

Part 2A of Form ADV: *Firm Brochure*

Hooker & Holcombe Investment Advisors, Inc.

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This brochure provides information about the qualifications and business practices of Hooker & Holcombe Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 860-521-8400 ext 225 or jfuller@hhconsultants.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 Hooker & Holcombe Investment Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 125791.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/15/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Hooker & Holcombe Investment Advisors, Inc. (HHIA) is an SEC-registered investment adviser with its principal place of business located in West Hartford CT. HHIA began conducting business in 1996 under the name Hooker & Holcombe Investment Solutions.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Hooker & Holcombe, Inc.,

HHIA offers the following advisory services to our clients:

INVESTMENT ADVISORY SERVICES

The primary clients for these services will be pension, profit sharing and 401(k) plans, but we offer these services, where appropriate, to trusts, estates and charitable organizations including foundations and endowments. Under this service model HHIA acts as the primary advisor and is responsible for advising the client on virtually all aspects of the investment program. Investment Advisory Services are comprised of six distinct services but depending on the type of plan or portfolio, not all services will apply to every client.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Asset Allocation Strategy:

For defined benefit pension plans, foundations, and endowments, HHIA will work with the client to develop an asset allocation strategy which factors in forward looking capital market assumptions, the client plan's liability structure, liquidity needs and expected cash inflows and outflows. HHIA incorporates modern portfolio theory in evaluating different risk and return scenarios, providing tailored portfolio alternatives to meet a client's specific needs. Clients may impose restrictions on investing in certain types of securities.

Selection of Investment Vehicles:

HHIA will review various investments, consisting primarily of mutual funds (both index and managed) but also of model portfolios provided by unaffiliated investment advisers in order to determine which of these investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the Investment Policy Statement. If applicable, HHIA will conduct a review of the client's existing portfolio and the performance of independent money managers engaged by the client in light of the Investment Policy Statement. If HHIA believes that a particular adviser is performing inadequately, or if HHIA believes a different manager is more suitable for the client's needs, HHIA may suggest that the

client contract with a different one. Under this scenario, HHIA will assist the client in selecting a new manager.

Monitoring of Investment Performance:

HHIA will work with the client to establish objective evaluation standards for investment performance, periodically evaluate and report investment manager performance against established standards and proactively work with the client to assure remedial efforts are taken to deal with investment performance not meeting established standards.

Portfolio Trading and Administration:

For defined benefit pension plans, foundations, and endowments, HHIA will work with the custodian of the assets to set up and remove investment options, effect trades, rebalance the portfolio, and process expense and benefit payments. HHIA acts as a liaison between the client and the custodian to make sure all administrative functions of the portfolio are carried out.

Client Communications:

We will meet with the client at least annually to provide an update on the economic and financial markets. In addition we will conduct a thorough review of the plan's or portfolio's investments and keep the client apprised of the latest regulatory developments that may affect them. We may also discuss new investment options or suggest alternatives to existing investments.

Employee Communications:

For profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

INVESTMENT OVERSIGHT SERVICES

The primary clients for these services will be pension, profit sharing and 401(k) plans, but we offer these services, where appropriate, to trusts, estates and charitable organizations including foundations and endowments. Under this service model HHIA acts in a limited capacity to oversee the functioning of the investment program. Typically the plan or portfolio will also have a primary advisor, or the client will have an investment committee that fulfills the functions of a primary advisor. Investment Oversight Services are comprised of four distinct services but depending on the type of plan or portfolio, not all services will apply to every client.

Investment Policy Statement Review (hereinafter referred to as "IPS"):

Our firm will assist the client in reviewing the plan's or portfolio's written IPS to help ensure that the provisions are adequate and that they are being followed.

Monitoring of Investment Performance:

HHIA will work with the client to establish objective evaluation standards for investment performance, periodically evaluate and report investment manager performance against established standards and proactively work with the client to assure remedial efforts are taken to deal with investment performance not meeting established standards.

Client Communications:

We will meet with the client at least annually to provide an update on the economic and financial markets. In addition we will conduct thorough review of the plan's or portfolio's investments and keep the client apprised of the latest regulatory developments that may affect them. We may also discuss new investment options.

Employee Communications:

For profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

MODEL ASSET ALLOCATION PORTFOLIO MANAGEMENT

Our firm offers non-continuous model asset allocation portfolios services to defined contribution plan clients. Each model portfolio is designed to meet a particular risk based investment goal. Models are composed of the plan's menu of funds that are available to participants to invest in individually. The following is a description of the models:

Ultra-Conservative Strategy

- The long-term strategic allocation is 0% equities and 100% fixed income
- May be appropriate for those with a very low risk tolerance, or an inability to assume risk, or will begin drawing on their account within the next few years
- Primary objective is preservation of capital
- Primary risks include loss of purchasing power over time due to inflation and reduced likelihood of meeting long-term investment objectives

Conservative Strategy

- The long-term strategic allocation is 20% equities and 80% fixed income
- May be appropriate for those with a very low risk tolerance, or an inability to assume risk, or will begin drawing on their account within the next few years
- Primary objectives are high current income and preservation of capital
- Primary risks include loss of purchasing power over time due to inflation and reduced likelihood of meeting long-term investment objectives

Moderate Strategy

- The long-term strategic allocation is 40% equities and 60% fixed income
- May be appropriate for those with a low risk tolerance and a moderate ability to assume risk, or will begin drawing on their account within the next five years
- Primary objectives are moderate current income and low to moderate capital appreciation

- Primary risks include loss of purchasing power over time due to inflation, loss of principal over the short-term, and reduced likelihood of meeting long-term investment objectives

Balanced Strategy

- The long-term strategic allocation is 60% equities and 40% fixed income
- May be appropriate for those with a medium risk tolerance and a moderate ability to assume risk, and do not expect to draw on their account for at least five years
- Primary objectives are current income and moderate capital appreciation
- Primary risks include loss of principal

Growth Strategy

- The long-term strategic allocation is 80% equities and 20% fixed income
- May be appropriate for those with a high risk tolerance and a great ability to assume risk and do not expect to draw on their account for at least ten years
- Primary objectives are low current income and high capital appreciation over the long-term
- Primary risks include loss of principal and limited ability to meet cash flow needs with low-risk investments

Equity Growth Strategy

- The long-term strategic allocation is 100% equities and 0% fixed income
- May be appropriate for those with a very high risk tolerance and a great ability to assume risk and do not expect to draw on their account for at least fifteen years
- Primary objective is high capital appreciation over the long-term
- Primary risks include loss of principal and inability to meet cash flow needs with low-risk investments

We manage these advisory accounts on a discretionary basis. We review the portfolio quarterly and tactical adjustments and/or fund changes are made based on market expectations and individual fund performance. Portfolios are automatically rebalanced quarterly. The models are managed based on the model's goal, rather than on each plan participant's individual needs.

REQUEST FOR PROPOSAL SERVICE

HHIA will assist plan sponsors in their search for an investment adviser and/or investment manager. HHIA solicits RFP's from qualified service providers, reviews and screens the RFP's, conducts interviews, and makes recommendations to the plan sponsor. At the client's request, HHIA will also assist in the transition process to the selected service provider, including interim advisory services during the transition period.

INVESTMENT AUDIT SERVICES

HHIA will assist plan sponsors in reviewing the investment practices of their advisers and the suitability of their investments, including share classes for mutual funds. HHIA will also conduct audits of plan expenses regarding issues such as reasonableness, disclosure, and adherence to contract provisions.

PUBLICATION OF PERIODICALS

HHIA publishes a weekly market update newsletter providing general information on economic and financial headlines, market performance, interest and currency rates, and commodity prices. No specific

investment recommendations are provided in this newsletter and the information provided does not purport to meet the objectives or needs of any individual. This newsletter is distributed free of charge to our advisory clients who request it.

403(b)(7) PROGRAM ADVISORY AND EDUCATIONAL SERVICES

HHIA provides advisory and educational services to school districts that sponsor a 403(b)(7) mutual fund program (a “403(b)(7) Program”). The HHIA services are part of a bundled service arrangement that includes recordkeeping and administrative services provided by Hooker & Holcombe Retirement Services, Inc. (hereinafter, “HHRS”), a corporation related to HHIA through common control and ownership, and custodial services provided by a third party not related to HHIA (the “Custodian”). HHIA provides the advisory and educational services solely to the school district plan sponsors and not to individual plan participants. Services provided by HHIA include:

Investment Menu Selection and Monitoring

HHIA will select a menu of mutual funds from the universe of funds that are available on the Custodian’s platform. HHIA intends to select at least two mutual funds from each of the major asset classes, for a total of 40 –50 funds. This selection of funds will be a standard menu of mutual funds for all 403(b)(7) Programs. HHIA will formulate and maintain an Investment Policy Statement (IPS) which will apply to all plans serviced by this program. The IPS will establish performance and other quantitative and qualitative criteria for monitoring the funds. HHIA will regularly monitor funds and may add or delete funds from the menu from time to time as deemed appropriate by HHIA. HHIA will not have any authority or responsibility for, and will not provide any advisory services with respect to, the allocation of participants’ contributions and existing account balances among the menu of mutual funds under the 403(b)(7) Programs; the participants in any 403(b)(7) Program will be solely responsible for determining how to allocate their contributions and account balances.

Participant Communication and Education

HHIA in conjunction with HHRS will disseminate generic investment information to plan participants in connection with a 403(b)(7) Program via any of the following methods (a) Group meetings, (b) Individual meetings, (c) Written communications, (d) Electronic communications, and (e) Internet access. All such materials and communications will be solely informational and educational in nature and should not be construed to be investment advice specific to the participant’s unique circumstances. Participants shall be solely responsible for determining how to allocate their contributions and existing account balances among the menu of mutual funds available under a 403(b)(7) Program.

CONSULTING SERVICES

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as asset allocation, investment product research, asset / liability modeling, capital market research, etc. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of 1/1/2011, we were advising clients on \$906mm of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT ADVISORY SERVICES

Our annual fees for Investment Advisory Services are either based upon a percentage of assets under management and generally range from **0.10%** to **1.00%**, or are a flat fee which can range from \$2,000 to \$75,000. The actual amount depends on the type of portfolio (defined benefit, 401(k), endowment, etc.) and the types of services required by the client, and by the size of the portfolio.

INVESTMENT OVERSIGHT SERVICES

Our annual fees for Investment Oversight Services are either based upon a percentage of assets under management and generally range from **0.05%** to **0.50%**, or are a flat fee which can range from \$2,000 to \$50,000. The actual amount depends on the type of portfolio (defined benefit, 401(k), endowment, etc.) and the types of services required by the client, and by the size of the portfolio.

MODEL ASSET ALLOCATION PORTFOLIO MANAGEMENT SERVICES

Our annual fees for Model Asset Allocation Portfolio Management Services are generally a flat fee which can range from \$4,000 to \$10,000 depending on the investments held in the client's plan and the number of models used.

PUBLICATION OF PERIODICALS OR NEWSLETTERS

We do not charge a fee for this service.

403(b)(7) PROGRAM ADVISORY AND EDUCATIONAL SERVICES

Our annual fees for 403(b)(7) Program Advisory and Educational Services are 0.10% of assets under management.

GENERAL AD HOC CONSULTING SERVICES

Our fees for ad hoc consulting services, which would include Request for Proposal Services, Investment Audit Services, and general Consulting Services are generally a flat fee based on an estimate of how much time will be required to complete the project. The fees can range from \$5,000 to \$50,000 which is dependent on the size and scope of the project.

Limited Negotiability of Advisory Fees: Although HHIA has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

GENERAL INFORMATION

Billing Arrangements: Depending on the type of plan or portfolio, the client may have the option of having fees deducted from their portfolio. Alternatively, the client will be billed directly. For some clients a third party (such as the recordkeeper of a 401(k) plan) may pay the client's fees from revenues received on the plan's or portfolio's behalf from mutual fund companies. Fees are generally billed quarterly.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of **30** days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

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

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

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

for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset HHIA's advisory fees.

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

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

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

Hooker & Holcombe Investment Advisors, Inc. does not charge performance-based fees.

Item 7 Types of Clients

Hooker & Holcombe Investment Advisors, Inc. provides advisory services to the following types of clients:

- Individuals
- Pension and profit sharing plans(other than plan participants)
- Foundations and endowments
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities

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:

Mutual Fund and/or ETF Analysis. We start by looking at a number of quantitative measures including (but not limited to):

- performance versus an appropriate benchmark
- performance versus other funds with a similar style

- manager tenure
- a variety of modern portfolio theory statistics
- reasonableness of fund expenses
- investment style consistency of investments

In addition, through interviews with fund representatives, conferences, and research we look at a variety of qualitative criteria. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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

Third-Party Money Manager Analysis. We apply a similar quantitative analysis as described above for mutual funds. We also examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the mutual fund companies or investment managers whose securities we purchase and sell, 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.

INVESTMENT STRATEGIES

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

tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. We generally look at investments over a full market cycle (3 to 5 years) rather than on a short-term (3 month or 1 year) basis. Virtually all investment managers will see fluctuations over the short-term and will fall below their benchmark on occasion as the markets favor differing sectors or investment approaches for short periods of time.

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

Tactical Shifts. When utilizing temporarily, we temporarily adjust asset allocations (typically a year or less) away from the long-term strategic allocation targets to take advantage of short-term opportunities in the markets. We do this in an attempt to take advantage of conditions that we believe will soon result in a positive price swing in the securities we purchase or to avoid a downward price movement in the securities we sell.

A risk in this strategy is that if our predictions are incorrect, the portfolio may suffer more losses or may not see as much in gains than if the adjustments were not made.

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

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

Item 10 Other Financial Industry Activities and Affiliations

Hooker & Holcombe Investment Advisors, Inc. is affiliated with Hooker & Holcome, Inc. (H&H) which provides pension actuarial consulting services to corporations and municipalities. H&H may refer plan sponsors in need of advisory services to our firm. Conversely, we may refer clients in need of actuarial services to H&H. However, there are no referral fee arrangements between H&H and our firm for these recommendations. Actuarial services provided by H&H are separate and distinct from the advisory services we provide, and are provided for separate and typical compensation. No advisory client is obligated to use H&H for any third-party administrative services, and no client of H&H is obligated to utilize our advisory services. Sponsors or trustees of pension, profit-sharing, 401(k), IRA or other client accounts subject to the provisions of ERISA or the prohibited transaction provisions of the Internal Revenue Code are solely responsible for determining whether or not to engage the services of H&H.

Hooker & Holcombe Investment Advisors, Inc. is also affiliated with **Hooker & Holcombe Retirement Services, Inc. (HHRS)**, a third-party administrator which provides back office support services to the sponsors of qualified retirement plans for a fee. In particular, HHRS provides account recordkeeping services and a trading platform (via internet and telephone) by which plan participants may direct the investment of assets in their qualified plan account. HHRS may refer plan sponsors in need of advisory services to our firm. Conversely, we may refer clients in need of third-party administrative services to HHRS. However, there are no referral fee arrangements between HHRS and our firm for these recommendations. Third-party administrative services provided by HHRS are separate and distinct from the advisory services we provide, and are provided for separate and typical compensation. No advisory client is obligated to use HHRS for any third-party administrative services, and no client of HHRS is obligated to utilize our advisory services. Sponsors or trustees of pension, profit-sharing, 401(k), IRA or other client accounts subject to the provisions of ERISA or the prohibited transaction provisions of the Internal Revenue Code are solely responsible for determining whether or not to engage the services of HHRS.

Our advisory fees will always be offset for compensation earned by HHRS (or by our affiliated persons providing services through HHRS) from pension, profit-sharing, 401(k), IRA or other client accounts where to do otherwise would constitute a prohibited transaction under the provisions of ERISA or the Internal Revenue Code and where an exemption from such prohibition is not otherwise applicable.

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

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

- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

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

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

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to jfuller@hhconsultants.com, or by calling us at 860-521-8400 ext 225.

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.

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

It is the expressed policy of our firm that no person employed by us may purchase or sell any individual 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 our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any individual 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.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to disciplinary action or termination.

Item 12 Brokerage Practices

Hooker & Holcombe Investment Advisors, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

In general, HHIA does not trade individual securities, rather we only trade mutual funds and separate accounts fooccasionents. On occasion we have been involved in transitioning clients out of a portfolio of individual securities, in which case we are required to sell the securities. When this happens we do not block client trades and, therefore, we implement client transactions separately for each account and our clients may not receive volume discounts available to advisers who block client trades.

HHIA may *recommend* that clients establish brokerage accounts with Schwab Institutional, an affiliate

of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we *recommend* that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. HHIA is independently owned and operated and not affiliated with Schwab. The client has the option to custody assets with a custodian of their own choosing.

Schwab provides HHIA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab Institutional generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit HHIA but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to HHIA. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Item 13 Review of Accounts

While the underlying funds and separate accounts within a client's account are continually monitored, ongoing clients' accounts for which we provide advisory or oversight services are reviewed at least *quarterly*. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: *Rodger K. Metzger, CFA; Arthur J. Meizner, CFA, CFP; or by John N. Fuller, CFA.*

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide *quarterly* reports summarizing account performance, balances and holdings.

Clients for which we provide ad hoc consulting services may receive reviews at different stages depending on the nature and terms of the specific engagement. Such reviews will be conducted by the client's account representative. These client accounts will receive reports as contracted for at the inception of the advisory engagement.

Item 14 Client Referrals and Other Compensation

It is HHIA's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is HHIA's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted

from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a *quarterly* basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

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

Item 16 Investment Discretion

As previously disclosed in Item 4 of this brochure, our firm does not provide discretionary asset management services.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm 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 assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Hooker & Holcombe Investment Advisors, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.