



BRUDERMAN ASSET MANAGEMENT, LLC

ADVISER BROCHURE

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MARCH 29, 2019

Item 1 Cover Page

This Brochure provides information about the qualifications and business practices of Bruderman Asset Management, LLC (“Bruderman Asset Management” or “Bruderman”). If you have any questions about the contents of this Brochure, please contact us at (845) 875-6500. 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.

Bruderman Asset Management, LLC an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) under the U.S. Investment Advisers Act of 1940, as amended (“Advisers Act”). Registration with the SEC does not imply any level of skill or training. Additional information about SRC also is available on the SEC’s website at www.adviserinfo.sec.gov. Bruderman Asset Management LLC’s SEC Registration No. 801-81097 and CRD No.173565.

Item 2 Material Changes

This item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The date of our last annual update of this Brochure was March 30, 2018.

Pursuant to SEC Rules, Bruderman Asset Management will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the business' fiscal year. Bruderman Asset Management may further provide other ongoing disclosure information about material changes as necessary.

Bruderman Asset Management will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Bruderman Asset Management at (845) 875-6500 or info@bruderman.com.

Additional information about Bruderman Asset Management is available via the SEC's website, www.sec.gov. The SEC's website also provides information about any persons affiliated with Bruderman Asset Management who are registered, or are required to be registered, as investment adviser representatives of Bruderman Asset Management.

As of March 29, 2019, Bruderman Asset Management has no material changes to report.

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Item 4 Advisory Business

Bruderman Asset Management, LLC is an SEC registered investment adviser that specializes in servicing affluent and high net-worth individuals and families and is wholly affiliated with Bruderman & Company, LLC. Our goal is to build and deliver customized wealth strategies that are aligned with a family's vision and aspirations. At times we may act as a family office for our clients, offering financial planning and corporate finance advice if appropriate. Bruderman Asset Management takes a holistic approach to financial planning where we consider current and future cash needs to ensure that our client's lifestyle obligations are met in present, as well as the future.

We focus on the whole client, not just his or her investable assets. Built upon a strong history of managing wealth, the advisors at Bruderman Asset Management customize, manage, and execute holistic solutions for ultra-high net worth individuals and families. Our processes are designed to optimize these financial disciplines and deliver a personalized wealth management experience to each client.

Bruderman Asset Management, LLC is a direct owner of Bruderman Brothers, LLC ("BBLLC") a FINRA registered and member broker-dealer. Employees of Bruderman Asset Management are also registered with Bruderman Brothers, LLC. Bruderman Brothers, LLC utilizes the services of Pershing, LLC as its clearing firm and custodian. Certain products and services are delivered by Bruderman Asset Management through a wholly owned affiliate¹.

Portfolio Management Services

Bruderman offers discretionary, portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. To this end clients will grant us with a limited Power of Attorney with discretionary trading authority of all accounts to buy, sell, or otherwise effect investment transactions involving the Assets in the Client's name and for the Client's account.

In limited cases we may offer non-discretionary portfolio management. Non-discretionary portfolio management service means that we must obtain your approval prior to making any transactions in your account.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire Bruderman to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

Bruderman Asset Management will use a variety of Managed Account Programs in its portfolio management process using exchange traded funds, mutual funds, equity securities, corporate debt securities, municipal securities, U.S. government securities, and other securities or instruments as we may determine including hedge funds and other "alternative" investments. We will monitor

¹ Gary Goldberg Financial Services/GGFS ("GGFS") is a wholly owned affiliate of Bruderman & Co., LLC and is a boutique money management firm which offers advisory services, general securities and insurance products to predominately mass affluent individuals and institutional clients.

your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

The following represent Managed Account Programs that are generally utilized for the investment of client funds. Bruderman Asset Management may also structure other Managed Account Programs tailored to the investment objectives of the client:

Select Dividend Strategy. The Select Dividend strategy seeks to achieve current income and long-term capital appreciation by investing in a diversified high conviction portfolio of dividend paying stocks. Stock selection is driven by fundamental research focused on valuation, financial strength and management quality. The selection universe consists of US and non-US domiciled large cap companies and the strategy targets low turnover. The Dividend strategy typically invests in a portfolio of 20 - 30 large-capitalization companies and invests no more than 30% of assets in any one sector. The portfolio is balanced across holdings and rebalanced quarterly.

Select Growth Strategy. The Select Growth strategy seeks to achieve long-term capital appreciation by investing in a diversified high conviction portfolio of stocks exhibiting high revenue and earnings or cash flow growth. Stock selection is driven by fundamental research focused on valuation, financial strength and management quality. The selection universe consists of US and non-US domiciled large cap companies and the strategy targets low turnover. The Growth strategy typically invests in a portfolio of 20 -30 large-capitalization companies and invests no more than 30% of assets in any one sector. The portfolio is balanced across holdings and rebalanced quarterly.

Select Small Cap Strategy. The Select Small Cap strategy seeks to achieve long-term capital appreciation by investing in a diversified high conviction portfolio of stocks exhibiting attractive valuation, financial strength and management quality characteristics. The selection universe consists of companies with market capitalizations below \$10 billion. The strategy typically invests in a portfolio of 20 40 small-capitalization companies and invests no more than 30% of assets in any one sector. The portfolio is balanced across holdings and rebalanced quarterly.

Tactical Equity Strategy. The Tactical Equity strategy seeks to achieve long-term capital appreciation by investing primarily in a diversified portfolio of equity ETFs. The strategy holds 35% of assets in a core allocation that includes large- and small-cap US equities, non-US equities, alternatives and cash. A satellite portfolio of up to 65% of assets is overlaid and may include country, sector, industry and diversifying ETFs. Satellite portfolio security selection employs a dynamic asset allocation strategy that adjusts portfolio exposure based on a suite of technical indicators. Assets are held in cash when signals are not present.

Municipal Bond Strategy. The Municipal Bond Strategy is a high conviction portfolio of high quality, investment-grade municipal bonds. The strategy typically invests across issuers and sectors and may be customized to meet individual client liquidity and maturity needs while considering the client's unique tax situation. The strategy seeks to identify individual fixed income instruments with sufficient liquidity, attractive investment characteristics and superior credit quality and typically invests in general obligation and revenue bonds issued by states, public authorities, universities and school districts. The strategy may be invested in the issues of a single state or in multiple states, depending on the client's state of residence.

Corporate Bond Strategy. The Corporate Bond Strategy is a high conviction portfolio of investment-grade corporate securities. The strategy typically invests across issuers and sectors and may be customized to meet individual client liquidity and maturity needs. The strategy seeks to identify individual fixed income instruments with attractive investment characteristics and credit quality and typically invests across the one- to ten-year maturity spectrum.

Select Corporate Income Strategy. The Select Corporate Income strategy (SCI) seeks to achieve current income by investing in a diversified portfolio of corporate bond exchange-traded funds (ETFs). Up to 100% of assets are typically invested in defined maturity ETFs that terminate on a specific date. These ETFs are used to create portfolios with laddered maturities where maturing securities are replaced with long-term securities. Up to 30% of assets are invested in corporate and high yield bond ETFs offering higher yields than investment-grade bonds. The strategy targets an overall investment-grade credit quality and may vary duration based on expectations for interest rates.

Managed Account Program. The Managed Account Program seeks to invest client funds in diversified portfolios consisting of a range of internally and externally managed strategies. Portfolios are constructed according to each client's needs and take into account a client's financial planning goals, risk tolerance and return objective. The Managed Account Program may invest in the strategies described above and/or other investment strategies depending on the goals, needs, and wishes of the client.

Clients should note that the Managed Account Programs have a variety of minimum account and minimum fee requirements some of which may be waived at the discretion of Bruderman Asset Management. We may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee. Nevertheless, from time to time our minimum separate account size may require that the Bruderman decline to accept particularly small accounts or move the funds into a program in which the funds will satisfy the minimum.

Delegation to sub-advisors: We may use one or more sub-advisors to manage a portion of your account. All sub-advisers that we recommend to clients must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state or country authority. We will continuously monitor the performance of any accounts managed by the sub-adviser and will assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in the best interest of the Client. The sub-advisor(s) may use one or more of their own model portfolios to manage your account.

You will grant to us limited Power of Attorney giving us discretion to sign agreements with sub-advisors or a tri- party agreement with the sub-advisor and Bruderman Asset Management on your behalf. Bruderman Asset Management will generally not share in the fees charged by the sub-advisor.

We recommend that you review the statement(s) you receive from the qualified custodian. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

Financial Planning Services

We offer broad based financial planning including not limited to tax planning, insurance planning, estate planning, disability planning, business planning, retirement planning, education planning, and budgeting and cash flow analysis. Bruderman Asset Management strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements etc.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow or a high tax burden.
- Plan Design. A written financial plan is prepared that includes recommendations and solutions to any financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives.
- Evaluation of the financial plan is conducted periodically. The financial planning service provides the option of conducting a periodic review and revision of the plan to ensure that the financial goals are achieved. The client may be required to pay an additional fee to exercise this option.

Financial plans are based on your financial situation and the financial information you provide to Bruderman. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

Bruderman does not provide tax or legal advice. Clients should consult with their professional advisors regarding any tax or legal matters.

Regulatory Assets Under Management ("RAUM")

As of December 31, 2018, Bruderman Asset Management managed a total of \$968,975,264.00 of RAUM with \$870,104,619.00 on a discretionary basis and \$98,870,645.00 of assets on a non-discretionary basis.

Item 5 Fees and Compensation

Advisory Fee

The Account will be charged a fee on a quarterly basis in advance (the “Advisory Fee”). The Advisory Fee rate charged each quarter will be one-fourth the annual Advisory Fee.

The client is charged an advisory fee that is a percentage of the assets in the account. Assets in Account” shall include all assets managed by Advisor in any of its asset management programs excluding assets not managed but held in brokerage accounts with Bruderman Brothers, LLC. The advisory fee ranges from 1.00% to 1.875% based upon the amount of assets in the account, the type of investment strategy the client is pursuing and consideration of the number of accounts the client or their immediate family may have with Bruderman Asset Management. Bruderman Asset Management may also engage in special advisory fee arrangements which are negotiated with a client. Additional breakpoints and fee reductions may be granted for advisory relationships in excess of \$25,000,000.00.

The Advisory Fee is payable quarterly in advance, based on the balance in the Account at the close of the market on the last business day of the prior quarter. In any partial calendar quarter, the Advisory Fee will be prorated based on the number of days that the Account was open during the quarter. The fee for the first period will be billed at the beginning of the first full calendar month the account is open, based on the value at the close of the market on the last business day of the prior month.

Client authorizes Custodian to deduct from clients’ Accounts and pay to Advisor the Advisory Fee for each applicable period. The Advisory Fee will be debited at the beginning of each quarter from the Account. In the event of advisory agreement termination, Advisor will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

The Advisory Fee covers the advisory services provided by Advisor, as described in this Agreement. The Advisory Fee does not cover Transaction Charges (as described below), but does not cover brokerage charges provided by broker-dealers other than BBLLC, custody services provided by any custodian other than Custodian, nor does it cover certain costs or charges that may be imposed by Advisor, BBLLC, Custodian or third parties, including costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, postage fees, and other fees or taxes required by law. Advisor’s representative servicing the Account will receive a portion of the Advisory Fee.

The Account will be charged fees for the processing, trading and custodian charges in connection with transactions executed through BBLLC (“Transaction Charges”). Transaction Charges generally include a per share charge for exchange-listed securities and a per transaction charge for securities.

Client may deposit cash into an Account at any time, provided that Advisor reserves the right not to accept particular securities into an Account or impose a waiting period before certain securities may be deposited or invested. Client may withdraw Account assets on notice to Advisor, subject to the usual and customary securities settlement procedures. No portion of any prepaid Advisory Fee will be rebated to the Account based on the value of partial withdrawals. Client understands

that the Account is designed as a long-term investment vehicle and that withdrawals may impair the achievement of Client's investment objectives.

Client understands that certain funds in which Client may invest pursuant to this Agreement, including exchange-traded funds and mutual funds, also bears their own investment advisory fees and/or other expenses. Client further understands that certain funds available through this Agreement may be available directly from a broker-dealer without paying the Advisory Fee.

Client also understands that Custodian and/or BBLLC may receive payments from certain mutual funds (including money market funds) pursuant to a 12b-1 distribution plan or other arrangement as compensation for distribution and/or administrative services and are distributed from the fund's total assets. The 12b-1 fee and services fee arrangements are described in the applicable fund's prospectus. If available cash is held in the Account as free credit balances, Custodian and/or BBLLC may receive compensation in connection with those balances.

Fees for Additional Services. Clients opting to use Bruderman Asset Management's third-party account aggregator for administration of certain assets may incur an additional service fee, which fee shall be determined by Bruderman Asset Management. Clients are not required to use the third-party account aggregator to administer assets. Any such fees for additional services would be agreed upon with the client in advance.

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. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

Termination of the Advisory Relationship - the client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Pooled Investment Account Fees: All fees paid to Bruderman Asset Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by such as mutual funds, ETFs, etc. 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 Bruderman 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.

Direct Debit vs Billing: When authorized by the client, fees are debited from the account in accordance with the terms set forth in the Investment Management Agreement. When calculating fees, we pay careful attention and review them on a regular basis. However, the custodian holding your assets will not determine whether the fee was properly calculated. You are also responsible for confirming that the fee we submit to the custodian is accurate. Clients are provided with an

itemized billing notification. Please review these notices carefully and contact Bruderman Asset Management with questions or discrepancies.

ERISA Accounts: In instances where we provide management to certain retirement plans, Bruderman Asset Management may be 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"). As such, Bruderman 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, Bruderman Asset Management may only charge fees in ERISA accounts for investment advice about products for which Bruderman and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which Bruderman and/or our related persons receive commissions or 12b-1 fees, where those fees are used to offset Bruderman Asset Management's advisory fees.

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

Compensation from Other Business Activities: Certain individuals of Bruderman Asset Management, LLC are also registered representatives with Bruderman Brothers, LLC² ("BBLLC") a FINRA member broker-dealer, which is wholly owned by Bruderman Asset Management, LLC. In this capacity, these individuals have the ability to receive separate compensation for the products they recommend to clients. This presents a conflict of interest as this gives Bruderman Asset Management, LLC personnel an incentive to recommend investment products based on the compensation received, rather than on a client's needs basis. To mitigate this conflict, we advise our clients that no Bruderman Asset Management, LLC client is obligated to purchase any products or services from these individuals. Bruderman Asset Management, LLC has included a list of possible conflicts of interest and ways in which we mitigate these conflicts of interest in Items 10 and 11 of this Disclosure Brochure. Clients are free to purchase investment products that we recommend through any broker/dealer or agent of their choice, that are not affiliated with Bruderman. Clients may be charged commissions or mark-ups in addition to our advisory fees.

At times, Bruderman recommends mutual funds. Other than as noted in the ERISA section above, we do not provide offsets for commissions or 12b-1 fees received by our registered representatives. Commissions and other revenues do not represent 50% or more of our total compensation.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

Bruderman Asset Management does not currently charge performance-based fees. However, Bruderman Asset Management may do so in the future on certain products, services, or portfolios offered to clients.

² CRD #47957 and SEC Filing #8-51974.

Item 7 Types of Clients

Bruderman Asset Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and Profit-Sharing Plans
- Charitable Organizations
- Endowments and foundations
- Corporations

Bruderman Asset Management may require a minimum investment to open and maintain advisory accounts. At our sole discretion we may waive this requirement. We may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

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

Methods of Analysis

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

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.

Economic and Market Analysis. We attempt to review, summarize and interpret broad global economic and market trends and themes for the purpose of risk identification and opportunity recognition. Not so much as to market timing but as an aid to overall asset allocation analysis, market-wide trends and developing themes are considered. Recently increased levels of market volatility are considered as are technical and other factors including funds flows, currency movements, commodity prices, inflation, employment rates, political or regulatory changes.

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.

Mutual Fund and/or ETF Analysis. We look at the product design, 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 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 other 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.

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.

Computer software. We use computerized financial planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of technical data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance.

A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

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.

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.

Item 9 Disciplinary Information

Bruderman and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

As previously stated in Item 5 of this disclosure brochure, management and certain registered personnel of Bruderman Asset Management are separately licensed as registered representatives with BBLLC, an affiliated FINRA member broker-dealer. These individuals, in their separate capacity, can affect securities transactions for which they could receive separate, yet customary compensation.

Bruderman Brothers, LLC. generally, acts as broker-dealer for the Investment Programs. Transaction charges for accounts are generally to be passed through to the client. In addition, equity transactions will generally incur costs. The clearing firm will also generally receive all or a portion of the per share charge for equity transactions.

Certain management members and investment advisor representatives are also registered as insurance agents. Products sold through these individuals may generate a commission to Bruderman and the representative. Bruderman Asset Management and its associates have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations or may choose to implement those recommendations through channels unaffiliated with Bruderman Asset Management.

While Bruderman Asset Management, LLC 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 ability to receive separate, additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that when any affiliated person(s) of Bruderman Asset Management, LLC receive additional compensation this creates a conflict of interest that may impair the objectivity of Bruderman and these individuals when making advisory recommendations. Bruderman 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 Bruderman, our employees, and/or affiliates to earn compensation from advisory clients in addition to our advisory fees;
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- 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; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.
- Except as those noted above, Bruderman and our related persons are not engaged in any other additional financial industry activities and have no other industry affiliations. We do not have any referral arrangements with any other registered investment advisers or any other referral arrangements. Bruderman Asset Management, LLC does not recommend or

select investment advisers and receive compensation, either directly or indirectly, for such recommendations.

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

Bruderman Asset Management has adopted a Code of Ethics (the “Code”) which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal and state securities laws.

Bruderman Asset Management, LLC 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 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 access persons. Among other things, our Code contains policies and procedures which comply with Rule 204A-1 of the Advisor’s Act which 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 recordkeeping provisions.

Bruderman Asset Management, LLC's Code further includes the 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 any personal or professional capacity.

A copy of our Code is available to our Advisory clients and prospective clients. You may request a copy by emailing us at info@bruderman.com, or by calling us at (845)368-2900.

Bruderman Asset Management, LLC may recommend to clients, or transact buys and/or sells for client accounts, securities in which Bruderman Asset Management, LLC or any related person of the Advisor, have a financial interest.

As noted in Item 10, Bruderman Asset Management, LLC is affiliated with and processes transactions through Bruderman Brothers, LLC, a registered broker/dealer. Bruderman Brothers LLC may, as principal, buy securities for Bruderman Asset Management. Additionally, Bruderman Brothers, LLC may perform, for compensation, securities transactions on behalf of such clients of Bruderman Asset Management.

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.

Bruderman and/or individuals associated with Bruderman 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 which may also be recommended to a client.

It is the expressed policy of Bruderman 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.

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

No principal or employee of Bruderman may put his or her own interest above the interest of an advisory client.

- No principal or employee of Bruderman 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.
- No person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Bruderman requires prior approval for any IPO or private placement investments by related persons of Bruderman.
- We maintain a list of all reportable securities holdings for Bruderman and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by Bruderman Asset Management's Chief Compliance Officer.
- We have established procedures for the maintenance of all required books and records.
- All clients are fully informed that related persons may receive separate commission compensation when executing transactions during the implementation process.
- Clients can decline to implement any advice rendered, except in situations where Bruderman is granted discretionary authority.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We have established policies requiring the reporting of Code violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

Bruderman Asset Management, LLC generally does not accept directed brokerage discretion from any client, but instead requires that clients direct Bruderman Asset Management to place trades through Bruderman Brothers, LLC and its clearing firm, Pershing, LLC to execute transactions made for the client's account. As disclosed in Item 10 of this Brochure, Bruderman Asset Management members are affiliated with Bruderman Brothers, LLC, a FINRA member registered broker-dealer. Bruderman Asset Management reserves the right to decline acceptance of any client

account for which the client directs the use of a broker- dealer other than Bruderman Brothers, LLC or a clearing firm other than Pershing, LLC.

Bruderman Asset Management, LLC through Pershing, LLC obtains best execution, but clients should be aware that the use of our BBLLC, as well as the commissions charged by the BBLLC may be higher than commissions or charges otherwise available. A potential conflict of interest exists as members of Bruderman may also receive brokerage commissions and other fees while acting as the broker/dealer for our advisory clients.

Clients should understand that Bruderman Asset Management has a conflict of interest in recommending its affiliated broker-dealer and in recommending the associated services of Bruderman Brothers, LLC's clearing firm. As the affiliated broker/dealer processes more accounts and transactions through Pershing, LLC it will be able to use these transactions to meet its minimum monthly clearing fees. This provides a benefit to Bruderman Brothers, LLC, even if no additional commissions are charged. In addition, Bruderman Brothers, LLC receives other fees from Pershing LLC, such as rebates on margin account balances, based on accounts and balances carried with Pershing, LLC.

Where Bruderman Asset Management refers a client to Bruderman Brothers, LLC as introducing broker-dealer for execution, Bruderman Asset Management may effectively have discretionary authority to determine commission rates Bruderman Asset Management will ensure that Bruderman Brothers, LLC charges rates that are either (1) specially-negotiated to reflect discounts available by virtue of the affiliation between Bruderman Brothers, LLC and Bruderman Asset Management; or (2) competitive with other full-service brokerage firms offering execution and other services. Bruderman Asset Management cannot, however, guarantee that the commissions charged by any broker-dealer used for execution will be the lowest available rates. Clients may be able to obtain similar services at higher or lower commission rates through a different broker-dealer.

Bruderman Asset Management may, but shall not be obligated to, aggregate orders for advisory accounts with orders for other advisory accounts or clients. Bruderman Asset Management will allocate securities purchased or sold, as well as the expense incurred in the transaction, in a manner that it considers to be equitable and consistent with its fiduciary obligations to clients. Trade aggregation may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Bruderman Asset Management will typically aggregate trades among clients whose accounts can be traded at a given broker. Bruderman Asset Management's aggregated trading policy and procedures are as follows:

- 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 Bruderman Asset Management.
- Prior to entry of an aggregated order, a written 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.
- 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.

- 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 Pershing, LLC, transaction costs may be based on the number of shares traded for each client.
- If the order is to be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be documented no later than the morning following the execution of the aggregate trade.
- Bruderman Asset Management'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.
- Funds and securities for aggregated orders are clearly identified on Bruderman Asset Management's records and to its broker-dealer, by the appropriate account numbers for each participating client.
- No client or account will be favored over another.

Accounts in these programs will be in the custody of Pershing, LLC. Clients must include any limitations on this discretionary authority in written statement. Clients may change/amend these limitations as required.

Some mutual funds that may be purchased for an advisory account pay annual distribution charges to broker-dealers, sometimes referred to a "12b-1 fees" and these 12b-1 fees may be partially re-allocated to Bruderman Asset Management.

Bruderman Asset Management ensures that our clients receive best execution services based on a total mix of all factors and services, as well as quality of execution and products offered by performing a periodic review of these factors.

Bruderman Asset Management does not accept directed brokerage from clients.

Bruderman Asset Management has not accepted and does not receive any soft dollar compensation. Bruderman does not receive brokerage incentives for client referrals.

Item 13 Review of Accounts

Portfolio Management and Separate Account Management

Reviews: Review of client accounts is performed by a qualified supervisor in coordination with the Compliance Department on a periodic basis and the investment advisor on an ongoing basis. Trade blotters of all transactions are also reviewed by a member of the Compliance Department. Review is more frequent should the situation warrant. All accounts are reviewed without priority.

Reports: Clients receive monthly statements and confirmations of transactions from their clearing firm and custodian. Additional reports summarizing account performance, balances, and holdings may be delivered, if separately contracted by the client.

Item 14 Client Referrals and Other Compensation

Client Referrals

Bruderman Asset Management may, periodically, engage in solicitation agreements through which it will receive compensation for referring clients to other investment advisory programs. Where Bruderman Asset Management acts a solicitor, Bruderman will refer investors to other advisors and receive a referral fee for doing so. At such time that Bruderman Asset Management enters into such a relationship, it will provide a separate disclosure statement describing the arrangement and the compensation to be paid to Bruderman Asset Management. Bruderman Asset Management will also provide the client with the other advisor's disclosure documents. In all cases, solicitation fees or referral fees are paid out of the advisor's stated management fee; clients do not pay an additional fee to Bruderman Asset Management.

Bruderman Asset Management may enter into solicitation agreements through which it will pay referral fees to a solicitor for referring clients to Bruderman. In addition, Bruderman Asset Management associates are compensated through receipt of a portion of the asset-based fee. As such, they receive more compensation when they bring in new clients to Bruderman Asset Management, and that compensation may be more than what the person would receive if the client participated in other programs, or paid separately for investment advice, brokerage, and other services.

In addition, Bruderman periodically offers incentive arrangements whereby associates receive a higher level of compensation based on assets brought to Bruderman in a specific time period. Therefore, Bruderman Asset Management's associates have a financial incentive to recommend the Programs over other programs or services.

Bruderman Asset Management may from time to time pay referral fees to our affiliated broker/dealer, or its employees, for referrals of clients, where allowable by law. These referral fees are paid out of the Program Fees paid to Bruderman Asset Management so there is no additional charge to the referred client.

Other Compensation

Certain Investment Adviser Representatives of Bruderman Asset Management are also registered representatives with Bruderman Brothers, LLC. our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of securities or insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Item 15 Custody

Bruderman Asset Management does not have physical custody of any client funds and/or securities and does not take custody of client accounts at any time. Client funds and securities will be held with an independent qualified custodian. However, by granting Bruderman Asset Management written authorization to automatically deduct fees from client accounts, Bruderman Asset Management is deemed to have limited custody. The Client will receive account statements from the independent, qualified custodian holding the Client's funds at least quarterly. The account statement from the custodian will indicate the amount of advisory fees deducted from the Client account(s) each billing cycle. Clients should carefully review statements received from the custodian.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. To this end clients will grant us with a limited Power of Attorney with discretionary trading authority of all accounts to buy, sell, or otherwise perform investment transactions involving the Assets in the Client's name and for the Client's account.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell; and/or
- Determine sub-advisors to manage some or all of the funds in the account

Clients give us discretionary authority and Power of Attorney when they sign a discretionary agreement with Bruderman 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.

Item 17 Voting Client Securities

We do not vote proxies on behalf of clients and do not take any position with respect to class action shareholder lawsuits. Therefore, although Bruderman may provide investment Advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting guidance regarding proxy issues or class action shareholder suits if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an Advisory firm that maintains discretionary authority for clients' accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Bruderman Asset Management, LLC has no additional financial circumstances to report.

Under no circumstances do we 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.

Bruderman Asset Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.