

**Hennion & Walsh Asset Management, Inc.**  
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**Hennion & Walsh Asset Management, Inc.**  
**Wrap Fee Program Brochure**  
**Dated 03/29/2023**

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This wrap fee program brochure provides information about the qualifications and business practices of Hennion & Walsh Asset Management, Inc. (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (973) 299-8989 or [pfitzsimmons@hennionandwalsh.com](mailto:pfitzsimmons@hennionandwalsh.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Hennion & Walsh Asset Management, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

References herein to Hennion & Walsh Asset Management, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

## **Item 2           Material Changes**

This Brochure dated March 2022 reflects our annual update of our brochure and does not contain any material changes over the March 2021 Brochure.

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## Item 4 Services, Fees and Compensation

### A. INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant, Hennion & Walsh Asset Management, Inc. (“HWAM”), to provide discretionary or non-discretionary investment advisory services on a wrap fee basis. (*See* discussion below). If a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client’s particular need.

### PORTFOLIO MANAGEMENT WRAP PROGRAM

The Registrant is the sponsor and investment manager of the Portfolio Management Program (the “PMP program”). Under the PMP program, the Registrant is able to offer participants discretionary investment management services, for a single, specified annual wrap fee. This wrap fee includes the cost of trade execution, custody, reporting, and investment management fees.

The wrap fee will be charged as a percentage of assets under management, as follows:

<b>Equity and Balanced Strategies</b>		<b>Tax-Advantaged Income Strategies</b>	
<u>Asset Level</u>	<u>Annual Client Fee</u>	<u>Asset Level</u>	<u>Annual Client Fee</u>
First \$250,000	1.50%	First \$250,000	0.90%
Next \$250,000	1.40%	Next \$250,000	0.85%
Next \$500,000	1.25%	Next \$500,000	0.75%
Next \$4,000,000	1.00%	Next \$4,000,000	0.70%
Over \$5,000,000	0.75%	Over \$5,000,000	0.55%

Under the PMP program, the client will provide written authority allowing the Registrant to determine which securities and the amounts of securities that are to be bought or sold for the client. Reasonable limitations on this discretionary authority can be granted upon written request, subject to review and approval. Clients may request to change or amend these limitations, in writing, at any time. The client shall have reasonable access to one of the Registrant’s investment professionals to discuss their account.

Wells Fargo Clearing Services, LLC (WFCS) currently serves as the custodian for Program accounts.

### PERSONALIZED UMA

The Personalized Unified Managed Account “UMA” Program is a discretionary management program involving a select group of investment managers (“Sub-Account Managers”) meeting certain qualification standards set by WFCS and approved by the Registrant. All Sub-Account Managers enter into appropriate, standard-form sub-advisory contracts with Wells Fargo Advisors obligating each Sub-Account Manager to perform its respective duties in accordance with the requirements of the Personalized UMA Program.

The Registrant selects one or more Sub-Account Managers who are responsible for discretionary investment selections of all or a portion of the Personalized UMA Program assets. The Registrant has discretion as to the management of the Personalized UMA Program including the appointment of Sub-Account Managers. Subject to limitations described in the client's responses to the Registrant's Client Profile form, or any other appropriate suitability analysis obtained by the Registrant from the client (including reasonable restrictions on the investment and reinvestment of Personalized UMA Program account assets), selected Sub-Account Managers shall have discretion to manage the investments of each Personalized UMA Program client account under the oversight of the Registrant without prior consultation with the client. The Registrant may, in its own discretion, or at the request of the client, replace and/or terminate any Personalized UMA Program Sub-Account Manager. Unless otherwise specified, all securities will be held by, and all Personalized UMA Program account transactions will be effected through *WFCS*.

The current standard fee schedules for the Programs are provided below. Fees and minimums will vary based on the Manager and Account type.

**Equity and Balanced Accounts:**

<u>Asset Level</u>	<u>Annual Client Fee</u>
First \$ 250,000	1.90%-2.00%
Next \$750,000	1.75%-1.85%
Next \$4,000,000	1.40%-1.50%
Over \$5,000,000	1.15%-1.25%

**Fixed Income Accounts:**

<u>Asset Level</u>	<u>Annual Client Fee</u>
First \$ 250,000	1.20%
Next \$750,000	1.05%
Next \$4,000,000	1.00%
Over \$5,000,000	0.85%

\*Asset level requirements vary per Sub-Account Manager. At present, there is typically a \$100,000 minimum overall portfolio size for entry into the Personalized UMA Program for Equity and Balanced Accounts and a \$1,000,000 minimum for Fixed Income Strategies. Minimums may be negotiable on a case-by-case basis.

**ASSET ADVISOR**

Asset Advisor is a full service non-discretionary investment advisory program that includes advisory services and custodial costs in a single asset-based wrap fee. The Registrant offers this program through an agreement with our clearing agent, *WFCS*.

Clients have the ability to invest in a variety of investment products including stocks, bonds, mutual funds and options. Clients may make their own investment decisions and conduct transactions on an unsolicited basis or work with a firm advisory representative to help choose investments best suited for their needs. Investment decisions made by the advisory representative are generally based

on a variety of factors including client’s investment objectives, risk tolerance, liquidity needs and time horizon.

Investment advice offered under Asset Advisor is tailored to the individual’s needs, as determined by the client and the advisor.

For the services provided under the Asset Advisor program, clients will be charged a wrap fee that is for advice, transactional and custodial services in accordance with the Asset Advisor Program Fee Schedule.

Fees may be negotiable under certain circumstances.

The standard fee schedule for the Asset Advisor Program is provided below.

<u>Asset Level</u>	<u>Annual Client Fee</u>
First \$ 250,000	3.00%
Next \$750,000	2.50%
Over \$1,000,000	2.00%

**Fee Differentials:** In certain circumstances, the Registrant, in its sole discretion, may charge a different wrap fee (higher or lower) based upon certain criteria (i.e. complexity of the engagement, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, anticipated level and scope of other services to be provided).

**Fee Calculation:** The fee charged is calculated as a percentage of assets per the schedules above and is not charged on the basis of a share of capital gains or upon capital appreciation of the funds or any portion of the funds of an advisory client, pursuant to Section 205(a)(1) of the Investment Advisers Act of 1940, as amended (hereinafter the “Act”).

**Fee Payment:** Clients will be charged in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Fees are prorated for accounts opened during the quarter. Fee adjustments are made for assets added or withdrawn from an account. These adjustments are based on net additions/withdrawals of \$10,000 or more per month.

**Termination of Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five (5) business days after entering into the agreement.

## MISCELLANEOUS

**Client Responsibilities:** In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in

his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

- B. Participation in the Programs may cost more or less than purchasing such services separately. Also, the wrap fee charged by Registrant for participation in the Programs may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

Depending upon the percentage wrap-fee charged by the Registrant, the amount of portfolio activity in the client's account, and the value of custodial and other services provided, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

- C. The Program's wrap fee does not include certain charges and administrative fees, including, but not limited to, fees charged by unaffiliated *Independent Managers*, transaction charges (excluding mark-ups and mark-downs) resulting from trades effected through or with a broker-dealer other than WFCS, transfer taxes, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts. Such fees and expenses are in addition to the Programs' wrap fee.
- D. The Registrant may receive rebates on funds deposited in money market accounts held on the managed money platform.

Registrant's related persons who are registered as investment advisors and recommend the Programs to clients receive a portion of fees as compensation. This arrangement does not change the fees charged for the Programs. Registrant does not pay compensation to any person who is not a supervised person for client referrals.

## **Item 5 Account Requirements and Types of Clients**

The Registrant's clients shall generally include individuals, business entities, trusts, estates, charitable organizations, investment companies and pension and profit-sharing plans. The PMP Program generally requires a minimum asset level of \$50,000, Asset Advisor requires a minimum asset level of \$25,000, and the PUMA Program generally requires a \$100,000 account minimum. The Registrant, in its sole discretion, may waive or reduce its minimum asset requirement based upon certain criteria (i.e. anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## **Item 6 Portfolio Manager Selection and Evaluation**

- A. The client may engage the Registrant to allocate assets to unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated Program assets. The Registrant shall

continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), and the Independent Manager's management style, performance, reputation, financial strength, reporting, pricing, and research. To the extent possible, the Registrant shall review any performance information provided by *Independent Managers* for accuracy and regulatory compliance.

As the Program sponsor, the Registrant shall be responsible for the primary management of the Program, including the selection and termination of all *Independent Manager[s]*. Once selected, *Independent Manager[s]* shall be responsible for day-to-day management and selection of securities for the account.

- B. The Registrant acts as the portfolio manager for the PMP Program. Inasmuch as the execution costs for transactions effected in the client account will be paid by the Registrant, a potential conflict of interest arises in that the Registrant may have a disincentive to trade securities in the client account. In addition, the amount of compensation received by the Registrant as a result of the client's participation in the Program may be more than what the Registrant would receive if the client paid separately for investment advice, brokerage and other services.
- C. As discussed below, the Registrant offers its clients discretionary investment advisory services through various investment programs.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary investment or non-discretionary investment advisory services on a wrap fee basis. (*See* discussion below). If a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need.

#### **PORTFOLIO MANAGEMENT WRAP PROGRAM**

The Registrant provides investment management services on a wrap fee basis in accordance with the Registrant's wrap fee program, referred to as the Portfolio Management Program ("PMP"). The services offered under, and the corresponding terms and conditions pertaining to, the PMP are discussed in the Wrap Fee Program Brochure a copy of which is presented to all prospective Program participants.

Through the PMP, the Registrant is able to offer participants discretionary investment management services, for a single specified annual wrap fee, which includes the cost of trade execution, custody, reporting, and investment management fees. The current annual Program fee is negotiable depending upon the amount and type of assets held by the client. The maximum annual fee is 1.50%. The terms and conditions for client participation in the PMP are set forth in detail in this Wrap Fee Program Brochure, which is presented to all prospective Program participants in accordance with the disclosure requirements of Part 2A Appendix 1 of Form ADV. All prospective PMP participants should read both the Registrant's Brochure and the Wrap Fee Program Brochure, and ask any corresponding questions that they may have, prior to participation in the PMP. Wells Fargo Clearing

Services, LLC (“WFCS”), a FINRA member broker-dealer, currently serves as the custodian for Program accounts.

The firm makes certain of its asset allocation models available to the Hennion & Walsh employee 401k Plan. Employees may choose a model or choose a variety of other investment allocation options. The management fee is waived for this service.

**Please Note:** As indicated in the Wrap Fee Program Brochure, participation in the Program may cost more or less than purchasing such services separately. As also indicated in the Wrap Fee Program Brochure, the annual fee charged by Registrant for participation in the PMP may be higher or lower than those charged by other sponsors of comparable wrap fee programs. Clients may incur other account and transactional fees such as IRA fees and certain pass-through transactions fee including pass through execution costs and other fees as required by law.

\*The minimum Account size for PMP program clients is generally \$50,000.

### **PERSONALIZED UMA PROGRAM**

The Personalized UMA Program is a discretionary management program that is offered through an agreement with our current clearing agent, WFCS. The program involves a select group of investment managers ("Sub-Account Managers") meeting certain qualification standards set by WFCS and approved by the Registrant. All Sub-Account Managers enter into appropriate, standard-form sub-advisory contracts with Wells Fargo Advisors obligating each Sub-Account Manager to perform its respective duties in accordance with the requirements of the Personalized UMA Program. The Registrant has discretion as to the management of the Personalized UMA Program including the appointment of Sub-Account Managers. The Registrant selects one or more Sub-Account Managers who are responsible for discretionary investment selections of all or a portion of the Personalized UMA Program assets. Subject to limitations described in the client's responses to the Registrant's Client Profile form, or any other appropriate suitability analysis obtained by the Registrant from the client (including reasonable restrictions on the investment and reinvestment of Program account assets), selected Sub-Account Managers shall have discretion to manage the investments of each Program client account under the oversight of the Registrant without prior consultation with the client. The Registrant may, in its own discretion, or at the request of the client, replace and/or terminate any Personalized UMA Program Sub-Account Manager. Unless otherwise specified, all securities will be held by, and all Personalized UMA Program account transactions will be effected through WFCS.

\*Asset level requirements vary per manager. At present, there is typically a \$100,000 minimum overall portfolio size for entry into the Personalized UMA Program for equity and balanced strategies. The minimum for Fixed Income Strategies is typically \$1,000,000. Minimums may be negotiable on a case-by case basis.

### **ASSET ADVISOR**

Asset Advisor is a full service, non-discretionary investment advisory program that includes advisory services and custodial costs in a single asset-based fee. The Registrant offers this program through an agreement with our clearing agent, WFCS.

Clients have the ability to invest in a variety of investment products including stocks, bonds, mutual funds and options. Clients may make their own investment decisions and conduct transactions on an unsolicited basis or work with a firm advisory representative to help choose investments best suited for their needs. Investment decisions made by the advisory representative are generally based on a variety of factors including client's investment objectives, risk tolerance, liquidity needs and time horizon.

Investment advice offered under Asset Advisor is tailored to the individual's needs, as determined by the client and the advisor.

#### Other Fees

In addition to the program fees detailed in Item 4 above, the client also may incur charges including a) any dealer markups, odd lot differentials and transfer taxes b) margin interest c) operational fees and charges.

Our clearing agent, WFCS and Registrant may share in a portion of fees for services provided.

#### MISCELLANEOUS

**Non-Investment Consulting/Implementation Services.** To the extent requested by the client, the Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of the Registrant in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and may accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** Each client is advised that it remains the client's responsibility to promptly notify the Registrant if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Wrap/Managed Account programs.** In the event that Registrant is engaged to provide investment management services as part of an unaffiliated wrap-fee program, Registrant will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that Registrant is engaged to provide investment management services as part of an unaffiliated managed account program, Registrant will likewise be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts.

**Sub-Advisory Arrangements.** The Registrant may engage sub-advisors for the purpose of assisting the Registrant with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Registrant. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by the Registrant. The Registrant shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services.

**Trade Error Policy.** Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Registrant's written Brochure as set forth in Part 2A of Form ADV and Form CRS shall be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. Any client who has not received a copy of Registrant's written Brochure at least 48 hours prior to executing the *Investment Advisory Agreement* shall have five business days after executing the agreement to terminate the Registrant's services without penalty.

The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client can request reasonable restrictions, in writing, and subject to review and approval, Registrant will accommodate such restrictions.

Registrant provides investment management on a wrap fee basis. As stated above, if a client determines to engage the Registrant on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. **Please Note:** When managing a client's account on a wrap fee basis, the Registrant receives a portion of the wrap fee as payment for its investment advisory services.

### **Performance Based Fees and Side-By-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

The Registrant shall utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

Every method of analysis has its own inherent risks. However, the Registrant's methods of analysis and investment strategies do not present any significant or unusual risks over and above this inherent risk.

To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period involves a very short investment time period but will incur higher transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer term investment strategy

Currently, the Registrant primarily allocates client investment assets among various individual equity (stocks), debt (bonds), and fixed income securities, mutual funds, exchange traded funds, exchange traded notes and/or Unit Investment Trusts, on a discretionary basis in accordance with the client's designated investment objective(s).

**Independent Managers.** The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. The Registrant shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

### **Voting Client Securities**

The Registrant does not vote proxies for clients participating in the PMP and Asset Advisor programs. The Sub-Account Manager shall vote proxies on behalf of participants of the Personalized UMA Program, unless otherwise instructed by participants at the time they open their Personalized UMA Program account. A copy of Registrant's proxy voting policies and procedures is available upon request.

For those clients that the Registrant shall not be responsible for voting proxies, the Registrant shall cause to be forwarded any proxy solicitations to the client or to the person designated by the client, within a reasonable period, any materials or other information with respect to any such proxy solicitations received from the issuer or third party.

## **Item 7 Client Information Provided to Portfolio Managers**

The Registrant shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). The Registrant shall allocate each client's investment assets consistent with their designated investment objective(s).

As indicated above, each client is advised that it remains the client's responsibility to promptly notify the Registrant if there is any change in financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

To the extent the Program utilizes *Independent Manager[s]*; the Registrant shall provide the *Independent Manager[s]* with each client's particular investment objective(s). Any changes in the client's financial situation or investment objectives reported by the client to the Registrant shall be communicated to the *Independent Manager[s]* within a reasonable period.

## **Item 8 Client Contact with Portfolio Managers**

The client shall have, without restriction, reasonable access to the PMP Program's portfolio manager.

## Item 9 Additional Information

- A. There are no material disciplinary events or material legal events related to Hennion & Walsh Asset Management or its management persons.

**Other Financial Industry Activities and Affiliations.** Certain of Registrant's representatives are also registered representatives of Hennion & Walsh, Inc. ("*H&W*"), an affiliated FINRA member broker-dealer.

Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

**Registered Representatives of an Affiliated Broker-Dealer: *H&W*.** Certain of Registrant's representatives are registered representatives of *H&W*, an affiliated FINRA member broker-dealer. Clients may choose to engage Registrant's representatives in their individual capacities as registered representatives of *H&W*, to implement investment recommendations on a commission basis.

**Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase a securities commission product from *H&W* presents a *material conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from *H&W*. Clients are reminded that they may purchase securities products recommended by the Registrant through other non-affiliated broker-dealers. For more information on the commission products from *H&W*, please refer to Form CRS. **The Registrant's Chief Compliance Officer, Phillip Fitzsimmons, remains available to address any questions that a client or prospective client may have regarding the above.**

**Licensed Insurance Agents.** Registrant's representatives, in their individual capacities, may be licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis.

**Conflict of Interest:** The recommendation by Registrant's representatives that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives. Clients are reminded that they may purchase insurance products recommended by Registrant through other non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, Phillip Fitzsimmons, remains available to address any questions that a client or prospective client may have regarding the above.**

- B. **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.** The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon

fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- A. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- B. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which may follow the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.
- C. The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within 30 days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings quarterly. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

**Review of Accounts.** For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and representatives. All investment advisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.

- A. The Registrant may conduct account reviews in addition to those done on a periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- B. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Client Referrals and Other Compensation.** Neither the Registrant nor any related person compensates any person who is not a supervised person for client referrals.

**Financial Information.**

- A. The Registrant does not solicit fees of more than \$1,200 per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Phillip Fitzsimmons, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**