

Name of Investment Adviser <b>HGK ASSET MANAGEMENT, INC.</b>			
Address: (Number and Street) (City) (State) (Zip Code) <b>525 Washington Boulevard, Suite 2000, Jersey City, NJ 07310</b>			Area Code: Telephone Number: <b>(201) 659-3700</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

<p><b>1. A. Advisory Services and Fees</b> (check the applicable boxes)</p> <p>Applicant:</p> <p><input checked="" type="checkbox"/> (1) Provides investment supervisory services</p> <p><input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services</p> <p><input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above</p> <p><input type="checkbox"/> (4) Issues periodicals about securities by subscription</p> <p><input type="checkbox"/> (5) Issues special reports about securities not included in any service described above</p> <p><input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities</p> <p><input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities</p> <p><input type="checkbox"/> (8) Provides a timing service</p> <p><input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above</p> <p style="text-align: center;">(Percentages should be based on applicant's last fiscal year. If applicant has not completed its fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)</p>	<p>For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)</p> <p style="text-align: right;">100%</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p> <p style="text-align: right;">_____ %</p>								
<p><b>B.</b> Does applicant call any of the services it checked above financial planning or some similar term?</p> <p style="text-align: right;">Yes      No</p> <p style="text-align: right;"><input type="checkbox"/>      <input checked="" type="checkbox"/></p>									
<p><b>C.</b> Applicant offers investment advisory services for: (check all that apply)</p> <table style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> (1) A percentage of assets under management</td> <td><input type="checkbox"/> (4) Subscription fees</td> </tr> <tr> <td><input type="checkbox"/> (2) Hourly charges</td> <td><input type="checkbox"/> (5) Commissions</td> </tr> <tr> <td><input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)</td> <td><input checked="" type="checkbox"/> (6) Other</td> </tr> </table>		<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees	<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions	<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/> (6) Other		
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<p><b>D.</b> For each checked box in A above, describe on Schedule F.</p> <ul style="list-style-type: none"> <li>• the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee</li> <li>• applicant's basic fee schedule, how fees are charged and whether its fees are negotiable</li> <li>• when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date</li> </ul>									
<p><b>2. Types of Clients</b> - Applicant generally provides investment advice to: (check those that apply)</p> <table style="width: 100%;"> <tr> <td><input checked="" type="checkbox"/> A. Individuals</td> <td><input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations</td> </tr> <tr> <td><input checked="" type="checkbox"/> B. Banks or thrift institutions</td> <td><input checked="" type="checkbox"/> F. Corporations or business entities other than listed above</td> </tr> <tr> <td><input checked="" type="checkbox"/> C. Investment companies</td> <td><input type="checkbox"/> G. Other (describe on Schedule F)</td> </tr> <tr> <td><input checked="" type="checkbox"/> D. Pension and profit sharing plans</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations	<input checked="" type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than listed above	<input checked="" type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)	<input checked="" type="checkbox"/> D. Pension and profit sharing plans	
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**Answer all items. Complete amended pages in full, circle amended items and file with execution page (Page 1)**

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities  | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                                |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                        | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (3) foreign issuers   | <input type="checkbox"/> (1) securities                                    |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> (2) commodities                                   |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on:                          |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (1) tangibles                                     |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                    | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> F. Municipal securities                                       | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input type="checkbox"/> G. Investment company securities:  | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> (1) variable life insurance  | <input type="checkbox"/> (2) oil and gas                                   |
| <input type="checkbox"/> (2) variable annuities   | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)      |
| <input checked="" type="checkbox"/> (3) mutual fund shares  | <input type="checkbox"/> L. Other (explain on Schedule F)                  |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>securities sold within a year)   | (6) <input type="checkbox"/> Option writing, including covered options<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (Page 1)

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes ☒ No ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities. (check those that apply)**

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations. (check those that apply)**

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a :
  - ☐ (1) broker-dealer
  - ☐ (7) accounting firm
  - ☐ (2) investment company
  - ☐ (8) law firm
  - ☒ (3) other investment adviser
  - ☐ (9) insurance company or agency
  - ☐ (4) financial planning firm
  - ☐ (10) pension consultant
  - ☐ (5) commodity pool operator, commodity trading adviser or futures commission merchant
  - ☐ (11) real estate broker or dealer
  - ☐ (6) banking or thrift institution
  - ☒ (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? (If yes, describe on Schedule F the partnerships and what they invest in) Yes ☒ No ☐

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (Page 1)**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No  
☐ ☒

(If yes, describe on Schedule F.)

11. **Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their title and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Reviews:

**Our Jersey City Office reviews all portfolios daily. Overall strategy and direction decisions, determined at Investment Committee meetings, which are held quarterly, are applied to the portfolios of our clients. If a change in investment direction is needed, i.e., unexpected change in earnings, change in interest rates, and/or other unexpected events, immediate actions will be implemented.**

Reviews:

**HGK Fixed Income Securities:**

**Jeffrey T. Harris, Chairman and Chief Executive Officer**

**Anthony P. Santoliquido, Portfolio Manager**

**David C. Hauck, CPA, Senior Vice President/Fixed Income Investments**

**HGK Equity Securities:**

**Michael Pendergast, CFA, Chief Investment Officer, Managing Director/Equity Investments**

**Arthur Ettore Coia, II, President and Chief Compliance Officer**

**Paul B. Carlson, CFA, Portfolio Manager**

**Suzanne A. Malone, Portfolio Manager**

**Stevens C. Sheppard, CCM, Portfolio Manager**

**Eric Fuhrman, CFA, Portfolio Manager**

**All institutional and individual accounts are managed at HGK's Jersey City Office. All accounts are managed using a team approach, with investment decisions implemented across the account base.**

B. Describe below the nature and frequency of regular reports to clients on their accounts.

**HGK - institutional clients receive portfolio statements at least quarterly, and when requested, on a monthly basis, and personal meetings on a quarterly basis.**

**HGK - individual clients receive portfolio statements on a monthly basis and personal meetings as requested by the client.**

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No  
☒ ☐

(2) amount of the securities to be bought or sold?

Yes No  
☒ ☐

(3) broker or dealer to be used?

Yes No  
☒ ☐

(4) commission rate paid?

Yes No  
☒ ☐

B. Does applicant or a related person suggest brokers to clients?

Yes No  
☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received

**13. Additional Compensation.**

Does the applicant or a related person have any arrangement, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No  
☐ ☒

B. directly or indirectly compensates any person for client referrals?

Yes No  
☒ ☐

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No  
☐ ☒

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (Page 1)**

**SCHEDULE F OF FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

**HGK Asset Management, Inc.**

SEC File Number:

801-19314

Date:

09/14/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:

**HGK Asset Management, Inc.**

IRS Empl. Ident. No:

**52-1296988**Item of Form  
(identify)

Answer

ADV Part II #1C

Other

HGK receives performance based fees from some clients.

ADV Part II #3 K

Other

Interests in partnerships investing in loans and commercial paper.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**SCHEDULE F OF FORM ADV**  
**Continuation Sheet for Form ADV Part II**

Applicant:  
**HGK Asset Management, Inc.**

SEC File Number:  
801-19314

Date:  
09/14/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:  
**HGK Asset Management, Inc.**

IRS Empl. Ident. No:  
**52-1296988**

Item of Form (identify)	Answer												
ADV Part II #1D	<p><u>Services provided:</u> Management, monitoring and evaluation of clients' investment portfolios, and proxy voting.</p> <p>Fee Schedule <u>For Clients other than Individuals:</u> ¾ of 1% on 1st \$20,000,000 Negotiable as to any amount exceeding \$20,000,000</p> <p><u>For Individuals:</u> 1.25% of all managed assets.</p> <p>Fee computed at the end of each calendar quarter and billed at that time. Fee is negotiable.</p> <p>Fees paid after services are rendered. Refund due on a <u>pro rata</u> basis upon cancellation. Contract cancelled by applicant or Client by Registered Mail. Return Receipt Requested/30 - day time period - no penalty for cancellation.</p> <p>Clients whose assets are invested in shares of money market funds which impose a management fee as an expense will pay that management fee.</p> <p style="text-align: center;"><u>Fees for BNC Advisors Agreement</u></p> <table><tr><th><u>Fees</u></th><th><u>Equity Performance</u></th><th><u>Capital Appreciation</u></th></tr><tr><td><b>Assets (US\$)</b></td><td></td><td></td></tr><tr><td><b>Above \$5 million</b></td><td><b>Negotiable</b></td><td></td></tr><tr><td><b>Up to \$5 million</b></td><td><b>1.00% Plus Performance Fee</b></td><td><b>N/A</b></td></tr></table>	<u>Fees</u>	<u>Equity Performance</u>	<u>Capital Appreciation</u>	<b>Assets (US\$)</b>			<b>Above \$5 million</b>	<b>Negotiable</b>		<b>Up to \$5 million</b>	<b>1.00% Plus Performance Fee</b>	<b>N/A</b>
<u>Fees</u>	<u>Equity Performance</u>	<u>Capital Appreciation</u>											
<b>Assets (US\$)</b>													
<b>Above \$5 million</b>	<b>Negotiable</b>												
<b>Up to \$5 million</b>	<b>1.00% Plus Performance Fee</b>	<b>N/A</b>											

Complete amended pages in full, circle amended items and file with execution page (page 1).



**SCHEDULE F OF FORM ADV**  
**Continuation Sheet for Form ADV Part II**

Applicant:  
**HGK Asset Management, Inc.**

SEC File Number:  
801-19314

Date:  
09/14/10

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:  
**HGK Asset Management, Inc.**

IRS Empl. Ident. No:  
**52-1296988**

Item of Form (identify)	Answer
<b>ADV Part II #1D (continued)</b>	<p>Proxy voting: Unless a client directs otherwise, HGK utilizes the services of Broadridge Proxy Voter Services to vote proxies on client securities, according to policies that are reasonably designed to ensure that proxies on client securities are voted in the best interest of our clients. While proxy voting issues are numerous and guidelines cannot be fashioned for all issues that may arise, HGK and Broadridge maintain a set of broad policies and procedures to deal with the most significant and frequent proxy issues such as proposals relating to participation on Boards of Directors; corporate governance issues; compensation, benefits and liabilities of officers and directors; capital-related and restructuring proposals; and other social and corporate issues. HGK reports periodically to clients who request it how proxies were voted in their behalf.</p> <p>Clients may at any time request information on how proxies were voted, and may obtain a copy of HGK's proxy voting policies, by contacting their account executive or by writing to our principal office listed above.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**SCHEDULE F OF FORM ADV**  
Continuation Sheet for Form ADV Part II

Applicant:  
**HGK Asset Management, Inc.**

SEC File Number:  
**801-19314**

Date:  
**09/14/10**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:

**HGK Asset Management, Inc.**

IRS Empl. Ident. No:  
**52-1296988**

Item of Form (identify)	Answer
ADV Part II #5	College Degree in related field of study: Economics, Finance, Business Admin., Accounting, etc.
ADV Part II #6	<p><b>Jeffrey T. Harris 02/13/43</b> New York University, B.S., Economics 2004-present – Chairman and Chief Executive Officer 1983 - 2004 - President</p> <p><b>Michael Pendergast, C.F.A. 10/07/60</b> Institute of Chartered Financial Analysts, C.F.A. Bernard M. Baruch College, B.B.A. Finance/Economics 2004- present – Chief Investment Officer, Managing Director, Equity Investments 1993- Present: Managing Director/Equity Investments 1990 - 1993: Vice President and Senior Equity Portfolio Manager 1983 - 1990: Vice President, Equity Portfolio Manager</p> <p><b>Arthur E. Coia, II 9/23/70</b> Georgetown University School of Business, B.S.B.A. Finance Georgetown University Law Center, J.D. 2004-present – President and Chief Compliance Officer 1998 – 2004 - Chief Operating Officer 1998: Senior Vice President, Mid-Cap Equity Portfolio Manager</p>
ADV Part II #8C3	HGK has a partial ownership interest in Bruce Nelson Cayman Ltd., which serves as a holding company to Bruce Nelson Capital, LLP (“BNC”), a London-based investment adviser registered with the Financial Services Authority (“FSA”) in the United Kingdom. The agreement is to offer global investment opportunities to existing HGK clients. BNC is regulated by the Financial Services Authority in the conduct of investment business.

**SCHEDULE F OF FORM ADV****Continuation Sheet for Form ADV Part II**Applicant:  
**HGK Asset Management, Inc.**SEC File Number:  
**801-19314**Date:  
**09/14/10**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part 1 of Form ADV:

**HGK Asset Management, Inc.**IRS Empl. Ident. No:  
**52-1296988**

Item of Form (identify)	Answer
ADV Part II #9E	<p>HGK's internal procedures with respect to transactions in which HGK or a related person buys or sells securities that are also recommended to clients include: (i) a designated HGK officer must pre-clear the transaction before it is executed, (ii) all transactions in securities by HGK or a related person during any calendar quarter must be reported prior to the 10th day after the end of such calendar quarter; and (iv) all transactions in securities are reviewed quarterly by a designated HGK officer.</p> <p>With respect to trades conducted by BNC, HGK has no knowledge of BNC's investment decisions before such decisions are executed, and HGK does not monitor or review the trading activity of BNC, its employees, or its other advisory clients, nor does BNC monitor or review the trading activity of HGK, its employees or its advisory clients. Thus, a potential conflict of interest could arise, and HGK is relying on BNC to monitor the personal securities transactions of its employees and on behalf of its other advisory clients for potential or actual conflicts of interest, according to BNC's own trading policies, which are essentially similar to HGK's policies described above, and which are required by the FSA.</p>
ADV Part II #12B	<p>As a policy, HGK implements investment decisions across our account base. This practice enables us to trade in more efficient, larger blocks and lowers the commission costs. HGK also bundles securities transactions for execution. As a result, clients may benefit from reduced execution prices and commission costs. These bundled transactions may include trading activity relating to the HGK Mutual Funds.</p> <p>When selecting executing brokers for both institutional and individual clients, HGK evaluates execution capabilities for securities, overall prior service, the quality of research and the ability to provide constructive investment input. To determine the reasonableness of executing broker commissions, HGK requires institutional rates (less than \$0.07 per share). With respect to fixed income, it is HGK's policy to receive quotes from three brokers before entering orders for our clients. HGK will not receive any portion of the brokerage commissions and/or transaction fees charged to clients. If a client so instructs, HGK will direct commission business from the client's account for services for which it has contracted. Clients who direct HGK to use designated executing brokers may pay commission rates that are less favorable than those that HGK can negotiate when it selects executing brokers to transact on behalf of its clients.</p> <p>Each client must have its own custodian. If a client does not already have a custodian and requests HGK's assistance in selecting a custodian, HGK may then offer a client advice in selecting a custodian. All firms recommended by HGK offer all HGK clients prime brokerage investment management accounts that do not have any custodial fees and permit trades to be executed away. HGK receives no benefit of any kind from these firms, nor does it require any account be maintained at these firms. A client may utilize any custodian it desires. Prior to engaging HGK to provide investment management services, the client will be required to enter into a formal investment advisory agreement</p>

	<p>with HGK setting forth the terms and conditions under which HGK shall manage the client's assets, and a separate custodial/clearing agreement with its selected custodian. Both HGK's investment advisory agreement and the custodian's custodial/clearing agreement, may authorize the custodian to debit the account for the amount of HGK's investment management fee and to directly remit that management fee to HGK in accordance with required SEC procedures.</p>
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**SCHEDULE F OF FORM ADV****Continuation Sheet for Form ADV Part II**Applicant:  
**HGK Asset Management, Inc.**SEC File Number:  
**801-19314**Date:  
**09/14/10**

The brokerage commissions and/or transaction fees charged by executing brokers are exclusive of, and in addition to, HGK's investment management fee. Although the commissions paid by HGK's clients shall comply with HGK's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where HGK determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the financial integrity, strength and stability of the broker, and the full range of a broker-dealer's services, including the comprehensiveness, frequency, quality and value of research or other services provided, execution capability, commission rates, and responsiveness and quality of service. Accordingly, although HGK will seek competitive rates, it may not necessarily obtain the lowest possible commission rates on any particular transaction.

In return for effecting securities transactions through executing broker-dealers, HGK may receive certain investment research products and/or services which assist HGK in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. Although the investment research products and/or services that may be obtained by HGK will generally be used to service all of HGK's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. These research products often include:

- Market research products
- Equity and Fixed Income valuation products
- Specific security information products
- Portfolio management tools

Among the products HGK receives is the HOLT Value Search research software provided by Credit Suisse First Boston (CSFB) in return for directing a portion of our client commission business to CSFB. Also, some Fixed Income trades are conducted through brokers who act on an agency basis, in which the transaction price includes a mark-up or mark-down (or "commission") that generates soft dollar credits. Such trades are executed only if the total transaction price, including the "commission" reflects the best price available for that security at the time of the trade.

HGK always aims for best execution and price on all trades, including any Fixed Income trades that generate soft dollars.

HGK occasionally performs cross trades on behalf of its clients, primarily pursuant to account maintenance procedures concerning needed cash flows and position size. Although such trades present a potential conflict of interest between the cross-trading parties, all such trades are placed through a broker at the then-prevailing market price for the securities.

**SCHEDULE F OF FORM ADV****Continuation Sheet for Form ADV Part II**Applicant:  
**HGK Asset Management, Inc.**SEC File Number:  
**801-19314**Date:  
**09/14/10**

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:  
HGK Asset Management, Inc.IRS Empl. Ident. No:  
52-1296988Item of Form  
(identify)

Answer

13 B

HGK has relationships with individuals where those individuals are compensated for referring clients to HGK for investment management services. The referral fees will be paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities laws or requirements. Any such referral fee shall be paid solely from HGK's investment management fee, and shall not result in any additional charge to the client.

## **SCHEDULE I**

### **Schedule for Declaring Eligibility for SEC Registration**

#### **Part I- Eligibility for SEC Registration**

Section 203 (h) of the Investment Advisers Act of 1940 ("Advisers Act") authorized the Commission to cancel or deny the registration of any investment adviser that does not meet the criteria for SEC registration set forth in section 203A of the Advisers Act. This Part I requires applicant to declare whether it is eligible, or continues to be eligible, for Commission registration.

Complete Schedule I in full, circle amended items and file with execution page (page 1 of Form ADV) and any other amended pages of Form ADV.

SEC 2442 (1-99)

**SCHEDULE F OF FORM ADV**  
**Continuation Sheet for Form ADV Part II**

Applicant:  
**HGK Asset Management, Inc.**

SEC File Number:  
**801-19314**

Date:  
**09/14/10**

Check either (a) or (b):

(a) ☒ Applicant is eligible (or will remain eligible) for SEC registration.

For an applicant to be eligible (or remain eligible) for SEC registration, applicant must respond affirmatively (by checking the appropriate box or boxes) to at least one of the items (i) through (x) below.

Applicant:

- (i) ☒ has assets under management of \$25 million (in U.S. dollars) or more; *Report assets under management in Part II if "assets under management" is the sole basis of applicant's eligibility for SEC registration (i.e., this item (i) is checked, and none of items (ii) through (ix) below are checked).*
- (ii) ☐ has its principal office and place of business in Colorado, Iowa, Ohio, or Wyoming (See Instruction 3);
- (iii) ☐ has its principal office and place of business outside the United States (See Instruction 3);
- (iv) ☒ is an investment adviser to an investment company registered under the Investment Company Act of 1940 (See Instruction 4);
- (v) ☐ is a nationally recognized statistical rating organization;
- (vi) ☐ is a pension consultant that qualifies for the exemption in rule 203A-2 (b); (See Instruction 5(a) );
- (vii) ☐ is an investment adviser that controls, is controlled by, or is under common control with, an investment adviser eligible to maintain its registration with the Commission, and whose principal office and place of business is the same as the eligible adviser (See Instruction 5(b) );
- (viii) ☐ is a newly formed adviser relying on rule 203A-2 (d) (See instruction 5 (c) );
- (ix) ☐ has received an order of the Commission exempting applicant from the prohibition on registration with the Commission.  
Application Number: 803-  
Date of Commission's order:
- (x) ☐ is a multi-state investment adviser relying on rule 203A-2 (e) (See Instruction 5(d)).

(b) ☐ Registrant is no longer eligible for SEC registration. (See Instruction 6)



**SCHEDULE F OF FORM ADV****Continuation Sheet for Form ADV Part II**Applicant:  
**HGK Asset Management, Inc.**SEC File Number:  
**801-19314**Date:  
**09/14/10**Part II- Assets Under Management

**Report assets under management if required by Part I (i.e., if item I (a) (i) is checked yes "(x)" and is the sole basis for applicant's eligibility for SEC registration).**

State the amount of applicant's assets under management (in US dollars): (See Instruction 7)  
\$3.6billion (In US dollars).

**Applicants are reminded that it is a violation of Section 207 of the Advisers Act to make any untrue statement of material fact in any report filed with the Commission or willfully to omit to state in any such report any material fact that is required to be stated therein.**