

**Abner, Herrman & Brock, LLC**

**Firm Brochure**

**Part 2A of Form ADV**

**This brochure provides information about the qualifications and business practices of Abner, Herrman & Brock, LLC. If you have any questions about the contents of this brochure, please contact us at: 201-484-2000, or by email at: [info@ahbi.com](mailto:info@ahbi.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 Abner, Herrman & Brock, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

February 16, 2012

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## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. In April 2011, the wrap fee schedule was updated.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 201-484-2000 or by email at: [info@ahbi.com](mailto:info@ahbi.com).

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## Advisory Business

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### Firm Description

Abner, Herrman & Brock LLC ("AHB") was founded in 1981. The firm provides investment management services on a discretionary basis. Such services are provided within guidelines formulated with each client, based upon defined investment objectives. Abner, Herrman & Brock, LLC (AHB), a registered broker-dealer, also provides a variety of execution and other brokerage services to clients on a fully disclosed basis through JP Morgan Clearing Corp., Inc. ("JP Morgan"), AHB's clearing broker. AHB's principal owner is Abner Trust, a 74.5% stockholder.

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### Types of Advisory Services

AHB provides investment management services, also known as asset management services. During initial conversations with prospective clients, investment objectives are identified, an asset allocation plan is devised, and the firm's advisory fee structure is discussed. AHB equity portfolios typically comprise large companies invested primarily in exchange listed securities and securities traded over the counter. The fixed income portfolios are invested in Investment Grade Corporate bond securities, Investment Grade Municipal bond securities, US Government Agency bonds and US Government Treasury securities. Balanced portfolios are invested in a combination of the above mentioned equity and fixed income securities.

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### Tailored Relationships

To tailor a portfolio to a client's individual needs, AHB and the prospective client will determine the amount of the portfolio that will be dedicated to equities or fixed income securities. The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Clients may impose restrictions on investing in certain securities or types of securities. The asset allocation for each client portfolio is documented in our portfolio management system. An opening letter sent to the client restating the asset allocation and investment objectives of the portfolios that will be managed. If clients elect to retain AHB as a portfolio manager, clients are provided with a letter outlining the agreed upon objectives, asset allocation plan and fee structure and are asked to execute a contractual Investment Advisory Agreement and to designate a custodian to hold their securities and a broker which will execute transactions to be effected on their behalf by AHB. Agreements may not be assigned without client consent.

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### Wrap Fee Programs

AHB provides its portfolio management services to wrap fee programs that are offered at other institutions. There is no difference in the investment management that AHB provides to the wrap fee

accounts from the investment management to other accounts. As compensation for our investment management services, AHB receives a portion of the wrap fee that is charged by the financial institution that is sponsoring the wrap program.

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#### **Client Assets**

As of December 31, 2011, Abner, Herrman & Brock, LLC manages approximately \$800 million in assets for approximately 900 clients. Approximately \$795 million is managed on a discretionary basis, and \$5 million is managed on a non-discretionary basis.

### **Fees and Compensation**

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#### **Fees**

AHB fees are based upon a percentage of assets under management and vary depending upon the nature of the portfolio to be managed (i.e., equity/balanced portfolios versus fixed income portfolios) and the scope of AHB's services (i.e., investment management services versus investment management and execution services provided under AHB's Wrap Fee Program). Clients whose assets are invested in a money market fund or another fund that incurs an investment advisory fee will pay AHB advisory fees, and any expense fees associated with the fund. The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to AHB investment management may be beneficial to the client.

**Abner Herrman & Brock Wrap Fee Program:** Under Abner, Herrman & Brock's Wrap Fee Program, clients receive investment management, brokerage and custodial services for an all-inclusive (or "wrap") fee which varies as follows depending upon the nature of the portfolio. In addition to the wrap fee, clients pay an administrative service charge on each transaction in the portfolio:

**Annual Wrap Fee Program Fees:**

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<u>Portfolio Size</u>	<u>Fixed Income</u> <u>(100%)</u>	<u>* Custom Balanced</u> <u>(50%/50%)</u>	<u>Core Equity</u> <u>(100%)</u>	<u>Aggressive Equity</u> <u>(100%)</u>
\$ 500,000 - \$ 999,999	0.40%	1.25%	1.50%	2.00%
\$ 1,000,000 - \$ 9,999,999	0.35%	1.00%	1.25%	2.00%
\$ 10,000,000 +	0.30%	0.65%	0.90%	2.00%

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\* Custom Balanced portfolios with equities representing less than 50% of the total assets are subject to lesser advisory fees while portfolios with equities representing more than 50% of the total assets are subject to greater advisory fees depending upon size, asset allocation and complexity of the portfolio. Depending upon any given client's financial needs, circumstances, and objectives (including the expected amount of trading activity) and the value of the advisory custodial, execution, and other services provided under AHB's wrap fee program, such services might be obtained at a

more favorable total price through AHB or elsewhere on a separate basis.

**Standard Advisory Fees:**

Standard advisory fees for new clients are based upon the following fee schedule for Core Equity and

\*Balanced portfolios:

1.000% fee on first \$2 million  
0.875% fee on next \$1 million  
0.750% fee on next \$1 million  
0.625% fee on next \$1 million  
0.500% fee on thereafter

\*Custom Balanced Portfolios with equities representing less than 50 percent of the total assets are subject to lesser advisory fees depending upon the size and complexity of portfolio.

Fees for Fixed Income Portfolios vary from 0.100 to 0.400 of one (1) percent of the assets under management, depending upon size, bond specific allocation and investment objective.

In addition to the standard advisory fees, clients will incur discounted brokerage commissions and other transaction costs. As a broker, AHB executes transactions on behalf of customers who are not advisory clients but for whom AHB maintains brokerage accounts on both a discretionary and non-discretionary basis; AHB receives compensation for those accounts only in the form of brokerage commissions. As a broker, AHB also maintains accounts for customers who have separately retained AHB to manage their portfolio. AHB also receives advisory fees (as described above) from such clients when it is so retained.

When AHB acts as broker for its advisory clients, AHB charges brokerage commission rates in accordance with the standard schedule of rates then prevailing at JP Morgan, its clearing broker, less certain discounts which it may negotiate with its clients, and which are generally described below. Instead of effecting OTC equity securities on a principal basis with market makers, AHB generally effects over-the-counter equity security transactions through AHB on an agency basis. Clients pay AHB commissions for effecting such transactions and may also pay market makers a markup or mark down which is included in the offer or bid price of the securities purchased or sold. The current prevailing commission rates are reflected in the following tables:



Schedule of Standard Rate: Equities : The table below indicates the charge in cents per share, rounded to the nearest cent, of typical equity transactions, assuming no reduction in transaction charges.

Share Price													
In Dollars		Number of Shares in Order											
	100	200	300	400	500	600	700	800	900	1000	1500	2000	
5	25	25	25	24	24	23	22	21	21	21	19	18	
10	50	38	35	33	32	31	30	29	29	28	26	24	
15	50	48	43	41	39	38	37	36	36	36	32	28	
20	57	55	51	48	46	45	44	44	43	41	36	31	
25	66	64	59	56	54	53	52	49	48	46	39	34	
30	73	72	66	63	61	60	56	54	52	50	42	37	
35	80	79	73	70	68	64	61	59	55	53	44	40	
40	87	86	80	77	73	69	66	61	58	56	47	43	
45	94	94	88	85	58	74	68	64	61	59	50	46	
50	100	100	95	88	82	76	71	67	64	62	53	49	
55	100	100	100	93	87	79	74	70	67	65	56	52	
60	100	100	100	98	90	82	77	73	70	68	59	55	
65	100	100	100	100	93	85	80	76	73	71	62	58	
70	100	100	100	100	96	88	83	79	76	74	65	61	
75	100	100	100	100	99	91	86	82	79	77	68	64	

Schedule of Standard Rates: Debt Securities The table below indicates the charges of typical debt transactions, assuming no reduction in transaction charges. All debt securities transactions are effected on a principal basis. AHB does not act as a principal on debt transactions however, may participate in a portion of the transaction charges.

<u>Issue</u>	<u>Rate per \$1,000</u>
Securities with maturities of less than one year:	\$ 0.3125 minimum of \$25.00
Municipal, Government and Corporate Bonds:	\$ 15.00 per bond

Discounts from the foregoing standard commission rates are provided to AHB advisory clients who pay advisory fees and generally are calculated on the basis of portfolio value as follows:

<u>Market Value of Portfolio</u>	<u>Discount from AHB Standard Commission Rates</u>
\$ 100,000 – \$ 250,000	20%
\$ 250,001 – \$ 1,000,000	30%
\$ 1,000,001 – \$ 5,000,000	40%
\$ 5,000,001	+60%

From time to time, AHB and/or JP Morgan may charge fees for certain administrative or other

services; those costs are disclosed and billed to clients as they occur. Additional information about AHB's brokerage commission schedule and discount policies for brokerage clients (with whom it does not have advisory agreements) and for its advisory clients is available upon request.

**Model Portfolio Vendor:** Abner, Herrman & Brock LLC (AHB) designs, monitors and updates Model Portfolios that are to meet the objectives set forth by the client. These portfolios are managed with the same investment philosophy and strategy as other accounts are managed by AHB. AHB does not have discretion in the management of such portfolios. AHB's recommendations that are provided to the client are used by such clients in their sole discretion, whether or not and to what extent to implement the Model Portfolios and/or each recommendation. AHB receives a fee for these investment services that is based on the average value for the aggregate assets in the Model Portfolio Accounts managed using the Model Portfolio at the beginning of the quarter. Core Equity(100%), .40%, Custom Balanced (50%/50%), .40%, Fixed Income (100%), .25%. Model Portfolios may be subject to lesser or greater advisory fees depending on the simplicity or complexity of the objective.

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**Method of Billing and Termination of Agreement**

For both standard advisory clients and AHB wrap fee program clients, investment management fees are billed quarterly, in advance, for advisory services rendered during such quarter. The fees are calculated based upon the market value of the portfolio (securities and cash) at the end of each quarterly month end. Payment in full is expected upon invoice presentation. Fees may be deducted from a designated client account to facilitate billing. Clients may select either method for fee collection, billed or direct debit. The client must consent in advance to direct debiting of their investment account. For sub-advisory accounts, advisory fees are collected either monthly at the end of each month or quarterly depending on the sub-advisory agreement. The fees charged to any given client by AHB may be higher than fees charged to other clients, either by AHB or by other investment advisors, for advisory services to accounts of comparable size and investment objectives. Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate the Investment Advisory Agreement by written notice to the other party. Fees paid in advance of termination will be prorated to the date of termination and any unearned portion will be refunded to client. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination. The date of termination will be the earlier of 30 days after receiving written notification from the client of its intention to terminate or 30 days from the date the client's assets are removed from the account.

## Performance-Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities. AHB does not use a performance-based fee structure because of the potential conflict of interest.

Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

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### Description and Account Minimum

AHB generally provides investment advice to individuals, endowments, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. The minimum account size is \$500,000. AHB has the discretion to waive the account minimum when circumstances require it. Other exceptions may apply to employees of AHB and their relatives, or relatives of existing clients.

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

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### Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, online information including but not limited to newsletters, blogs, and webcasts. Investing in securities involves risk of loss that clients should be prepared to bear. AHB has an investment committee comprised of Howard Abner, Caryn Zweig, Kevin Strauss and Bryan Didonato. The investment committee makes final decisions with regard to securities investments after receiving and reviewing information obtained by AHB and its employees.

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### Investment Strategies

AHB employs a “top down” investment approach which focuses first on the outlook for the overall economy on a short, intermediate and long-term basis. AHB will also identify interest rate directions and those sectors of the economy (consumer, business and government) and those industries in each sector which are likely to be affected favorably and unfavorably by the overall economic outlook on an intermediate and long-term basis, pinpointing industries and particular companies of potential interest. AHB will also continually monitor market cycle positions.

The foregoing analysis is performed on an ongoing basis to formulate asset allocation strategies with preservation of capital and achievement of investment objectives being the foremost concern. AHB will use cash-flow management as an investment strategy. Subject to specific investment objectives of each client, and market environment, AHB generally structures portfolios with either a concentration in equities (Equity Portfolio), as a mix of equities and bonds (Custom Balanced Portfolio), with a concentration in taxable bonds (Taxable Bond Portfolio), or with a concentration in municipal bonds (Municipal Bond Portfolio). Subject to individual client objectives, the allocation among equities, bonds and cash in each portfolio will change in various markets. For example, overall investment objectives are met in varying markets by reducing equity exposure in declining markets and seeking expanded rates of return in rising markets.

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**Equity Portfolios**  
**Core Equity**

In equities, AHB seeks to continuously review most companies listed on the NYSE, as well as a large number of more sizable companies traded over-the-counter on NASDAQ, concentrating on those securities which display the greatest market inefficiencies in terms of price but meet certain quality standards. Those companies which are perceived by AHB as being well-managed as well as offering above-average earnings and dividend growth prospects will be the focus of further research. AHB looks for opportunities where market capitalization is large enough to afford easy entry and exit for liquidity in trading. AHB believes that the equity securities it identifies and invests in for clients tend to offer lower volatility and on a relative basis, potentially higher risk-adjusted returns than other stocks not bearing the same characteristics. To the extent feasible, AHB seeks to diversify Equity Portfolios among 5-20 industry sectors and 2-4 companies in each industry. In AHB's view, such diversification provides for a more prudent level of risk. In managing Equity Portfolios, AHB seeks to attain higher yields and lower volatility as compared with other professionally managed portfolios with similar investment objectives. Equity investments for clients are subject to certain selling disciplines in order to attempt to maximize gains and minimize losses, including consideration being given to selling securities which have appreciated by 50% or depreciated by 10% from purchase price.

**Aggressive Equity**

Aggressive equity portfolios have more concentrated positions, may include mid and small capitalization companies and may use margin debt to enhance the portfolio returns.

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**Custom Balanced Portfolios**

Balanced Portfolios contain a mix of equities similar to those described above as well as bonds. Bonds are selected from the investment grade Corporate bond, U.S. Government, Agency as well as Municipal bond universe when appropriate. The proportion of bonds to equities in Balanced

Portfolios is generally agreed to by the client to achieve their investment objectives before investment management is initiated. AHB seeks to structure the bond portion as described below.

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**Fixed Income Portfolios****Taxable Bond Portfolios**

Taxable Bond Portfolios are comprised of U.S. Treasury, government agency, and investment-grade corporate bonds with laddered maturities. Bonds are selected that represent attractive relative values based on the yield curve, bond type and sector spreads. Bond holdings are shifted toward agencies and corporates when the yields from those sectors offer materially higher returns than U.S. Treasuries. Analysis of the yield curve identifies maturities that offer optimal yields within AHB's quality, liquidity and stability requirements. AHB continuously monitors each bond's credit quality in an effort to anticipate a change in the credit rating of the issuer. AHB Taxable Bond Portfolios are broadly diversified by bond type, economic sector and maturity to reduce volatility and generate a high rate of current income and/or capital appreciation. AHB does not participate in "swapping" or "credit anticipation" strategies for bond portfolios.

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**Municipal Bond Portfolios**

Municipal Bond Portfolios will reflect a client's desire to receive greater after-tax income or tax-exempt capital appreciation. Bond holdings are selected for quality, value and stable income generation. Municipal Bond Portfolio holdings are structured with high quality investment-grade tax-exempt bonds. AHB continuously monitors each bond's credit quality in an effort to anticipate a change in the underlying credit rating of the issuer. Each portfolio is customized to meet the client's risk profile, tax sensitivity and income requirements.

AHB investment strategies are intended to meet the objectives of the clients who desire above average investment returns. AHB strategies will not meet the objectives of clients who wish to assume above-average market risks. Nor will it satisfy a "buy and hold" strategy, the focus of which is solely on expectation of longer-term future returns.

If there are any changes in the client's financial situation or investment objectives, or if they wish to impose, add or modify any reasonable restrictions to the management of their account they should contact Abner, Herrman & Brock LLC.

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**Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

There are no legal or disciplinary events related to past or present investment advisory clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

Abner, Herrman & Brock, LLC is registered as a securities broker. As a broker, AHB executes transactions on behalf of customers who are not advisory clients but for whom AHB maintains brokerage accounts on both a discretionary and non-discretionary basis; AHB receives compensation for those accounts only in the form of brokerage commissions. As a broker, AHB also maintains accounts for customers who have separately retained AHB to manage their portfolio; AHB also receives advisory fees (as described above) from such clients when it is so retained.

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**Affiliations**

Once prospective clients decide to retain AHB as its investment manager, their investment objectives and overall asset allocation plan are agreed upon; the client executes a standard advisory contract; and the client is asked to designate a broker for execution of all transactions effected on their behalf and a custodian for the purpose of holding the securities and other assets to be held in their portfolio. AHB does not serve as a custodian. AHB is a registered broker dealer and advises clients and prospective clients of its availability to execute transactions effected on their behalf by AHB as their investment advisor. At the time of execution of an advisory contract with AHB, clients are asked to designate the broker to which all equity transactions are to be directed by AHB. For the purchase and/or sale of fixed-income securities, the client authorizes AHB to effect securities transactions for account assets, subject to AHB's duty to seek the best execution for these transactions. Clients may elect to designate AHB or another broker of their choice. The principal owners of AHB share in the benefits derived by AHB from the brokerage commissions charged its advisory clients when AHB is selected as the broker and if it is a standard advisory agreement in which commissions are charged. When AHB is selected as broker, a portion of the brokerage commissions paid by AHB clients is also retained by JP Morgan, the broker-dealer through which AHB clears all trades for advisory clients who have chosen AHB to act as broker under those circumstances. AHB utilizes the services of JP Morgan to execute all equity transactions, which AHB determines, in the exercise of its discretion as advisor, are consistent with the investment objectives of its clients

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

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**Code of Ethics**

This Code of Ethics is intended to be utilized by all AHB personnel in the conduct of AHB business.

The Investment Company Act of 1940, the Investment Advisers Act of 1940, and the rules adopted under these Acts prohibit certain investment advisers and "access persons" of these advisers from engaging in fraudulent and manipulative practices with respect to managed investment companies and other clients. The rules also require that each registered adviser adopt and promulgate a code of ethics designed reasonably to prevent "access persons" from engaging in the prohibited practices. The code is to be reviewed annually and copies of each version are to be preserved for at least five (5) years.

SEC Rule 204A-1 requires every investment adviser registered or required to be registered under section 203 of the Act to establish, maintain and enforce a written code of ethics that, at a minimum, includes:

- A standard (or standards) of business conduct that the adviser requires of each supervised person, which standard must reflect the adviser's fiduciary obligations and those of its supervised persons;
- Provisions requiring the supervised persons to comply with applicable federal securities laws;
- Provisions that require all "access persons" to report, and the firm to review, their personal securities transactions and holdings periodically as provided in the Rule;
- Provisions requiring supervised persons to report any violations of the code of ethics promptly to the chief compliance officer or, provided the chief compliance officer also receives reports of all violations, to other persons designated in the code of ethics; and
- Provisions requiring the firm to provide each supervised person with a copy of the code of ethics and any amendments, and requiring the supervised persons to provide the firm with a written acknowledgment of their receipt of the code and any amendments.

The Chief Compliance Officer is responsible for overseeing the Code of Ethics where applicable, providing any revisions and implementing its provisions. This oversight shall, at a minimum, include the following on a regular basis:

- Reviewing access persons' personal securities reports
- Assessing whether access persons are following required internal procedures
- Evaluating transactions to identify any prohibited practices
- Assessing relative performance of personal accounts vs. customer accounts.

Each employee and associated person must date and sign the Acknowledgment on the last page of this Code of Ethics and return a copy of the signed Acknowledgment to the CCO. In addition, each employee or Associated Person must take personal responsibility to report promptly to the Chief Compliance Officer any suspected violations of this Code of Ethics where applicable.

The Code of Ethics is available as a separate document to clients and prospective clients upon request.

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#### **Participation or Interest in Client Transactions and Personal Trading**

Pursuant to the Code of Ethics and other AHB policies and procedures with regard to confidentiality, and the avoidance of potential conflicts of interest, all transactions executed at AHB, including those on behalf of its principals and employees, are reviewed daily to prevent the misuse of material non-public information by AHB, its principals and employees and other violations of law or conflicts of interest.

From time to time, AHB, as well as principals and employees of AHB, may have positions or may engage in transactions, in the same securities as those purchased or sold for advisory clients. To avoid any potential conflict of interest, transactions affected for principals or employees of AHB within



the same time frame as those for clients will be executed at an average price identical to that paid by or to clients. In such circumstances, orders for AHB principals and employees are aggregated with client orders in a manner identical of that explained in the order aggregating section of this brochure regarding AHB average pricing policy. As a matter of policy, AHB prohibits its principals and employees from effecting transactions immediately prior to or after transactions in the same security effected for clients. AHB does, upon review, permit transactions in the same securities as those selected for its advisory clients to be effected on the same day at a time significantly different than that of client transactions. All transactions are reviewed on a daily basis to ensure adherence to the foregoing policies. AHB receives no payment for order flow.

## **Brokerage Practices**

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### **Selecting Brokerage Firms**

AHB does not make custodian recommendations.

AHB's Investment Advisory Agreements require that its clients specifically consent to and designate a particular broker to be used to execute equity transactions on their behalf. For fixed income securities, AHB's Investment Advisory Agreements require that its clients authorize AHB to effect securities transactions for portfolio assets, subject to AHB's duty to seek best execution for these transactions. As noted above, clients may select AHB to act as broker to execute transactions on their behalf as the portfolio manager. When it is so designated as broker, AHB calculates brokerage commissions in accordance with the standard schedule and discount policies described above in the Fees and Compensation section. Trade confirmations indicating the commissions charged on such transactions are sent to clients by JP Morgan through which AHB executes such trades. AHB reviews the execution of trades at each custodian each quarter. The review is documented in the AHB Best Execution Analysis compliance file. Trading fees charged by the custodians is also reviewed on a quarterly basis. AHB does not receive any portion of the trading fees.

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### **Soft Dollars, Brokerage for Client Referrals and Directed Brokerage**

AHB does not direct brokerage business to other brokers to obtain research or other "soft-dollar" benefits. When AHB subscribes to research or other services made available by other brokers or third parties, it pays for such services with its own funds, not those of its clients. AHB does not direct client transactions to any broker dealer in return for client referrals.

AHB will direct brokerage to a particular broker if it receives written instructions to do so from its advisory clients, in accordance with the circumstances described more fully below, e.g., as a form of compensation to the broker by the client of the client's commissions, so that the client can receive a service from the entity to whom brokerage is directed. (i.e. a wrap program). Where clients instruct AHB to direct all transactions for execution to a specific broker, AHB does not independently

determine whether the commissions charged or execution effected thereafter is done at rates or prices higher or lower than those which could have been obtained had AHB or if another broker acted as the broker. AHB does not negotiate brokerage commissions with other brokers on behalf of its advisory clients who designate other brokers.

From time to time, AHB receives instructions from its advisory clients to direct all brokerage transactions affected on their behalf to a particular broker with which AHB is not affiliated. In such circumstances, the client will receive trade confirmations directly from the designated broker (or its clearing broker) and pay brokerage commissions in accordance with such broker's own schedule of rates or whatever arrangement the client has negotiated with such broker. AHB does not negotiate on behalf of or advise its clients with regard to such commission arrangements. The brokerage commissions charged by such brokers may be higher or lower than that of AHB or other brokers.

From time to time, clients who select AHB as portfolio manager and designate another broker to execute transactions on their behalf at AHB's instructions may have done so after AHB was identified to them by such brokers as one of several potential portfolio managers. AHB does not pay a fee of any kind to such brokers nor agree to direct any transactions to them for executions in order to be included in the databases from which such brokers may draw its name as a potential manager. Nor is AHB affiliated in any way with such brokers. AHB may provide information to such brokers about its business activities, investment strategies fee, performance, etc. AHB may also purchase research or other services from such brokers paying for them with its own funds in cash.

Before being retained by any advisory client, however, AHB communicates directly with such potential clients, providing them with information identical to that provided to all prospective clients, regardless of what information or recommendation such prospective clients may have received from such brokers about AHB or what fees such clients may have paid to such brokers for their recommendations.

From time to time, AHB may also be identified as one of several potential portfolio managers by other persons such as independent consultants who may charge individuals a fee for such services. In such circumstances, AHB does not pay a fee of any kind to the consultant nor enter into any agreement to procure or direct services to them, regardless of whether AHB is retained as a portfolio manager. Nor is AHB affiliated in any way with such consultants who may themselves charge a fee to persons to whom it makes recommendations. AHB may, however, have provided such consultants with information about its business activities, investment strategies, fees, performance, etc. that are utilized by the consultant to identify AHB as a potential money manager. When potential advisory clients thereafter contact AHB, AHB communicates directly with them in the same manner it does with all prospective clients to determine whether AHB will be retained.

The brokerage commissions charged by AHB may be higher or lower than those which could be obtained from other brokers or by other portfolio managers. When its advisory clients direct AHB to execute all transactions effected on their behalf to a broker other than AHB, AHB does not negotiate commission rates on their behalf or attempt to execute transactions through other brokers on behalf of its clients unless specifically directed to do so in the manner described herein. AHB does not determine whether the commission rates being charged by AHB or another broker selected by its clients are the lowest available.

AHB cannot assure its clients that the commission rates charged by AHB (as set forth above) or by other brokers (when selected by clients) are lower than those which could be obtained in the market place from other brokers. As a result, clients using AHB or other brokers designated by them may pay materially disparate commissions depending upon the commission rate policy of AHB and the clients' individual arrangements with AHB or other brokerage firms which they designate.

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**Order Aggregation**

In order to attempt to maximize the benefit derived by its clients in terms of price when it determines that more than one client should purchase or sell the same security, AHB frequently uses an average pricing technique. In order to achieve a fair result among all of its advisory and brokerage clients for whom it buys or sells the same security on the same day, where practical, AHB will seek to aggregate or "batch" individual orders and seek execution of them as a block or in several blocks through JP Morgan, its clearing broker, working the order in such a way as to avoid a material impact on the market price until all orders are complete. AHB then calculates the average price for all shares so traded. AHB employs an average pricing method in order to avoid having some clients pay more (or receive less) than other clients when their individual investment objectives and portfolio balances warrant investment (or divestiture) of identical securities. The above average pricing method has no impact upon brokerage commissions.

To the extent that a client instructs AHB to direct brokerage transactions with respect to the clients account through a broker other than AHB, AHB may not be able to aggregate or "batch" client transactions for purposes of execution with orders for the same securities for other clients managed by AHB. When AHB acts as broker for its advisory clients, it charges brokerage commission rates in accordance with the standard schedule of rates then prevailing at JP Morgan, its clearing broker, less certain discounts which it may negotiate with its clients, and which are generally described in the Fee and Compensation section of this brochure. Additional information about AHB's brokerage commission schedule and discount policies for brokerage clients (with whom it does not have advisory agreements) and for its advisory clients is available upon request.

## Review of Accounts

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### Periodic Reviews and Review Triggers

Account reviews are performed on a regular basis by the Investment Policy Committee as a part of the investment management process. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

At least annually and more frequently when market conditions dictate, a portfolio is reviewed with the client and/or financial advisor who referred the account. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### Regular Reports

AHB investment advisory clients receive written quarterly reports. The written quarterly updates may include an Investment Outlook, Portfolio Appraisal, Performance for the period, year to date and since inception and the portfolio's stated investment objectives. The clients for which AHB is providing portfolio management services for another firm's Wrap Fee Programs, AHB will send such written quarterly reports if directed by the financial advisor or if directed to do so according to a sub-advisory agreement. All advisory clients will receive monthly statements directly from their chosen qualified custodian

## Client Referrals and Other Compensation

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### Incoming Client Referrals

AHB has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. Often AHB does not compensate referring parties for these referrals. The following arrangements are for client referrals whereby AHB does compensate for client referral.

AHB has entered into a separate arrangement with Fred DeMyer ("FDM") whereby FDM introduces prospective clients to AHB from time to time for the purpose of providing AHB with an opportunity to offer and sell its advisory services to such prospective clients. AHB has agreed to pay FDM 33 1/3% of the advisory fees it receives from all persons who become advisory clients introduced by or through FDM for as long as such persons remain AHB clients. The agreement between the parties provides that FDM provide certain written disclosure documents to prospective clients at the time of FDM's introduction of AHB to them, which disclose the nature of the compensation agreement between AHB and FDM or between AHB and include AHB's ADV Part 2A as well as the prospective client with disclosure documentation discussing the nature of the compensation agreement between AHB and FDM. Clients who are referred by FDM do not pay a higher advisory fee than clients who approached or are solicited by AHB directly.

AHB has entered into a separate arrangement with Nicholas R. Limongelli ("NRL") whereby NRL introduces prospective clients to AHB from time to time for the purpose of providing AHB with an opportunity to offer and sell its advisory services to such prospective clients. AHB has agreed to pay NRL 33 1/3% of the advisory fees or 20% of a wrap fee it receives from all persons who become advisory clients introduced by or through NRL for as long as such persons remain AHB clients. A wrap fee is an all-inclusive fee encompassing both advisory and execution services. The agreement between the parties provides that NRL provide certain written disclosure documents to prospective clients at the time of NRL's introduction of AHB to them, which disclose the nature of the compensation agreement between AHB and NRL and include AHB ADV Part II as well as the AHB wrap investment program disclosure statement. AHB will also provide the prospective client with disclosure documentation discussing the nature of the compensation agreement between AHB and NRL. Clients who are referred by NRL do not pay a higher advisory fee than clients who approached or are solicited by AHB directly.

AHB has entered into a separate arrangement with Northeast Professional Planning Group, Inc. ("NPPG") whereby NPPG introduces prospective clients to AHB from time to time for the purpose of providing AHB with an opportunity to offer and sell its advisory services to such prospective clients. AHB has agreed to pay NPPG 33% of the advisory fees it receives from all persons who become advisory clients introduced by or through NPPG for as long as such persons remain AHB clients. A wrap fee is an all-inclusive fee encompassing both advisory and execution services. The agreement between the parties provides that NPPG provide certain written disclosure documents to prospective clients at the time of NPPG's introduction of AHB to them, which disclose the nature of the compensation agreement between AHB and NPPG and include AHB ADV Part 2A as well as the AHB wrap investment program disclosure statement. AHB will also provide the prospective client with disclosure documentation discussing the nature of the compensation agreement between AHB and NPPG. Clients who are referred by NPPG do not pay a higher advisory fee than clients who approached or are solicited by AHB directly.

AHB has enter into an agreement with BIC Distributors, LLC ("BIC") whereby BIC agrees to use its efforts to identify, refer and introduce customers of registers representatives of brokers dealers and registered investment advisors to AHB in order that those customers might become customers of AHB. AHB has agreed to pay BIC 40% of the annual management fee earned by AHB for its services rendered to those who become customers by reason of being introduced to AHB by BIC. The agreement provides that BIC is to provide certain disclosure documents including but not limited to the most current Form ADV II, to prospective customers at the time of BIC's introduction of AHB, which disclose, among other things, the nature of the compensation agreement between AHB and BIC. AHB also will provide BIC with updated disclosure documentation upon any changes to such

documentation. Customers who are referred by BIC do not pay a higher advisory fee than customers who approached or are solicited by AHB directly.

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**Referrals Out**

AHB does not accept referral fees or any form of remuneration from other professionals when AHB refers a prospect or client to them.

## **Custody**

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**Account Statements and Performance Reports**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record on a monthly basis. The monthly statements from the custodian should be reviewed and compared to the quarterly reports that client's receive from AHB. Clients should compare the account statements received directly from their custodians to the quarterly performance report statements provided by AHB.

## **Investment Discretion**

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**Discretionary Authority**

AHB accepts discretionary authority to manage securities accounts on behalf of clients. AHB has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment management that you have agreed to in writing by signing the AHB Investment advisory agreement . For those advisory clients who are clients of wrap fee programs not sponsored by AHB, a trading authorization may be signed to provide for discretionary trading authority.

## **Voting Client Securities**

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**Proxy Voting Procedures**

AHB generally does not vote proxies on securities and therefore clients are expected to vote their own proxies. In such cases, clients will receive their proxies directly from their custodian and can contact AHB by phone at 201-484-2000 with any questions. If assistance on voting proxies is requested, AHB will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client. In certain wrap fee programs that are not sponsored by AHB and in which AHB provides portfolio management services, AHB does vote proxies, if required.

The following procedures apply to the voting of proxies solicited for securities in all accounts of Abner, Herrman & Brock clients where Abner, Herrman & Brock exercises Voting Authority over the way the proxies are to be voted (see below). For accounts where Abner, Herrman & Brock exercises no such Voting Authority, the procedures do not apply. Where a third party other than Abner, Herrman & Brock exercises Voting Authority in an account, this party must have in place written procedures that comply with the rules.

Introduction: The Voting Decision. Abner, Herrman & Brock as a registered investment adviser often obtains discretionary authority from its clients to vote shares by proxy ballot for corporate action to be taken by companies in which clients have invested. The Securities and Exchange Commission (the “SEC”) takes the position that the exercise by an adviser of discretionary authority over the management of the client’s account comes with the authority to vote proxies, unless expressly disclaimed in the advisory agreement. See SEC Release IA-2106. The Investment Advisers Act of 1940 (“Advisers Act”) imposes on Abner, Herrman & Brock a fiduciary duty of care and loyalty to clients with respect to all services undertaken on the client’s behalf, including proxy voting. This duty of care, under recent SEC interpretations requires an adviser with proxy voting authority to monitor corporate events and to vote the proxies in a manner consistent with the best interest of its client. The duty of loyalty requires that Abner, Herrman & Brock must not prefer its own interests over those of the client. The scope of an adviser’s responsibilities with respect to voting proxies is ordinarily determined by Abner, Herrman & Brock’s contract with the clients, the disclosures it has made to the client and the investment policies and objectives of the client. Abner, Herrman & Brock’s fiduciary duties to a client do not necessarily require it to become a “shareholder activist” by, for example, actively engaging in soliciting proxies or supporting or opposing matters before shareholders.

The duties of care and loyalty are exercised where Abner, Herrman & Brock completes the proxy material and forwards it to the company based on a decision by Abner, Herrman & Brock on how to vote the proxy or whether to vote it at all (a “Voting Decision”).

Abner, Herrman & Brock and its personnel may have a number of conflicts that can affect a Voting Decision. For example, Abner, Herrman & Brock, an affiliate or Associated Person may manage a pension plan, administer an employee benefit plan, or provide brokerage, underwriting, insurance, or banking services to a company whose management is soliciting proxies. Failure to vote in favor of management may harm a carefully developed relationship with the company. An IAR of Abner, Herrman & Brock may also have business or personal relationships with participants in proxy contests, corporate directors or candidates for directorships. For example, such a person may have a spouse or other close relative who serves as a director or executive of a company engaged in a proxy solicitation.

Under SEC Rule 206(4)-6, it is a fraudulent, deceptive, or manipulative act, practice or course of business within the meaning of section 206(4) of the Act for an investment adviser to exercise voting authority with respect to client securities, unless (i) the adviser has adopted and implemented written policies and procedures that are reasonably designed to ensure that the adviser votes proxies in the best interest of its clients, (ii) the adviser describes its proxy voting procedures to its clients and provides copies on request, and (iii) the adviser discloses to clients how they may obtain information on how the adviser voted their proxies. The following written supervisory procedures are adopted pursuant to the requirements of the Rule.

The Rule has no application to accounts where Abner, Herrman & Brock does not exercise Voting Authority. While not required by the Rule, these procedures are intended to make it clear that in exercising the Voting Decision, Abner, Herrman & Brock will always vote in the best interests of the client where considering proxy votes on a wide range of matters, such as changes in corporate governance structures, adoption or amendments to compensation plans (including stock options) and matters involving social issues or corporate responsibility. Where the proxy solicitation involves an investment company, the matters would also include, for example, approval of advisory contracts, distribution plans ("12b-1 plans"), and mergers.

Proxy Supervisor. The CCO is hereby designated as to Proxy Supervisor for Abner, Herrman & Brock. The duties of the Proxy Supervisor are as follows:

- Provide copies of these procedures to all personnel involved in the processing of proxy material.
- Identify Abner, Herrman & Brock's advisory accounts ("Voting Authority Accounts") over which Abner, Herrman & Brock has Voting Authority to make Voting Decisions.
- Identify Voting Authority Accounts potentially subject to a Material Conflict of Interest.
- Identify the individual(s) who are to make Voting Decisions with respect to each Voting Authority Account.
- Implement Abner, Herrman & Brock's policies as to (i) customer notification (iii) making Voting Decisions and (iii) record keeping.

Voting Authority. Wherever it has authority ("Voting Authority") in making a Voting Decision, Abner, Herrman & Brock will exercise it in accordance with these procedures. Abner, Herrman & Brock's client advisory agreements expressly disclaim the authority to vote proxies.

Abner, Herrman & Brock considers that it has Voting Authority over a Voting Decision in any situation:



- the client has specifically stated in writing that the client wants the proxies for securities in the account to be voted by Abner, Herrman & Brock and not the client.

Abner, Herrman & Brock shall identify all Voting Authority Accounts. All personnel opening new accounts will notify the Proxy Manager, who will identify the new account as a Voting Authority Account or not on the basis of the account documents and other information presented.

Material Conflicts of Interest. Abner, Herrman & Brock is obliged to identify, prior to making a Voting Decision in a Voting Authority Account, any Material Conflict of Interest with respect to that Voting Decision. Abner, Herrman & Brock will consider that it has a conflict of interest with respect to any Voting Decision where:

- Abner, Herrman & Brock or an affiliate or associated person is providing advisory, brokerage, underwriting, and insurance or banking services to a company whose management is soliciting proxies.
- Abner, Herrman & Brock or an affiliate or Associated Person has a business or personal relationship with a member of company management or a company group (such as the pension plan), proponent of a proxy proposal, a participant in a proxy contest or a candidate for corporate office.

Abner, Herrman & Brock will consider that it has a Material Conflict of Interest where either:

- Abner, Herrman & Brock has Voting Authority from all accounts to make a Voting Decision with respect to securities in the aggregate constituting over 10 percent (10%) of the outstanding voting securities of the company; or
- In the case of a particular client, the securities for which the proxy is solicited constitute over 10 percent (10%) of the securities held by that client in the client's Voting Authority Account.

Voting Decisions. The CCO shall make the Voting Decision on behalf of Abner, Herrman & Brock wherever a Material Conflict of Interest has been identified. The CCO shall use discretion in determining whether further discussion and/or approval by supervisory personnel is warranted before making the Voting Decision.

In making a Voting Decision in the best interests of the client, Abner, Herrman & Brock should consider, along with the position of management, other readily available input, including the position of other securities holders or groups and/or regulatory authorities.

The CCO, at the same time as the Voting Decision is being made, determines whether there is enough uncertainty about the best interests of the client that the client should be contacted in advance for approval. If mitigating circumstances and/or conflicts of interest arise, the circumstances or conflicts will be discussed by Abner, Herrman & Brock's investment committee. This investment committee may inform the client or may forward the proxy material to the client if it deems it necessary for review. The investment committee may also so direct the Responsible Person (see below) to contact the client and to document the response. Factors to consider would include the stated investment objectives of the client and the nature of the conflict of interest.

Conflicts List. The CCO shall maintain and make available to all employees a continuous record (the "Conflicts List") of companies issuing securities with whom there is a potential Material Conflict of Interest in making Voting Decisions.

Responsible Persons. The CCO shall identify on Abner, Herrman & Brock records the person(s) responsible ("Responsible Person") in each Voting Authority Account for:

- Receiving and processing proxy solicitations in the Account;
- Monitoring company developments with respect to the solicitation;
- Checking the Conflicts List and identifying any Material Conflicts of Interest;
- Reporting to the Proxy Officer if needed;
- Contacting the client if needed.

Actions to be Taken by Abner, Herrman & Brock. The CCO shall review and approve on a regular basis all Abner, Herrman & Brock Voting Decisions. Each Responsible Person of a Voting Authority Account shall, with respect to each Voting Decision:

- Receive and process each proxy solicitation in each such Account, including identifying it, actions taken and client notifications in Abner, Herrman & Brock records;
- Monitor company developments with respect to the solicitation;
- Check the Conflicts List;

- Identify if there is a Material Conflict of Interest;
- Make the Voting Decision where there is no Material Conflict of Interest;
- Notify the CCO of the Voting Decision;
- Determine if there is a Material Conflict of Interest and report it to the CCO;
- Clear with the CCO a proposed Voting Decision;
- Contact the client for pre-approval;
- Process the paperwork, if directed by the CCO;
- Update Abner, Herrman & Brock records in accordance with the record keeping requirements set forth below.

**Notifying the Clients.** Each client of Abner, Herrman & Brock, at the time any account is opened, will be provided notification as to the firm's policies and procedures for voting proxies via the Brochure.

In addition, each of the firm's clients with a Voting Authority Account will be informed upon request as to the Voting Decision taken on any proxy solicited. This information may be included in other information being sent to the client by the firm or the account custodian.

**Books and Records.** Abner, Herrman & Brock shall, with respect to all clients for which it has Voting Authority, make and retain the following:

- Copies of all policies and procedures required by SEC Rule 206(4)-6.
- A copy of each proxy statement that the firm receives regarding client securities. The firm may satisfy this requirement by relying on a third party to make and retain, on its behalf, a copy of a proxy statement (provided that the firm has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request) or may rely on obtaining a copy of a proxy statement from the SEC's EDGAR system.
- A record of each vote cast by the firm on behalf of a client. The firm may satisfy this requirement by relying on a third party to make and retain, on its behalf, a record of the vote cast (provided that the firm has obtained an undertaking from the third party to provide a copy of the record promptly upon request).
- A copy of any document created by the firm that was material to making a decision on how to vote proxies on behalf of a client or that memorializes the basis for that decision.

- A copy of each written client request for information on how the firm voted proxies on behalf of the client, and a copy of any written response by the firm to any (written or oral) client request for information on how the firm voted proxies on behalf of the requesting client.

All these required books and records shall be maintained and preserved in an easily accessible place for a period of not less than five (5) years from the end of the fiscal year during which the last entry was made on such record, the first two (2) years in an appropriate office of the firm.

**Proxy Voting Services.** Abner, Herrman & Brock may use a third party proxy voting service to vote all client securities. In such instances, the firm will review the third party proxy voting service guidelines to ensure that (a) they comply with Rule 206(4)-6, and (b) the engagement of the third party voting service and its procedures do not present any conflicts of interest between it and the client, between it and the firm or between the firm and the client.

The firm will, on a regular basis, monitor the third party proxy voting service guidelines and procedures to ensure the firm and the third party service both remain compliant with SEC Rule 206(4)-6. The firm will maintain written of the Advisers Act.

## Financial Information

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### Financial Condition

AHB does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because AHB does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

## Business Continuity Plan

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### General, Disasters, Alternate Offices

AHB has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people. The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite. Alternate offices are identified to support ongoing operations in the event the main office is

unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

## **Privacy Policy**

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### **Privacy Notice**

AHB is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us. The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the asset allocation process. We use this information to help you meet your personal financial goals. We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law. Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

## Brochure Supplement (Part 2B of Form ADV)

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This brochure supplement provides information about AHB's Investment Policy Committee that supplements the AHB brochure that is on the preceding pages of this document.

### **Education and Business Standards**

Abner, Herrman & Brock, LLC (AHB) requires that those employees who are involved in developing investment strategies have an advanced college degree as well as further coursework demonstrating knowledge of securities analysis and the investment management industry. Examples of acceptable coursework include: an MBA, a CFA, JD, or CPA. Additionally, advisors must have significant work experience that demonstrates their aptitude for investment management.

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### **Professional Certifications**

Employees have earned professional certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

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**Howard J. Abner, CFA**

Date of Birth: 12/12/37

**Educational Background:**

- Cornell University, The Johnson School, M.B.A, Finance, 1961
- University of Bridgeport, B.A., Economics, 1959

**Business Experience:**

- Abner, Herrman & Brock, LLC , Chairman , 1981 –Present
- Laidlaw Adams & Peck, Vice President, 1976-1981
- Jas. H. Oliphant & Co., President, 1967 – 1976

Disciplinary Information: None

Other Business Activities: Howard J. Abner is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Howard J. Abner receives commissions based on the sale of securities for standard advisory clients of AHB. The standard agreement provides the supervised person of the portfolio with incentive to recommend securities based on the compensation received and not only based on client needs.

Additional Compensation: None

Supervision: Caryn A. Zweig supervises Howard J. Abner's advisory activities through the firm's portfolio management system as well as through office interactions.

Caryn A. Zweig contact information: 201-484-2008, [czweig@ahbi.com](mailto:czweig@ahbi.com)

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**Caryn A. Zweig**

Date of Birth: 11/30/66

**Educational Background:**

- Columbia Business School, M.B.A., 1998
- Cornell University, B.S. , Business Management, 1988

**Business Experience:**

- Abner , Herrman & Brock, LLC, 1990-Present
  - Chief Operating Officer, 2010-Present
  - Managing Director, 2005-2010
  - Senior Portfolio Manager, 1998-2005
  - Portfolio Manager, 1994-1998
  - Associate Portfolio Manager 1990-1994
- Atalanta/Sosnoff Capital, Associate Analyst, 1988-1990
- Oppenheimer Fund Management, Associate, 1988

Disciplinary Information: None

Other Business Activities: Caryn A. Zweig is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Caryn Zweig receives commissions based on the sale of securities for standard advisory clients of AHB. The standard agreement provides the supervised person of the portfolio with incentive to recommend securities based on the compensation received and not only based on client needs.

Additional Compensation: None

Supervision: Caryn A. Zweig is supervised by Howard J. Abner, Chairman. He reviews Caryn A. Zweig's work during office meetings. He also reviews her activities through our client relationship management system. Howard J. Abner contact information: 201-484-2000, [habner@ahbi.com](mailto:habner@ahbi.com)



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**Kevin E. Strauss, CFA**

Date of Birth: 1/20/70

**Educational Background:**

- Cornell University, Johnson School, M.B.A., 1994
- Cornell University, B.S., Business Management, 1992

**Business Experience:**

- Abner , Herrman & Brock, LLC, 2002 -Present
  - President, 2010-Present
  - Managing Director, 2005-2010
  - Senior Portfolio Manager, 2002-2005
- Smith Barney Asset Management, 1993-2001
  - Senior Portfolio Manager 1998-2001
  - Associate Analyst, 1994-1998

Disciplinary Information: None

Other Business Activities: Kevin E. Strauss is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Kevin E. Strauss does not receive any compensation based on the sale of securities or other investment products.

Additional Compensation: None

Supervision: Kevin E. Strauss is supervised by Howard J. Abner, Chairman. He reviews Kevin E. Strauss's work during office meetings. He also reviews his activities through our client relationship management system. Howard J. Abner contact information: 201-484-2000, [habner@ahbi.com](mailto:habner@ahbi.com)

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**Bryan L. Didonato, CFA**

Date of Birth: 9/22/1980

Educational Background:

- Cornell University, B.S., Applied Economics/Business Management, 2003

Business Experience:

- Abner , Herrman & Brock, LLC, 2005 -Present
  - Vice President, 2010-Present
  - Associate Portfolio Manager, 2007-2009
  - Research /Trading Associate, 2005-2007
- L. Didonato & Assoc. , Wine Sales Representative, 2003-2005

Disciplinary Information: None

Other Business Activities: Bryan L. Didonato is a registered representative of AHB with the Financial Industry Regulatory Authority (FINRA). Bryan L. Didonato does not receive any compensation based on the sale of securities or other investment products.

Additional Compensation: None

Supervision: Bryan L. Didonato is supervised by Howard J. Abner, Chairman. He reviews Bryan L. Didonato's work during office meetings. He also reviews his activities through our client relationship management system. Howard J. Abner contact information: 201-484-2000, habner@ahbi.com