., a registered investment advisory firm ("Sub-Advisor"). Pursuant to the sub-advisory agreement with Dana Investment Advisors, Sub-Advisor will receive a quarterly fee (the "Sub-Advisory Fee") for each Client Account managed by that Sub-Advisor. Sub-Advisor will calculate and submit a bill for each Client account directly to HAI. After receiving prior approval from HAI, Sub-Advisor shall have the ability to directly debit Client Accounts on a quarterly basis for the applicable Sub-Advisory Fee. The Sub-Advisory Fee for each Client Account will equal (on an annualized basis) 0.12% (12 basis points) annually. The Sub-Advisory Fee for any partial

calendar quarter shall be pro-rated using the actual number of calendar days that Sub-Advisor managed assets for the Client Account(s).

This arrangement will not increase your advisory fee, as the Sub-Advisory Fee will be paid from the fees we collect from you.

The Sub-Advisory Fee for any partial calendar quarter shall be pro-rated using the actual number of calendar days that Sub-Advisor managed assets for the Client Account(s). This arrangement will not increase your advisory fee, as the Sub-Advisory Fee will be paid from the fees we collect from you.

Prior to engaging the sub-advisor, HAI conducted due diligence on the firm and reviewed its management style, and confirmed that its services were in line with HAI's investment style. HAI will continue to monitor the activities of the sub-advisor on an ongoing basis, as well as the transactions completed in the accounts.

HAI retains the ability to "direct" Sub-Advisor to execute securities transactions for one or more Client Accounts through a specific broker dealer or securities firm. Clients will incur fees for the execution of transactions and that such fees are in addition to any fees charged by Sub-Advisor to HAI. In selecting a broker-dealer through which to purchase or sell securities, Sub-Advisor will look for the most favorable combination of transaction cost and proceeds available under the totality of circumstances then prevailing, i.e. Sub-Advisor will seek to obtain best price and execution.

The Sub-Advisor has authority to aggregate trades for client accounts. When transactions are aggregated, (a) actual prices applicable to the aggregated transaction will be averaged, and the Client Account and each other account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security or instrument involved at the average price, and (b) all transaction costs incurred in effecting aggregated transactions will be shared on a pro rata basis among all accounts participating in the aggregated transaction.

Conversely to the subadvisor arrangement just described HAI acts as a Sub-Advisor to DTX. HAI receives the advisory fee from the clients and retains .04% per quarter (.16% per year) of the annual advisory fee, and pays the remainder to DTX.

WFCS Wrap Program

Wells Fargo Advisors ("WFA") is a trade name used by Wells Fargo Clearing Services, LLC ("WFCS"). WFA sponsors a number of wrap fee advisory programs which are offered through HAI. WFA sponsors the wrap programs. A wrap fee program generally involves an investment account where you are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses². The programs include Unified and Separately Managed Account Programs ("SMA"), Mutual Fund Advisory Programs, Financial Advisor ("FA") Directed Programs and Non-Discretionary, Client Directed Advisory Programs. The 1% fee charged to clients is allocated with a portion going to the managing advisor at WFCS, a portion to HSC, which is passed through to HAI, then HAI splits that fee with the investment adviser representative working with the client. This arrangement presents a conflict of interest in that HAI benefits from this compensation arrangement.

Model Programs

² https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_wrapfeeprograms

Model programs are professionally managed investment accounts that are rebalanced no less than quarterly by our Portfolio Manager. Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will include advice regarding the following securities, among others:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

HAI Core Asset Managed Portfolios

HAI has actively managed equity and fixed income portfolios. The Core Asset Managed Portfolios program's goal is to strategically select securities within the portfolio that management believes can outperform the portfolio's respective benchmark. The five portfolios offered are designed to meet a broad range of client needs, from more aggressive equity portfolios to more conservative fixed income needs. Equities are selected based on quantitative modeling with a cash flow focus, qualitative analysis, technical analysis, and momentum indicators. In addition to the fees charged by HAI, clients investing in these portfolios pay additional items, such as custodial fees (e.g. transaction fees), markups, 12b-1 fees (which are rebated to clients), brokerage commissions from our affiliated broker-dealer, transaction fees, transfer taxes, wire transfer and electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses, such as margin debit interest (if applicable), lending program fees (if this program is chosen by the client), an SEC fee³ on sales, and any other charges listed in the customer agreement with First Clearing. We encourage you share with us any questions or concerns about how these charges apply to your account. While HAI utilizes model portfolios to manage customer accounts, all accounts are ultimately individually managed by HAI. Therefore, your specific account may contain differing investments and investment percentages than our model, or other customer accounts in the same portfolio group. A minimum of \$100,000 of assets under management is required for this service. This account size is negotiable under certain circumstances and a minimum fee of \$400 annualized or \$100 per quarter applies which will be reflected in the customer's contract.

Note that under the lending program, the interest is charged to the client. Wells Fargo pays a fee to HSC for originating the loan. The individual representative of HAI is paid in their capacity as a dually registered person with both HSC and HAI. There is a conflict of interest in this arrangement as both HSC and the

³ Beginning February 25, 2021, the fee rates applicable to most securities transactions will be set at 0.0000051 per \$1.00 of sales proceeds, however, the rate is subject to annual and, in some cases, mid-year adjustments.

individual representative benefit from clients taking out loans. Further, it is possible that the client will get a better rate by borrowing elsewhere.

HAI ETF Managed Allocation Portfolios (“M.A.P”)

The ETF Allocation Program is an active allocation program managing Exchange Traded Funds in separately managed accounts. HAI manages five ETF portfolios with varying equity, fixed income, and commodity allocations in order to meet a diverse set of client needs. The program’s goal is to strategically allocate client funds into the sectors and indices that, in our opinion, have the potential for upward price momentum. Another goal is to use our proprietary quantitative value and cash flow models to point our portfolio management to specific sectors or indices they believe have greater potential than others. Clients investing in this program pay fund management fees, where applicable, in addition to the portfolio management fee. In addition to the fees charged by HAI, clients investing in these portfolios will pay mutual fund or sub-account management fees inherent to the ETF products, and other fees and commissions charged by the broker-dealer and/or clearing firm. We encourage you to share with us any questions or concerns about how these charges may or may not apply to your account. A minimum of \$25,000 of assets under management is required for this service. This account size is negotiable under certain circumstances and a minimum fee of \$400 annualized or \$100 per quarter applies which will be reflected in the customer’s contract.

We manage these advisory accounts on a discretionary basis. Account management is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities. While HAI utilizes model portfolios to manage customer accounts, all accounts are ultimately individually managed. Therefore, your specific account may contain differing investments and investment percentages than our model, or differ from other customer accounts in the same portfolio group.

Individual Representative Management

Some clients have requested that their individual representative of HAI manage their account, as opposed to using the model portfolio management discussed above. Representatives who manage clients’ accounts outside of the model portfolios have the ability to set fee schedules and choose customized strategies that align with client needs and the client’s risk questionnaire as part of the advisory contract. These representatives utilize company personnel for issuing trades, client billings, and may occasionally seek the advice of the HAI Portfolio Manager, but retain the ability to manage the client account on their own. Individual representatives are fiduciaries and must act in the best interest of their clients. Individual management, however, creates a conflict of interest whereby the representative managing the account can prefer one client over another and place favorable trades in one client’s account and not another’s. HAI has procedures in place to review account trading to ensure that such conflict is mitigated.

Fees for Individual Representative Management are separately negotiated, not to exceed 1.50%.

Pension Consulting Services

We also provide pension advisory services separately, or in combination with other services. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates, and charitable organizations. We meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the Plan Sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance. We from time-to-time provide input and assistance to the Plan Sponsor in developing and preparing an IPS for the plan. We review the Policy with the Plan Sponsor at least annually and will develop any necessary or appropriate changes. Pension Consulting Services are comprised of several distinct services. Clients may choose to use any or all of these services:

1. Investment Management Services (ERISA 3(38))

As Investment Manager, we act as the Plan Sponsor's agent, with full power and authority to manage, acquire, or dispose of any asset of the Plan in accordance with the IPS, including the power and authority to add or delete core mutual funds, exchange-traded funds, target-date model portfolios or other commingled funds as investment options for participants as HAI believes to be in the best interest of the participants and their beneficiaries.

2. Investment Advisory Services (ERISA 3(21))

As Investment Advisor, HAI, from time-to-time, reviews and analyzes plan investment options and render investment advice to the Plan Sponsor, and makes recommendations to the Plan Sponsor regarding the mutual funds, exchange-traded funds, target-date model portfolios or other commingled funds available to participants as plan investment options in accordance with the IPS and in accordance with the "broad range" requirements of ERISA section 404(c). We also assist the Plan Sponsor in identifying an investment fund intended to meet the definition of a "Qualified Default Investment Alternative ("QDIA") under ERISA. We may make other recommendations to the Plan Sponsor as we consider appropriate.

3. Recordkeeper Selection

We assist the Plan Sponsor with the initial searching, quoting, and benchmarking recordkeepers, as well as make recommendations to the Plan Sponsor about recordkeeping providers that meet servicing needs or conditions expressed by the Plan Sponsor. In addition, we may perform benchmarking and fee negotiation with recordkeepers from time-to-time as needed. These services are performed as requested by the Plan Sponsor, or as deemed appropriate by HAI, which could be as frequent as annually but usually no less frequently as 3-5 years.

4. Participant Education-Only Services

As an education-only advisor, we educate plan participants, through group and/or individual meetings, about plan features, investment options, and about how to enroll, change investment elections, change deferral elections, and choose beneficiaries.

5. Participant Education and Advisory Services

As a participant educator and participant advisor, we may educate plan participants, through group and/or individual meetings, about plan features, investment options, and about how to enroll, change investment elections, change deferral elections, and elect beneficiaries. In addition, participants may receive guidance related to incoming or outgoing rollovers and investment allocation. Sample allocations based on risk tolerance will be provided upon request using plan's existing core mutual funds and exchange-traded funds.

We provide the following services, as requested, by the Plan Sponsor:

Model Portfolios

If the Plan's recordkeeping platform has the capabilities to handle model portfolios, we, at the Plan Sponsor's direction, design and manage a series of model portfolios managed to a specific risk and reward profile or target year of planned retirement. The portfolios managed to a specific risk and reward profile, invest in a combination of the plan's existing core mutual funds and exchange-traded funds. As time passes and the targeted retirement date nears and passes, the target date portfolios adjust to become more conservative. Each strategy invests in a combination of the Plan's existing core mutual funds representing a variety of asset classes and investment styles and seeks to provide the highest total return over time consistent with its asset mix. Each target date portfolio is named for the year in which a participant retires or expects to retire, ranging in increments from 2020 to 2060. We identify and recommend or select new, additional or replacement core mutual funds within the Model Portfolios.

Investment Performance Monitoring and Evaluation Reports

We provide periodic performance reports for each core mutual fund option and Target-Date Model Portfolio selected for the Plan. These reports include graphic and tabular presentations of performance, including comparisons to appropriate market indices and goals as stated in the Policy, as well as market cycle comparisons and risk/return analysis. The performance reports will be based upon information obtained from the mutual fund managers and from various commercially available mutual fund databases. Although this information is believed to be reliable and accurate, HAI does not independently verify this information nor guarantee its accuracy or validity except for that data that is determined to be inaccurate in the normal scope of our duties and due diligence. HAI identifies and recommends new, additional or replacement mutual funds as investment options under the Plan based upon the periodic performance reports. Custodian account statements are the "official" reports of activity in the accounts and clients should not rely on performance reports prepared by HAI.

Ongoing Consulting and Various Other Services

On an ongoing basis HAI consults with the Plan Sponsor on matters related to plan design and other issues with respect to plan operation, and service providers. Additionally, we consult with the Plan Sponsor on matters related to news and developments in capital and retirement markets and asset classes generally available from HAI or specifically prepared for the Plan Sponsor. Additional reports and services are available as agreed to between HAI and the Plan Sponsor.

Plan Sponsor Information

The Plan Sponsor will provide HAI with all relevant information requested by HAI. We rely on this information without further verification. If the information previously provided is no longer accurate or complete, the Plan Sponsor agrees to notify HAI promptly about such change and to provide the updated information.

All information furnished to HAI will be treated by HAI as strictly confidential and will not be disclosed to any third party except as required by the Agreement or by applicable law.

Reliance

HAI acknowledges that the Plan Sponsor is relying on us to recommend the mutual funds for inclusion as Plan investment options from among those available through Plan's recordkeeper, and to assist the Plan Sponsor in selecting a recordkeeper supporting investment fund options suitable under the Policy.

HAI shall not be held responsible for any failure on the part of the Plan recordkeeper, the Plan Sponsor or any service provider to implement or exercise investment instructions received from a Plan participant.

Plan Fees

For services rendered pursuant to the contract, the Plan pays to HAI the fees set forth in the advisory contract. The fees are paid by the Plan or an ERISA Budget account at the Plan recordkeeper. In the event the Plan and the ERISA Budget account for the Plan do not fully satisfy the fee obligation, the Plan Sponsor will pay the remaining unpaid portion of the fees to HAI.

Selection of Investment Vehicles:

We assist Plan Sponsors in constructing appropriate asset allocation models. We then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended are determined by the client, based on the IPS.

Monitoring of Investment Performance:

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The

educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Assets Under Management

As of December 31, 2020, HAI has the following assets under management:

Discretionary Amount	\$381,760,837
Non-Discretionary Amount	\$ 12,874,582
Total Amount	\$394,635,420

Item 5: FEES AND COMPENSATION

Our advisory fees are based on a percentage of assets under management and do not include costs that are charged by your custodian, broker- dealer, and/or other third-party managers.

For the Core Asset Managed Portfolios, a minimum of \$100,000 of assets under management is required for this service. This account size is negotiable under certain circumstances and a minimum fee of \$400 annualized or \$100 per quarter applies which will be reflected in the customer's contract.

For the Managed ETF Allocation Program, a minimum of \$25,000 of assets under management is required for this service. This account size is negotiable under certain circumstances and a minimum fee of \$400 annualized or \$100 per quarter applies which will be reflected in the customer's contract.

Additional costs include custodial fees (e.g. transaction fees), markups, 12b-1 fees brokerage commissions, transaction fees, transfer taxes, wire transfers, returned checks, IRA account fees, inactive fees, margin interest and margin extension fees, electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses. Please note that many of these fees are charged by the clearing firm, but the revenue from these fees are shared with our affiliated broker dealer, HSC. Furthermore, HSC shares some of this revenue with HAI. When the clearing firm receives these fees, it creates an indirect benefit to HAI, and a potential conflict of interest since the clearing firm receives additional compensation in connection with its relationship with HAI.

HSC and its clearing firm, First Clearing, will charge your account for certain transactions and services which are described and enumerated on your account contract and new account documents provided to you by First Clearing and HSC. These charges include such fees as custodial fees (e.g. transaction fees), markups, 12b-1 fees, brokerage commissions, transaction fees, transfer taxes, wire transfers, IRA account fees, inactive fees, margin interest, electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses. The fee charged by First Clearing is a flat \$7 for every HAI trade. This cost is passed to the clients.

During 2021, HAI will be changing how it charges for some of the First Clearing costs as follows:

Program	Current Fee- charged to clients	New Fee- charged to clients
HAI Traditional Portfolios	\$6.75 on stock and ETF purchases, \$6.75 plus a FINRA fee on sales (First Clearing adds this—listed in #9 of confirm explanation) \$ 0.00 on mutual fund purchases/sales	\$7.00 on stock and ETF purchases, \$7.00 plus a FINRA fee on sales (First Clearing adds this—listed in #9 of confirm explanation) \$ 7.00 on mutual fund purchases/sales
HAI Adviser Managed Accounts	\$6.75 on stock and ETF purchases, \$6.75 plus a FINRA fee on sales (First Clearing adds this—listed in #9 of confirm explanation) \$ 0.00 on mutual fund purchases/sales	\$7.00 on stock and ETF purchases, \$7.00 plus a FINRA fee on sales (First Clearing adds this—listed in #9 of confirm explanation) \$ 7.00 on mutual fund purchases/sales

In some instances when a new advisor joins HAI, the prior customers determine to follow the advisor to HAI by moving their accounts from the prior firm, such a move can cause the customer to incur account closing fees. HAI receives no part of the closing charges from the former firm.

Assets held in an advisory account may cost you more or less than if the assets were held in a commission-based brokerage account. In a brokerage account, you are charged commissions for each transaction, and we have no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a commission-based brokerage account rather than an advisory account. Furthermore, HSC shares some of this revenue with HAI. These relationships create conflicts of interest which are more fully described in the section titled, “**Conflicts of Interest / Relationships Material to this Advisory Business,**” below.

Although HAI has established the below-mentioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. The fee you are actually charged will be set forth in your advisory contract. Certain factors are considered when negotiating advisory fees, such as: strategy, asset size of the account, complexity of the client, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the advisor and each client.

Fee Schedules for HAI Managed Model Portfolios

Strategy	Annual Management Fee
Model Programs	
HAI Core Asset Managed Portfolios	
HAI ETF Managed Allocation Portfolios	
	1.50% on the first \$500 thousand in assets
	1.25% on the next \$500 thousand in assets
	1.00% on the remainder in assets
	<i>*(a minimum management fee of \$400 annualized or \$100 per quarter applies; please refer to your contract)</i>
	<i>Because fees may be negotiated separately, your fee may differ from this schedule and/or may differ from other customers. Thus, the performance of your investments can be less or more than another client with the same dollar amount contributed to the account.</i>

Fees are billed in a tiered manner. Example: For \$600,000 in Assets with a 1.5%, 1.25% schedule; the first \$500,000 would be billed at 1.5% annually and the next \$100,000 would be billed at 1.25% annually.

Those clients with large accounts touch several of the tiers, and fees are charged at the levels noted above. In those instances, the clients are charged fees in each tier, resulting in a blended fee.

Fee Schedules for Individual Representative Managed Accounts

Fees for Individual Representative Management are separately negotiated, not to exceed 1.50% annually.

**(a minimum management fee of \$400 annualized or \$100 per quarter applies; please refer to your contract) Because fees may be negotiated separately, your fee may differ from other customers. Thus, the performance of your investments can be less or more than another client with the same dollar amount contributed to the account.*

Advisory fees are billed quarterly in advance and are calculated based on the value of the account as of the last day of the previous quarter. Clients may pay the quarterly fee in advance either by check or bank-wire, otherwise Client expressly authorizes HAI to bill the Custodian for the fees as they come due. Fees may be subject to change with advanced written notice. The fees in this section apply to your advisory fee only, and do not include other fees and charges charged by the broker-dealer and/or Clearing Agent, which are in addition to your advisory fee.

Clients grant HAI authority to deduct their fees directly from such client's account. The client's custodian will provide regular account statements directly to such client that reflects all of the transactions in such client's account(s), including the amount of advisory fees deducted; therefore, invoices are not mailed out. While HAI verifies the fee prior to the custodian debiting them, the client should, also, verify the accuracy of the fee calculation, as the client's custodian will not determine whether or not the fee was properly calculated. Clients should carefully review their account statements.

Advisory fees are pro-rated under the following circumstances: new accounts arriving in the middle of a quarter, substantial additions to, or withdrawals from, the account during a quarter. Related client accounts will be aggregated for the purposes of achieving the minimum account size and determining the annualized fees. A minimum management fee is charged, and will be reflected in the customer's contract. Discounts, not generally available to our advisory clients, are offered to family members and friends of associated persons of HAI.

WFSC Wrap Fees

Wells Fargo Advisors ("WFA") is a trade name used by Wells Fargo Clearing Services, LLC ("WFCS"). WFA sponsors a number of wrap fee advisory programs which are offered through HAI. WFA sponsors the wrap programs. A wrap fee program generally involves an investment account where you are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses⁴. The programs include Unified and Separately Managed Account Programs ("SMA"), Mutual Fund Advisory Programs, Financial Advisor ("FA") Directed Programs and Non-Discretionary, Client Directed Advisory Programs. The 1% fee charged to clients is allocated with a portion going to the managing advisor at WFCS, a portion to HSC, which is passed through to HAI, then HAI splits that fee with the investment adviser representative working with the client. This arrangement presents a conflict of interest in that HAI benefits from this compensation arrangement.

General Information

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to the other party. Upon termination of the advisory relationship, HAI will refund any unearned fees. In calculating a client's reimbursement of fees, we will pro-rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to HAI for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Mutual Funds, Closed-end Funds

Mutual Funds

Mutual funds are professionally managed portfolios of securities that pool the assets of individuals and organizations to invest toward a common objective, such as current income or long-term growth. All mutual funds are offered for sale through a prospectus, which you should read prior to investing in a fund. The prospectus describes the sales charges and expenses applicable to the fund and it describes the fund's

⁴ https://www.sec.gov/oiea/investor-alerts-and-bulletins/ib_wrapfeepprograms

investment objective. Clients do incur the indirect costs of mutual fund manager's fees in addition to the advisory fee paid to HAI.

All mutual funds charge investment management fees and ongoing expenses for operating the fund and these expenses can vary by the share class purchased. The most common types of mutual funds are Class A and Class C shares. Some funds offer no-load share classes available in advisory programs – Advisory Class funds. Funds may also offer special share classes for qualified retirement plans. The key distinctions between share classes relate to costs: the sales charge and operating expenses. Your financial professional's compensation is determined by the type of share class purchased.

Class A Shares: For class A share mutual funds, you typically pay a front-end sales charge, called a sales load, which is deducted from the initial investment. Mutual funds with front-end loads generally reduce the sales charge as the amount of your investment increases above certain levels, according to a "breakpoint" schedule. Sales charges for mutual funds investing predominantly in equities generally are higher than those of mutual funds investing primarily in bonds. Your front-end charges may be reduced or eliminated as the amount of your investment with the mutual fund company increases above certain levels. Such reduced charges are known as breakpoint discounts. At a certain level, typically \$1 million, the fund sponsor will stop charging sales charges. Annual operating expenses for class A shares are generally lower than for class C shares.

Your sales charges can also be reduced by providing HAI with a Letter of Intent ("LOI") which expresses your intent to buy a stated dollar amount over a 13-month period and lets you receive the same sales charge as if all shares had been purchased at one time.

Rights of Accumulation also can reduce the initial sales charge when you can combine a new Class A purchase with certain existing fund shares from the same sponsor.

Class C Shares: For class C share mutual funds, you are normally not charged a front-end sales charge or a contingent deferred sales charge ("CDSC") unless you sell shares within a short period of time, usually one year. The operating expenses are usually higher than those of class A shares. Class C shares do not offer breakpoint discounts. Class C shares typically are more appropriate for investors with a shorter investment time frame.

Advisor Class Shares: HAI offers its clients Advisor Class shares. There is no initial sales charge. The charge for this class is part of the advisory fee you pay to HAI. Often the annual expenses are lower than Class A and Class C shares.

The mutual fund company pays HSC a commission at the time you make your investment with the amount varying depending on the share class purchased and any applicable breakpoint discounts. HAI indirectly benefits from these payments to HSC.

Money Market Mutual Funds: A money market mutual fund contains short term debt and monetary investments and has an objective of maintaining a stable net asset value of \$1 per share. There are no sales charges when you buy a money market fund. There typically is no fee to redeem money fund shares unless the fund's board has determined to impose liquidity fees in certain circumstances. The fund's prospectus contains information regarding the fund's objectives, risks, investments, fees, and expenses.

HAI does not charge commissions or fees for the purchase or liquidation of money market funds.

Certain mutual funds pay DTX additional amounts known as revenue sharing payments, which are based on overall sales and/or assets on behalf of the fund or its fund family. This arrangement creates a conflict of interest in that DTX is incented to place client funds into these mutual funds.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, transaction charges, markups, 12b-1 fees, brokerage commissions, transaction fees, transfer taxes, wire transfer and electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section below for additional information. These additional fees and expenses will reduce the overall amount of your investment portfolio.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to HAI's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: HAI is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, HAI may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset HAI's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Payment of Fees

As previously outlined under Fee Schedules, fees are billed quarterly in advance and are calculated based on the value of the account as of the last day of the previous quarter. By signing the advisory contract, the client authorizes the account custodian, at the direction of HAI, to automatically withdraw all applicable advisory fees charged to the client under their Agreement. These fees will be withdrawn directly from the client's managed account(s). This authorization will remain in effect until revoked in writing or until the Investment Advisor Agreement is terminated. Other paying arrangements may be negotiated upon client request in certain cases.

The total amount of management fees that has been deducted from the client's account per quarter is listed in statements provided to the client by our custodian; therefore, invoices are not generally mailed out. Custodians do not confirm the accuracy of our management fee calculation and we encourage the client to review the statement for accuracy and to contact us with any questions. Custodian account statements are the "official" reports of activity in the accounts and clients should not rely on performance

reports prepared by HAI.

Pre-Payment of Fees

As outlined previously, we collect management fees in advance. For more detailed information, please refer to the *Fee Schedules* section of this brochure.

A pro-rata fee is charged to new accounts based upon the days under management for the quarter and on the initial assets in the account.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to the other party. Upon termination of the advisory relationship, HAI will refund any unearned fees. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Clients Are Responsible for Third Party Fees

Clients are responsible for the payment of all third-party fees such as custodian fees, brokerage fees, transaction fees, etc. Those fees are separate from the fees and expenses we charge. For additional information, please refer to the *Additional Fees and Expenses* section under the *Payment of Fees* header of this Brochure.

Item 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

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

SIDE-BY-SIDE MANAGEMENT

To the extent that HAI's client portfolios and the employee-owned securities accounts managed by HAI are investing in the same security on the same day, we aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities, and the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

HAI follows a written policy regarding allocation of limited investment opportunities that is designed to prevent any particular client from being systematically disadvantaged.

See Item 12 – Brokerage Practices – Allocation for a discussion of how HAI allocates such opportunities.

Item 7: TYPES OF CLIENTS

We provide advisory services, largely on a discretionary basis, to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations, Trusts, and Estates
- Corporations or other business not listed above

Anti-Money Laundering Policy

To assist the government in fighting the funding of money laundering activities, the USA Patriot Act and Federal law requires financial institutions to obtain, verify, and record information identifying each person who opens an account. In support of these anti-money laundering measures we will ask you for information and documentation that will allow us to verify your identity prior to opening an account with us. Please be aware that we will not be able to open an account in your name until the needed documentation has been provided or we have verified your identity.

The USA Patriot Act also mandates the maintenance of records and occasional update of identity verification. We are aware of the seriousness of safeguarding our clients' personal information and have taken steps in accordance with our *Privacy Policy* to maintain confidentiality.

Privacy Policy

Please refer to Exhibit A at the end of this Brochure for our *Privacy Policy*.

Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Methods of Analysis For Our Model Programs

Charting. In this type of technical analysis, we review charts of market and securities activity in an attempt to identify when the market is moving up or down and to attempt to anticipate how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk,

as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to anticipate the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and to anticipate changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk of using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment

mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. Further, any subjective assumptions that we make can be wrong, which can have a negative effect on the investments in a client's account.

Investment Strategies

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we do not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading. We purchase securities with the idea of selling them very quickly (within 30 days or less). We do this in an attempt to take advantage of our anticipation of brief price swings.

Option writing. At times, we use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will

- buy a call if we believe that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we believe that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time, and other factors. While this strategy potentially limits loss, it also has the characteristic of limiting gains.

Risk of Loss. Securities investments are not guaranteed, and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

Methods of Analysis For Individual Representative Management

Some clients have requested that their individual representative of HAI manage their account, as opposed to using the model portfolio management discussed above. Representatives who manage clients' accounts outside of the model portfolios have the ability to set fee schedules and choose customized strategies that align with client needs and the client's risk questionnaire as part of the advisory contract. These representatives utilize company personnel for issuing trades, client billings, and may occasionally seek the advice of HAI or Datatex Investment Services, Inc. ("DTX"), another HAI affiliate, but retain the ability to manage the client account on their own. HAI is compensated in these arrangements based upon the fees disclosed in the client account agreement, and a portion of this fee is paid to the individual adviser.

Material Risks Involved

Past performance does not guarantee future results. The client should be aware that investing in securities involves risk of loss that the client should be prepared to take.

Management Risk: We cannot guarantee the securities we purchase will perform to the client's benefit. Our decision-making / securities selection process or intrinsic value calculations could be inaccurate. If our strategies do not perform as anticipated, a customer's investment could suffer loss, including the loss of the principal invested.

Equity Market Risk: Risks inherent to the stock market itself may affect the value of the securities held in customer accounts, causing their value to fluctuate up and down, sometimes rapidly. These fluctuations can cause a security's value to fall below the price where it was purchased. Market risk can affect a single security, an industry, a whole sector or even the entire stock market. Stock markets can be affected by

things such as fluctuations in economic and market conditions, interest rates, and political events.

Undervalued Stocks Risk: Undervalued stocks can react differently to issuer, political, market and economic developments than the market as a whole and other types of stocks. Undervalued stocks tend to be inexpensive relative to their earnings or assets compared to other types of stock. However, these stocks can continue to be inexpensive for long periods of time and may not realize their full economic value.

Micro, Small and Mid-Cap Company Risk: Investments in micro, small and midcap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, micro, small and mid-cap companies may be more vulnerable to economic, market and industry changes.

Risks of Specific Securities Utilized

Common stock, a class of security representing equity ownership in a corporation, is regularly purchased for client accounts. Those who hold common stock have the right to collect dividends and elect directors. In the event of a collapse of the company, common stocks claims come last after bondholder claims, preferred stockholders, and general creditors. In this case, common stockholders will likely recover little, if any, of their investments.

We have authority to purchase equity securities which are “restricted” within the meaning of Rule 144 under the Securities Act of 1933, as amended (the “Securities Act”), or whose sale is otherwise limited. Unless these limitations are eliminated by registration of a sale transaction under the Securities Act or the availability of an exemption from the registration requirement, the price at which sale transactions are executed may be different than the market price of the same securities whose sale is not restricted.

We have authority to purchase equity securities which are “restricted” within the meaning of Rule 144A under the Securities Act which provides a safe harbor exemption from certain registration requirements and which allows resale of such securities to qualified institutional buyers, under certain conditions.

We have authority to purchase Master Limited Partnerships (“MLP”) for client accounts. Investing in MLP securities involves risks that differ from an investment in equity securities, such as common stock, of a corporation. Those who hold MLP units have rights generally given to limited partners in a limited partnership. In comparison to common shareholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks associated with an investment in MLP units.

We invest in exchange-traded funds (“ETFs”), ordinarily in our M.A.P. strategies. ETFs consist of a group of stocks that track a specific index. The market value of an ETF, prior to the deduction of its expenses, attempts to track the movement of the associated index rather closely. ETFs charge their own management fee and other expenses that come directly out of the fund’s returns. In addition to the ETF’s management fee and other expenses, a commission on each purchase or sale is charged by the executing broker-dealer. The principal risks involved with ETFs include the risk that the equity securities in an ETF will decline in value due to factors affecting the issuing companies, their industries, or the equity markets generally.

A security may be frequently traded in a strategy as decided by the portfolio manager. Frequent trading

of securities can affect investment performance, particularly through increased brokerage commissions and taxes. Frequently traded securities causes a client's account to have a high turnover rate than a passively managed account, along with the potential for high volatility and increased transaction costs. Due to the differences in investment styles of the various strategies, portfolio turnover rates for some strategies are greater than others.

We have authority to invest in real estate investment trusts ("REITs"). Risks associated with REITs include, but are not necessarily limited to: (1) real estate industry risk, which is the risk that the REIT share prices will decline because of adverse developments affecting the real estate industry and real property values; real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties; (2) investment style risk, which is the risk that returns from REITs, which typically are small or medium capitalization stocks, will trail returns from the overall stock market; (3) interest rate risk, which is the risk that changes in the interest rates may hurt real estate values or make REIT shares less attractive than other income-producing investments.

Item 9: DISCIPLINARY HISTORY

We are required to disclose in this Brochure any legal or disciplinary events that have occurred in the last ten (10) years that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

We do not have legal or disciplinary information to disclose.

Item 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registration as a Broker-Dealer or Broker-Dealer Representative

We are not registered as a securities broker-dealer. Our Affiliated broker-dealers are Huntleigh Securities Corporation ("HSC") and K.W. Chambers & Co. ("KWC"). Please see the Conflict of Interests section below for more information regarding conflicts which may exist between these organizations.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

We are not registered as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Conflicts of Interest / Relationships Material to this Advisory Business

HAI is affiliated with HSC through common ownership. Currently, HAI uses HSC as the broker-dealer for placing its trades for its customers. This can create a conflict of interest where HAI has an incentive to continue using HSC as the broker-dealer for placing its trades for its customers. Furthermore, because HSC has minimum monthly clearing charges in its contract with its clearing company, First Clearing, HAI may be incented to conduct more frequent transactions to ensure that HSC meets its minimum monthly

clearing charges. HSC and its clearing firm, First Clearing, will charge your account for certain transactions and services which are described and enumerated on your account contract and new account documents provided to you by First Clearing and HSC. These charges include such fees as custodial fees (e.g. transaction fees), markups, 12b-1 fees, brokerage commissions, transaction fees, transfer taxes, wire transfers, IRA account fees, inactive fees, margin interest, electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses. HSC pays this fee to First Clearing, and HAI reimburses HSC the \$7 cost.

A portion of these fees often go to HSC in addition to First Clearing, and HSC shares portions of this revenue with HAI. Because HAI is affiliated with HSC, you should assume that money, fees, or charges paid to HSC will also benefit HAI, whether or not any revenue is actually shared with HAI. This creates a conflict of interest where HAI may be incented to recommend the services of HSC as the broker dealer on your account. For example, if your account holds mutual funds or other investments that pay 12b-1 fees (also referred to as "trail commissions"), you should know that those 12b-1 fees are paid to HSC. Please note that HSC has opted into a program with First Clearing, which rebates to the customer any 12b-1 fees that are charged to the HAI customer accounts. You may see these rebates on your account statements if you own any mutual funds which pay 12b-1 fees. However, this system is not foolproof, and it is conceivable that 12b-1 fees will still be charged to your account, and those fees will be paid to HSC. If HAI discovers that any 12b-1 fees are being charged to your investments, it will rebate those fees going forward.

Also, different mutual funds are generally sold in different "share classes," which often come with different internal fees. HAI strives to purchase "advisory class" mutual fund shares when available, or otherwise choose the mutual fund share classes with the next lowest levels of internal fees. However, this effort is not foolproof, and there are situations where you may continue to own certain share classes which have higher internal fees than other available share classes. If HAI discovers that a lower cost share class is available to your account without causing you any tax or other negative consequences, we will change your funds to the lower cost share class. However, please note that in these situations, we do not offer any rebates.

When you open your investment account at our affiliated broker-dealer, HSC, you will be notified of several different cash options available to your account. Currently, HAI selects by default the cash sweep option which also provides FDIC insurance to cash positions which are held within applicable FDIC limits. Please note that this selection also currently pays revenue from First Clearing to HSC based on the amount of funds which are held in cash (Revenue Sharing). Although none of this revenue is paid to HAI, it is received by HSC which creates a conflict of interest because HSC is affiliated with HAI through common ownership. This can create a conflict of interest to induce HAI to select the FDIC insured cash sweep program because of the financial benefit it provides to HSC. However, the cash product selection can be changed by the customer at any time, by simply contacting his/her representative, or by contacting HAI's Chief Compliance Officer, Christopher C. O'Connell, at 314-236-8888. Currently, HAI selects the FDIC-insured cash sweep option from First Clearing for the FDIC insurance and convenience in working with First Clearing. HAI does not shop "cash alternatives" like money market funds held at other fund companies and does not actively manage cash holdings in that manner. HAI holds cash positions in customer accounts when it wants customer accounts to be able to make new purchases in the future. We do not actively create and hold cash positions to create income in customer accounts through shopping, buying, and selling the competing cash equivalent products (e.g. Money Market Funds), thus clients pay advisory fees on uninvested cash.

If your account carries a margin balance, you will pay margin interest on that margin balance; which margin interest gets paid to HSC. Because HSC is affiliated with HAI through common ownership, this creates a conflict of interest where HAI may be incented to place accounts in margin or carry margin balances which would generate additional revenue for HSC.

Also, HAI is affiliated with and under common control with K.W. Chambers & Co. ("KWC") and Datatex Investment Services, Inc. ("DTX"), in addition to HSC. Some representatives of HAI are also licensed with KWC, as well as DTX and HSC. Therefore, a representative on a particular HAI account may also be the representative on that customer's account held with the affiliated broker-dealer (KWC or HSC). In this instance, there is a conflict in that the representative has the ability to choose which transactions benefits her/him more, a transaction in a client's brokerage account or in the advisory account. HAI has controls in place to review activity of its representatives to prevent the prohibited practice known as "double-dipping" whereby a representative is paid both an advisory fee and a commission on the same transaction.

As explained in this brochure, in addition to advisory fees paid by the client to HAI, the client also pays fees charged by HAI's affiliated broker-dealer, including commissions, fees, mark-ups, 12b-1 fees, margin interest, IRA fees, inactive fees or other charges customary in the industry. In such a case, the affiliated broker-dealer will receive a portion of these fees, and the representative could earn both a portion of the advisory fee charged by HAI, and a portion of the fees, etc. charged by the broker-dealer.

Further, HAI has controls in place to ensure that the representatives clearly identify to clients when they are acting in a brokerage capacity and when they are acting in an advisory capacity. HAI also has controls in place to ensure that its representatives are acting in the best interest of HAI clients to ensure the suitability of transactions recommended. In addition, this affiliation could therefore create a conflict of interest wherein the advisor representative on the account has an incentive to purchase securities for the customer which pays the affiliated broker-dealer and/or the representative additional money from the broker-dealer. While we monitor this relationship very closely and hold all our representatives to a strict code of ethics to help ensure the customers' interests are preserved above all others, it is important that the customer understands this relationship. We believe that the affiliated nature of these companies helps the client obtain the best overall execution for securities transactions, but if any customer has any questions or concerns about how these issues affect his/her account, or if the customer wishes to confidentially discuss these issues with a supervisor, he/she may directly contact the Chief Compliance Officer, Christopher C. O'Connell, at 314-236-8888.

Management personnel of HAI are separately licensed as registered representatives of KWC, and/or HSC, affiliated broker-dealers. Investment adviser representatives and registered advisor representatives may also be separately licensed as registered representatives of KWC, and/or HSC. These individuals, in their separate capacity, can affect securities transactions for which they will receive separate, yet customary compensation. While HAI and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Members of our firm's management and the firm's investment adviser representatives and/or registered advisor representatives may also be separately licensed as an investment advisor representative of DTX, an affiliated Registered Investment Advisor. In that capacity, these individuals provide advisory services through DTX. The advisory services delivered by DTX are distinct from those provided by our firm and are provided for separate compensation. DTX's advisory services may be recommended to our clients for

whom it is appropriate.

However, a conflict of interest is created by this arrangement to the extent that these individuals may recommend that a DTX client open a HAI account (or vice-versa) through which this individual will receive additional compensation. No DTX client is obligated to use HAI or its services. No HAI client is obligated to use DTX. Clients choosing to implement DTX's recommendations through HAI's advisory services should refer to HAI's Firm Brochure or other disclosure document for details regarding those services and fees.

We may occasionally trade the same or similar securities in client portfolios that are traded by DTX in its client portfolios. When this occurs, our clients may receive a better or worse price or execution than us, depending on the order of trade execution, the type of security traded, and the broker-dealer used. In order to minimize the potential for any systematic disadvantage to clients; when trades are placed in the same security on the same day for both our clients and DTX's clients (whose portfolios are within the control of these representatives registered with both companies), we will seek to rotate the order of execution, or aggregate the trade so that all same-day trades in the same security receive the same price.

As required, any affiliated investment advisors are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure) In addition, the management persons and other employees of HAI are: (1) management persons and registered representatives of affiliated FINRA member broker-dealers; and (2) management persons or advisor representatives of an affiliated registered investment advisor. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for our advisory clients, for which these representatives will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by HAI and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. HAI endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for

having reasonable and independent basis for the investment advice provided to a client.

Further, as noted above, under the lending program, the interest is charged to the client. Wells Fargo pays a fee to HSC for originating the loan. The individual representative of HAI is paid in their capacity as a dually registered person with both HSC and HAI. There is a conflict of interest in this arrangement as both HSC and the individual representative benefit from clients taking out loans. Further, it is possible that the client will get a better rate by borrowing elsewhere.

Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections

We have an arrangement with WFCS, as described above. Clients pay a 1% fee. The 1% fee charged to clients is allocated with a portion going to the managing advisor at WFCS, a portion to HSC, which is passed through to HAI, then HAI splits that fee with the investment adviser representative working with the client. This arrangement presents a conflict of interest in that HAI benefits from this compensation arrangement.

In addition, we have an arrangement with Dana Investment Advisors, Inc., a registered investment advisory firm ("Sub-Advisor"). Pursuant to the sub-advisory agreement, Sub-Advisor will receive a quarterly fee (the "Sub-Advisory Fee") for each Client Account managed by Sub-Advisor. Sub-Advisor will calculate and submit a bill for each Client account directly to HAI. After receiving prior approval from HAI, Sub-Advisor shall have the ability to directly debit Client Accounts on a quarterly basis for the applicable Sub-Advisory Fee. The Sub-Advisory Fee for each Client Account will equal (on an annualized basis) 0.12% (12 basis points) annually. The Sub-Advisory Fee for any partial calendar quarter shall be pro-rated using the actual number of calendar days that Sub-Advisor managed assets for the Client Account(s).

This arrangement will not increase your advisory fee, as the Sub-Advisory Fee will be paid from the fees we collect from you.

Item 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

HAI and our personnel owe a duty of loyalty, fairness, and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of

securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and record keeping provisions.

HAI's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to coconnell@oconnelllawfirm.com, or by calling us at 314-236-8888.

HAI or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. These are known as principal transactions. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients. Section 206(3) prohibits advisers from making principal trades unless the adviser discloses all material information about the proposed trade to, and obtains the consent of, such client before the completion of the transaction. We do not allow a blanket disclosure and consent-disclosure, and consents are required for each such transaction.

HAI may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

An agency cross transaction is a transaction where our firm acts as an investment advisor in relation to a transaction in which HAI or any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions occur where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer, such as HAI, HSC, and KWC. HAI discloses material information about the trade to the client before the completion of the sale or purchase and obtains the consent of the client to such transaction.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with (i) 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.

Investing in the Same Securities as Clients

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

The HAI Code of Ethics requires that where personal and client trades occur on the same day, the execution price on personal trades should never be more favorable than that received by clients, and such

same day trades should not be allowed if the employee/principal's trade could cause the market in that security to move.

Trading Securities At or About the Same Time As Clients

As a matter of policy and practice, Advisor will aggregate transactions for clients when possible for advisory clients. Aggregating transactions allows the trading of aggregate blocks of securities of assets from multiple client accounts. Aggregating client transactions allows advisors to execute transactions in a more timely, efficient, and equitable manner and to seek best execution and/or to reduce commission charges for clients.

When and where possible, Advisor will aggregate transactions for all clients including directed and non-directed brokerage transactions for individual and institutional client portfolios. Client transactions may not or cannot be aggregated with other non-directed client transactions where a client has directed Advisor to use a particular firm for its portfolio transactions. However, Advisor will generally aggregate client transactions in directed brokerage arrangements when clients have directed Advisor to use the same firm. In situations where accounts may be buying or selling the same security over a period longer than one day, Advisor will continue to aggregate participating client transactions when possible.

In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the policy of our firm that no person employed by us may purchase or sell any security on the same day that a transaction(s) is being implemented for an advisory account, unless both accounts receive the same price. This helps prevent such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is

granted discretionary authority.

9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

Item 12: BROKERAGE PRACTICES

Per the client agreement, Advisor suggests and recommends that Client utilize Huntleigh Securities Corporation (“HSC”). Advisor is affiliated with HSC through common ownership which creates a conflict of interest. Advisor does benefit from clients utilizing HSC and therefore has a conflict when recommending whether to use an alternative brokerage firm. The Clearing Agent and Custodian for HSC accounts is Wells Fargo Clearing Services, LLC d/b/a First Clearing (“Clearing Agent” or “Custodian”), member NYSE/SIPC. Unless otherwise specified, Clearing Agent will maintain custody of the assets held in the Account. As Custodian, Clearing Agent will credit the Account with dividends and interest paid on securities and with principal paid on called or matured securities in the Account. Custodian is also responsible for preparing and delivering statements to Client on the Account, no less than quarterly.

Despite the foregoing, Client may request execution of transactions through a different broker, as well as a different custodian, by notification to Advisor in writing. For discretionary clients, HAI requires these clients to provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to these clients for these transactions. These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

HAI does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

HAI will “block” trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis among all accounts included in any such block.

Block trading allows us to execute equity trades in a timelier, more equitable manner, at an average share price. HAI will typically aggregate trades among clients whose accounts can be traded at a given broker, and, in the event HAI has arrangements with more than one broker we will rotate or vary the order of brokers through which it places trades for clients on any particular day. HAI's block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with HAI, or our firm's order allocation policy.
2. The trading desk, in concert with the portfolio manager, must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the

client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.

3. The portfolio manager must reasonably believe that the order aggregation will benefit and will enable HAI to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written or electronic order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro-rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro-rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregated trade.
8. HAI's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on HAI's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

Item 13: REVIEW OF ACCOUNTS

Frequency and Nature of Reviews

It is the responsibility of our client to notify us of any changes to your investment objectives and/or financial situation. We suggest that you review your investment objectives and account performance with us on no less than an annual basis.

Our management team is responsible for creating and maintaining the investment plan of our strategies as well as the day-to-day supervision of your account and the review of the securities held in our managed strategies. On a weekly basis our portfolio committee meets to discuss and review matters such as diversification, portfolio composition, performance, and factors related to portfolio benchmarks. Account reviews are constructed to ensure that activity for client accounts are in alignment with each client's specific investment objectives as outlined in the client's advisory agreement. During an account review clients can expect to go over their specific guidelines and performance of their account. The overall performance of each strategy is reviewed by the committee no less often than on a quarterly basis.

Content and Frequency of Regular Reports Provided to Clients

The type and frequency of reports are decided based on the specific needs of each client. We will provide reports, if requested. Reports will generally consist of, but are not limited to, an appraisal of the client's account inclusive of current holdings with corresponding market value and percentage of each holding in relation to the total account, portfolio summary displaying the asset allocation of the client's account, and account performance for selected periods. Additional reports may be added and/or reports removed depending on the nature of the account.

You should receive your account statement from our broker-dealer, HSC, as it is distributed by the clearing firm on behalf of HSC on a monthly basis. These statements are considered to be the actual books and records of your account and should be reviewed carefully. If there is a difference between information in reports prepared by HAI and the clearing firm, the clearing firm reports are controlling. The reason is that when we create a report for a client, we may select securities pricing from different periods than the records of the clearing firm.

Item 14: CLIENT REFERRALS AND OTHER COMPENSATION

Economic Benefits Provided by Third Parties for Advice Rendered To Clients

Our employees may at times give or receive gifts from clients, broker-dealers, and other unaffiliated third parties. Further, our employees may host a client, broker-dealer, and/or other unaffiliated third party or be the recipient of entertainment provided by a client, broker-dealer, and/or other unaffiliated third party. It is HAI's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards, or other prizes, directly or indirectly from any third party as an incentive for providing advice to our clients.

Item 15: CUSTODY

We previously disclosed in the "Fees and Compensation" section of this Brochure that our 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. A copy of this statement will either be mailed or emailed to the client, depending on the preferences the client has set up. Additionally, if the client has set up online access, they will be able to access their monthly statements in an on-demand manner.

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 us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients upon request. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings, and values

are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16: INVESTMENT DISCRETION

Clients hire us to provide discretionary asset management services, in which we make decisions without consulting you first, regarding buying or selling of securities, the amount of securities to buy or sell, or which broker-dealer to use, subject to reasonable investment objectives and guidelines that were previously established in the advisory agreement at the time of account inception. Clients give us discretionary authority when they sign a discretionary agreement within the advisory agreement, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. The advisory agreement allows us authorization to provide instructions regarding the investment decisions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash, or cash equivalent or other investment for your account.

Item 17: VOTING CLIENT SECURITIES

Clients That Provide Proxy Voting Authority to HAI

We vote proxies, or abstain from voting, for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account. We will vote or refrain from voting proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will use a third party in order to cast and retain records of various proxy votes. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote. Clients may obtain a copy of our complete proxy voting policies and procedures by contacting our chief compliance officer by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client. We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the Plan Sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact our Chief Compliance Officer by telephone, email, or in writing. You can instruct us to vote a proxy according to particular criteria (for example, to vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at 314-236-8837.

Clients That Retain Proxy Voting Authority

If you do not grant us proxy voting authority, you may receive proxies and other solicitations directly from the custodian or a transfer agent. Typically, we do not provide advice on proxy voting issues when a client retains proxy voting authority.

Class Action Lawsuits

We occasionally receive notifications that securities held in your account are the subject of a class action lawsuit. We contract with a third-party, Broadridge, to handle such cases. Accounts are reviewed on a semi-annual basis where potential class action lawsuits are identified and addressed by Broadridge. Any payment distributions will be sent directly to the account holder's address on file. We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18: FINANCIAL INFORMATION

Balance Sheet

We do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered; therefore, we are not required to include a financial statement.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

At this time we are not aware of, nor do we foresee any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. HAI has no additional financial circumstances to report.

Bankruptcy Petitions in Previous Ten Years

HAI has not been the subject of a bankruptcy petition at any time during the past ten years.

EXHIBITS

Exhibit A: Privacy Notice

HUNTLEIGH ADVISORS, INC.
(and Affiliated Companies*)
PRIVACY POLICY STATEMENT

At HAI, we understand that confidentiality and trust are key elements of any financial relationship. Because you have entrusted us with your personal information, including your financial situation and goals, we make safeguarding that information and protecting your privacy a top priority.

We are providing this Privacy Statement to you in accordance with legislation requiring financial firms to disclose their processes for obtaining, using, and protecting customer information. You will receive a copy of our Privacy Policy on an annual basis, and this policy may also be found on our affiliate's website, at www.hntlgh.com.

HAI does not sell your personal information to anyone.

Collection of Information: Nonpublic personal information includes much of the information you provide to us and the related information about your transactions and your account(s) at HAI. Examples of nonpublic personal information include the information you provide on the new account form, your account balance or transactional history, and the fact that you are a customer of HAI.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us or our affiliates
- Information about your transactions with nonaffiliated third parties, such as providers of mutual funds, annuities, insurance, and other investments offered through Huntleigh or its affiliates
- Information we may collect from other nonaffiliated third parties, such as marketing research firms
- Information we may receive from a consumer reporting agency

Disclosure of Information: We do not disclose any personal information about our customers or former customers to anyone, except as required or permitted by law, or upon your written consent. In the course of providing securities services, we may disclose the information we collect to our affiliates or to companies which perform services on our behalf, such as account administration, transaction processing, marketing services, and processing and delivery of account statements and other documents, or to other financial institutions with whom we have joint marketing agreements.

Security of Information: We restrict access to your nonpublic personal information to personnel who are necessary or appropriate to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

Right to Opt Out: HAI does not currently disclose nonpublic personal information of its customers to nonaffiliated third parties, except as described above. If, in the future, this policy changes, you will be notified and given an opportunity to opt out of having this information shared.

If you have questions about our privacy policy, please contact your Financial Advisor, or our Customer Service Department, at (314) 236-2400 or (800) 727-5405.

Thank you for your continued trust and confidence in HAI.

**HAI's affiliated companies are: Datatex Investment Services, Inc., Huntleigh Securities Corporation, and K.W. Chambers & Co.*