

**H Financial Management**  
**Disclosure Brochure**  
**3/31/2017**

**Item 1 – Cover Page**

**CRD#148209**

This brochure provides information about the qualifications and business practices of H Financial Management (“HFM” or “Advisor”).

If you have any questions about the contents of this brochure, please contact us at (724) 745-9406.

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.

H Financial Management is a Registered Investment Advisor. Registration as an Investment Advisor does not imply any level of skill or training. This disclosure document is designed to grant current clients as well as potential clients the opportunity to carefully read and establish an understanding of the various investment advisory services that are offered and the respective fees and expenses of those services. The information contained in this document is important to the conduct of both parties entering an advisory contract. While investment advisors have a fiduciary duty to put the needs of clients before their own, clients likewise have a duty to investigate and maintain a basic understanding of the services offered by the Advisor. We hope this document serves as a leading educational tool to aid clients and prospective clients in understanding how H Financial Management conducts investment advisory services.

H Financial maintains business offices in both Morgantown, WV and Southpointe, an exclusive business park development located 20 minutes by interstate outside of Pittsburgh, PA. Our clients appreciate our easily accessible and exclusive location on the sprawling Southpointe campus located on Interstate 79 at the Southpointe exit (Exit 48) near the border of Washington County and Allegheny County. Our Morgantown, West Virginia office provides financial services in the greater Morgantown area and is also conveniently located.

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**Canonsburg, PA 15317**  
**(724) 745-9406**  
**[www.hfinancialmanagement.com](http://www.hfinancialmanagement.com)**

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## **Item 2- Material Changes**

There have been no material changes made to H Financial Management's ("HFM") Part 2A Brochure since last year's Annual Amendment filing on January 25, 2016. HFM below has made disclosure additions and enhancements, including at Items 4, 5, 10, and 12, regarding financial planning limitations, mutual funds, retirement rollovers, product sales, and non-soft dollar economic assistance.

**ANY QUESTIONS: HFM's Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.**

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#### **Item 4 – Investment Advisory Services**

H Financial Management was formed in October of 1981 and is organized in the State of Pennsylvania. Garrett S. Hoge is the President and sole owner. H Financial Management is registered with the SEC and is notice filed in the states of Pennsylvania, West Virginia, Ohio, Florida, North Carolina, Texas, Louisiana, New Hampshire, Virginia, and California. H Financial has 1142 advisory accounts with \$255,053,914 in Assets under Management as of 12/31/2016 (724 discretionary accounts totaling \$180,362,805, 418 non-discretionary accounts totaling \$74,691,109).

The client can engage HFM to provide discretionary and/or non-discretionary investment advisory services to individuals, families, and businesses. Before engaging HFM to provide investment advisory services, clients are required to enter into an agreement with HFM setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fees that a client will incur (*see* fee schedule at Item 5 below). To the extent requested by an individual client, HFM will generally provide financial planning and consulting services. **In the event that the client requires extraordinary planning or consultation services HFM may determine to charge a client for such additional services pursuant to a stand-alone written agreement (see Limitations below).** Before providing investment advisory services, HFM will ascertain the client's investment objective(s). HFM will then allocate (or recommend that the client allocate) the portfolio consistent with the designated investment objective(s).

#### **Miscellaneous**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by a client, HFM will usually provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. HFM will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below, but may, depending upon the amount of assets under management and/or scope of the services to be provided, determine to charge a mutually agreed upon fee per the terms and conditions of a separate written agreement. **Please Note:** We **do not** serve as an attorney or accountant, and no portion of our services should be construed as same. Accordingly, we **do not** prepare estate planning documents or tax returns. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including certain HFM's representatives, in their separate individual capacities as representative of Triad Advisors ("Triad"), an SEC registered and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from HFM and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by HFM that a

client purchase a securities or insurance commission product from HFM's representatives in their separate individual capacities as representatives of Triad and/or as an insurance agents, presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from HFM's representatives. Clients are reminded that they may purchase securities and insurance products recommended by HFM through other, non-affiliated broker-dealers and/or insurance agencies. **HFM's Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Please Note: Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If HFM recommends that a client roll over their retirement plan assets into an account to be managed by HFM, such a recommendation creates a conflict of interest if HFM will earn an advisory fee on the rolled over assets. **No client is under any obligation to rollover retirement plan assets to an account managed by HFM. HFM's Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Please Note: Non-Discretionary Service Limitations.** Clients that engage HFM on a non-discretionary investment advisory basis **must be willing to accept** that HFM cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that HFM would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, HFM will be unable to effect the account transaction(s) **without first obtaining the client's consent.**

**Fidelity.** As discussed below at Item 12, unless the client directs otherwise, HFM shall generally recommend that Fidelity serve as the broker-dealer/custodian for client investment management assets. **Please Note:** HFM does not receive any brokerage commissions from Fidelity. Also, investment advisory fees, as described below at item 5, are inclusive of transaction costs. **Please Note:** Clients will incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

**Please Note-Use of Mutual Funds:** Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by HFM independent of engaging HFM as an investment advisor. However, if a prospective client determines to do so, he/she will not receive HFM's initial and ongoing investment advisory

services. **Separate Fees:** All mutual funds (and exchange traded funds) impose fees at the fund level (e.g. management fees and other fund expenses). All mutual fund fees are separate from, and in addition to, HFM's wealth management fee as described at Item 5 below. **HFM's Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions that a client or prospective client may have regarding the above.**

**Independent Managers.** Although HFM does not generally recommend *Independent Manager[s]*, HFM may have a limited number of clients who have directed or requested that portion of their assets be allocated among unaffiliated independent investment managers. In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. HFM shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. **Please Note:** The investment management fee charged by the *Independent Manager[s]* is separate from, and in addition to, HFM's advisory fee as set forth in the fee schedule at Item 5 below.

**ByAllAccounts.** In conjunction with the services provided by ByAllAccounts, Inc, HFM may also provide periodic comprehensive reporting services, which can incorporate all of the client's investment assets including those investment assets that are not part of the assets managed by HFM (the "Excluded Assets"). HFM's service relative to the Excluded Assets is limited to reporting services only, which does not include investment implementation. Because HFM does not have trading authority for the Excluded Assets, to the extent applicable to the nature of the Excluded Assets (assets over which the client maintains trading authority vs. trading authority designated to another investment professional), the client (and/or the other investment professional), and not HFM, shall be exclusively responsible for directly implementing any recommendations relative to the Excluded Assets. The client and/or his/her/its other advisors that maintain trading authority, and not HFM, shall be exclusively responsible for the investment performance of the Excluded Assets. Without limiting the above, HFM shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that HFM provide investment management services (whereby HFM would have trading authority) with respect to the Excluded Assets, the client may engage HFM to do so pursuant to the terms and conditions of the *Investment Advisory Agreement* between HFM and the client.

**EMoney.** In conjunction with the services provided by *EMoney*, HFM may also provide access to account aggregation services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets that we manage (the "Excluded Assets"). **The client and/or his/her/its other advisors that maintain trading authority, and not us, shall be exclusively responsible for the investment performance of the Excluded Assets.** In addition, *EMoney* will also provide access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice or recommendations provided by HFM. HFM does not provide investment management, monitoring or implementation services for the Excluded Assets. The client may engage HFM to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between HFM and the client.

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

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

### **Item 5 Fee Schedule**

Advisory fees are calculated and billed quarterly in advance. Clients typically have the fees debited directly from their accounts as stated in the **Investment Advisory Agreement**. Quarterly fees are based on the ending value of securities on the day prior to the beginning of the billed quarter. HFM advisory fees are disclosed on the Fidelity brokerage statement.

Here is an example of a typical customized fee schedule:

	From		To	Annual %
First	\$0	-	\$100,000	1.25%
Next	\$100,001	-	\$250,000	1.10%
Next	\$250,001	-	\$500,000	0.90%
Next	\$500,001	-	\$1,000,000	0.70%
Next	\$1,000,001	-	Over	0.50%

Here is an example of how a blended quarterly fee is calculated for a client who has \$1,500,000 invested on the last day of the previous quarter:

First \$100,000 – 1.25% Annually, 0.3125% Quarterly = \$312.50  
 Next \$150,000 – 1.10% Annually, 0.275% Quarterly = \$412.50  
 Next \$250,000 – 0.90% Annually, 0.225% Quarterly = \$562.50  
 Next \$500,000 – 0.70% Annually, 0.175% Quarterly = \$875.00  
 Last \$500,000 – 0.50% Annually, 0.125% Quarterly = \$625.00  
  
 = \$2,787.50 Fee for the quarter or .185%/quarter (.743%/year)

## **Item 6 – Performance-Based Fees and Side-by-Side Management**

H Financial Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Client**

Clients of H Financial Management are mostly high net worth individuals. HFM generally recommends an aggregate relationship minimum of \$500,000 to commence an engagement. However, HFM, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its aggregate relationship minimum based upon certain criteria (i.e. anticipated future earning capacity, type of management services to be rendered, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). In limited circumstances, the HFM may be engaged on a flat annual fee basis rather than per the fee schedule in Item 5. **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** HFM's Chief Compliance Officer, Garret S. Hoge, CFP®, remains available to address any questions that a client may have regarding its advisory fee schedule.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

If an Advisor is engaged to provide Investment advice, the client's current financial situation, needs, goals, objectives and risk tolerance are first evaluated. Once completed and the results are determined, the advisor may offer clients an investment service called Strategic Asset Management (SAM), which is generally managed according to the principles of asset allocation. This service attempts to optimize the risk/reward profile of a client's portfolio by investing among several asset classes based upon a client's personal financial goals and risk preferences. Below is a brief description of the type of general strategies that may be used as guidelines by investment advisor representatives in structuring accounts with varying objectives.

**Conservative Income allocation.** A conservative income portfolio usually seeks to generate income as its primary objective and preserve initial investments as its secondary objective. Conservative income portfolios tend to invest in a mix of income producing investments with a low degree of volatility. A typical conservative income portfolio may consist of about 20% in equity asset classes, and 80% in income asset classes, including fixed income and/or cash equivalents.

**Moderate Allocation.** A moderate income portfolio usually seeks to generate income as its primary objective with enough growth to keep pace with inflation. Moderate income portfolios tend to invest in a predominantly income producing investments with a low degree of volatility and a smaller portion of equities to encourage growth. A typical moderate income portfolio may consist of about 40% in equity asset classes, and 60% in income asset classes, including fixed income and/or cash equivalents.



**Balanced Allocation.** A balanced portfolio usually has both capital preservation and growth as its primary objectives. Balanced portfolios tend to invest in a relatively equal mix of low to moderate risk securities. A typical balanced portfolio may consist of about 60% in equity asset classes and 40% in fixed income and/or cash/cash equivalents.

**Growth Allocation.** A growth portfolio usually seeks to generate long-term capital gains as its primary objective. Growth portfolios tend to invest in a mix of investments with potential for long-term capital appreciation with a more than moderate amount of volatility. A typical growth allocation consists of about 80% equity and 20% in fixed income and/or cash/cash equivalents.

**Equity Growth Allocation.** An all-equity growth portfolio usually seeks to generate long-term capital gains as its primary objective. All Equity portfolios are aggressive portfolios and tend to invest in assets that may be considered high risk and tend to have more volatility. These portfolios may have the potential for higher returns over the long-term. A typical all-equity portfolio consists of about 94% equity and 6% in fixed income and/or cash/cash equivalents.

**Options Strategy.** In any allocation strategy, from time to time, we may incorporate the use of options. The primary options strategies that will be employed are the buying of puts to help protect client assets in a market downturn, purchasing equity call options, and selling covered calls against a long position in client portfolios. The use of covered calls allows clients to collect a premium for the sale of options while forgoing potential profits if the underlying advances beyond a certain price and within a certain timeframe.

**Please Note:** Deviations may occur relative to Account allocations during any specific short-term period (6 months or less) due to market conditions or Adviser perceived and/or anticipated market developments. Of course, there can be no assurance that any such perceived and/or anticipated market developments will occur, be correct or prove profitable.

Since client portfolios are designed to be managed in accordance with the financial circumstances, investment objectives, and preferences of individual clients, the actual asset allocation of a particular account may differ from other client accounts with similar objectives or levels of risk. Asset allocation is driven by various mathematical computations, and is more complex than the concept of asset diversification. It should be recommended that no strategy or allocation formula can guarantee a gain, or assume that an account will not suffer a loss.

The program is designed to offer clients a diversified long-term approach to their personal investment goals and objectives. It is important that you keep your investment advisor representative informed as to any changes in your financial situation. This service provides clients with individualized investment portfolio management services, including account review, consolidated reporting, and investment recommendation. Selected investments may include: stocks, bonds, mutual funds and other securities.

The advisor often uses the Frank Russell mutual funds for their multi-manager, multi-asset, multi-style diversification techniques. This has been developed by the Frank Russell Investment Management Company (FRIMCO) advising large institutional pools of assets. Alternatively, the advisors use no-load, low expense mutual fund groups such as American Funds, T. Rowe Price, Vanguard, and others.

Additionally, there are complexities and risks associated with trading securities including, but not limited to execution or trading errors, price volatility, bid/ask spreads, order types (such as “market” and “limit” orders), deviation from net asset value and “execution price slippage” caused by lack of order or book depth. This is commonly seen in some of the more thinly traded stocks or ETFs that don’t usually experience a lot of daily trading volume. At current, H Financial Management heavily focuses on mutual funds that trade once per day, this helps minimize problems associated with industry intra-day price deficiencies. Exchange-traded funds (ETFs) are another tool that can be used by HFM to manage client accounts, but the price execution risk is much higher with ETFs than mutual funds, because their price fluctuates like a stock and can be traded multiple times per day.

#### **Item 9 – Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to one’s evaluation of H Financial Management or the integrity of HFM’s management (and each supervised person providing investment advice). H Financial Management has no information applicable to this item regarding the firm, the firm’s staff, or the firm’s investment advisory representatives.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

As indicated above at Item 4, HFM representatives serve as representatives of Triad and as licensed insurance agents. The recommendation by HFM that a client purchase a securities or insurance-commission product from HFM’s representatives in their separate individual capacities as representatives of Triad and/or as an insurance agents, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any securities or insurance commission products from HFM’s representatives. Clients are reminded that they may purchase securities and insurance products recommended by HFM through other, non-affiliated broker-dealers and/or insurance agencies. HFM’s Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

#### **Item 11 – Code of Ethics**

H Financial Management has created a code of ethics that is designed to help educate and monitor the business conduct of our office staff. The code emphasizes the firm’s fiduciary duty to clients and produces

a heavy burden on the staff to maintain client confidentiality. A copy of the code of ethics is available to clients or prospective clients upon request.

Garrett S. Hoge, Clair L. Hawkins, Jeffrey Karns or other employees of H Financial Management may occasionally buy or sell securities for their own accounts. The firm may or may not recommend these securities to clients since recommendations vary according to an individual client's specific needs and circumstances. Additionally, staff members may use automatic rebalancing programs that will actively reallocate and may buy or sell securities without consideration of client holdings. These securities are publicly traded and it is highly unlikely that transactions in the personal accounts of the firm's employees could adversely affect the price or performance of the securities.

Should an employee become aware of any non-public information regarding a security, it is the firm's policy that the employees not act on such information for his/her own benefit or for the benefit of clients and report the information to H Financial Management (and the proper regulatory authorities, if warranted).

## **Item 12 – Brokerage Practices**

In the event that the client requests that HFM recommend a broker-dealer/custodian for execution and/or custodial services, HFM generally recommends that investment HFM accounts be maintained at Fidelity. Prior to engaging HFM to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with HFM setting forth the terms and conditions under which HFM shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that HFM considers in recommending Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with HFM, financial strength, reputation, execution capabilities, pricing, research, and service. H Financial Management has an established history with Fidelity and feels that the company characterizes industry leadership in its practices.

**Non-Soft Dollar Research and Benefits:** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, HFM may receive from Fidelity (or another broker-dealer/custodian, investment manager, platform or fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist HFM to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by HFM may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by HFM in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist HFM in managing and administering client accounts. Others do not directly provide such assistance, but rather assist HFM to manage and further develop its business enterprise.

HFM's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by HFM to Fidelity or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**HFM's Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.**

**Directed Brokerage.** HFM recommends that its clients utilize the brokerage and custodial services provided by Fidelity. HFM generally does not accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and HFM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by HFM. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs HFM to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through HFM. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Order Aggregation.** Transactions for each client account generally will be effected independently, unless HFM decides to purchase or sell the same securities for several clients at approximately the same time. HFM may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among HFM's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. HFM shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13 – Review of Accounts**

For those clients to whom HFM provides investment supervisory services, account reviews are conducted on an ongoing basis by the HFM investment professional. All investment supervisory clients are advised

that it remains their responsibility to advise HFM of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with HFM on an annual basis. HFM may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the broker-dealer/custodian, at least quarterly. HFM may also provide a written periodic report summarizing account activity and performance.

#### **Item 14 – Client Referrals and Other Compensation**

As indicated at Item 12 above, HFM may receive from Fidelity without cost (and/or at a discount), support services and/or products. HFM's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as result of this arrangement. There is no corresponding commitment made by HFM to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **HFM's Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.**

HFM does not compensate individuals or entities for prospective client introductions.

#### **Item 15 – Custody**

HFM shall have the ability to deduct its advisory fee from the client's Fidelity account on a quarterly basis. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from Fidelity, at least quarterly

**Please Note:** To the extent that HFM provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by HFM with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of HFM's advisory fee calculation.

#### **Item 16 – Investment Discretion**

The client can determine to engage HFM to provide investment advisory services on a discretionary basis. Prior to HFM assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming HFM as the client's attorney and agent in fact, granting HFM full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage HFM on a discretionary basis may, at any time, impose restrictions, in writing, on HFM's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe HFM's use of margin, etc.).

### **Item 17 – Voting Client Securities**

H Financial Management does not vote proxies on behalf of clients. The proxies are sent from the custodian or Investment Company directly to the client's address of record. The client is welcome to vote proxies as they see fit. H Financial Management does not make recommendations as to how or for whom to vote.

### **Item 18 – Financial Information**

Registered Investment Advisors are required in this item to provide you with certain financial information or disclosures about HFM's financial condition. H Financial Management has no financial commitment that impairs its ability to meet its financial obligations and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

If this disclosure brochure was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory agreement with this investment advisor, then the client has the right to terminate the agreement without penalty within five business days after entering into the agreement. For the purposes of this provision, an agreement is considered entered into when all parties to the agreement have signed the agreement, or in the case of an oral agreement otherwise signified their acceptance.

### **Item 20 – Other Business Activities**

H Financial Management is a registered investment advisor and offers investment advice for a fee. However, Investment Advisor Representatives (IARs) who are individuals registered with H Financial Management have multiple business activities that are material to the securities industry. Many of the IARs registered with H Financial Management are also registered representatives (investment brokers) with a broker/dealer named Triad Advisors, Inc. member FINRA/SIPC.

This outside business affiliation allows those registered representatives to earn commissions on various securities trades. While the vast majority of business conducted from this office is performed for an advisory fee under HFM, there are times where a commission based product may be suitable and

warranted. Under no circumstances do HFM registered investment advisors collect commissions and fees on the same transaction.

### **Item 21 – Additional Compensation**

As disclosed in previous sections, additional compensation can be earned by members of HFM. Such compensation could include commissions from the purchase or sale of securities or insurance products, and income from outside business activities. Additionally, members of H Financial Management could be invited to due diligence meetings at the request of investment companies or other industry organizations. On occasion, travel reimbursements are made by those companies that extended the invitation. Also, from time to time, HFM may receive reimbursement for some expenses incurred in hosting client and/or marketing events. While these payments may only reimburse travel or entertainment expenses, the appearance of “pay for production” may exist and as such the potential conflict of interest has been disclosed.

In rare cases, H Financial Management may directly compensate persons for client referrals in accordance with such written agreements as may be entered into between HFM and persons who may solicit. Such agreements between HFM and any solicitor must be disclosed to any prospective advisory client. When a solicitor arrangement has been formed and a client referral has been made, H Financial Management will present the client a Disclosure Statement that informs the client that a payment or multiple payments may be made to the solicitor introducing the client to HFM. The compensation paid by HFM for client solicitations and referrals may include cash payments or, where appropriate, provision for percentage-based fee sharing.

In order to be clear, accounts that are held at Fidelity Institutional Wealth Services do not allow for any commission payments of any kind to be paid to H Financial Management or any of its direct members. HFM’s investment management fees, as described in Item 5, are shown on the Fidelity investment statements.

**ANY QUESTIONS: HFM’s Chief Compliance Officer, Garrett S. Hoge, CFP®, remains available to address any questions regarding this Part 2A.**

## **Item 22 – Privacy Policy**

H Financial Management provides a variety of investment advisory and financial planning services to clients who have contracted for these services.\* As a result, H Financial Management is required to communicate its policies related to the privacy of customer information. We are proud of our privacy protection practices and procedures and we want you to know how we protect your information and use this information to service your account. Please take a moment to review our privacy policy as described below:

In order to facilitate the servicing of your account, H Financial Management may receive nonpublic personal information about you from the following sources:

- Information we receive from you on questionnaires, applications, account opening documents or other forms
- Information about your transactions with us or others
- Information we receive from a consumer reporting agency
- Information we received from other sources with your consent
- Information we receive from Triad Advisors, the H Financial Management broker-dealer (for example, securities transaction information)

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Such disclosure may include the following:

- Disclosures to affiliates, including affiliated service providers (for example, insurance agencies for processing of variable insurance applications on your behalf)
- Disclosures to your chosen broker-dealer firm (for example, to establish a brokerage account on your behalf)
- Disclosures to government agencies, securities regulators and law enforcement officials (for example, for tax reporting, under a court order or to protect our legal rights)
- Disclosures to other organizations, with your consent (for example, other investment advisor firms in order to open a managed account with their firm or the brokerage firm they utilize)
- Disclosures to other persons you authorize to obtain such information (for example, a CPA who will be preparing your tax return)
- Disclosures to Triad Advisors, the H Financial Management broker-dealer (for example, to establish a brokerage account on your behalf)

H Financial Management restricts access to your personal and account information to those of its employees who need to know that information to provide products or services to you. H Financial maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information

We will continue to adhere to the privacy policies and practices as described in this notice if you decide to close your account(s) or become an inactive customer.

If you have any questions concerning the H Financial Management privacy policies and procedures, please feel free to contact us at 724-745-9406.



## **Item 23 – Brochure Supplements**

### **Brochure Supplement (March 31, 2017)**

#### **Advisor Representative:**

Garrett Hoge  
400 Southpointe Blvd., #420  
Canonsburg, PA 15317  
(724) 745-9406

#### **Company:**

H Financial Management  
400 Southpointe Blvd., #420  
Canonsburg, PA 15317  
(724) 745-9406

This “Brochure Supplement” provides information about Garrett Hoge that supplements the information found in the H Financial Management Brochure. You should have already received a copy of that brochure. Please contact Garrett S. Hoge if you did not receive H Financial Management’s advisory firm brochure or if you have any questions about the contents of this supplement.

Additional information about Garrett S. Hoge is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Educational Background and Business Experience**

Garrett S. Hoge has successfully completed a Bachelors degree program at West Liberty University. Additional details follow:

Name: Garrett S. Hoge

Date of Birth: June 3, 1949

#### **Education:**

Penn State University and  
West Liberty University  
B.A. Pre-Law – 1971

#### **Certifications/Designations:**

Certified Financial Planner (CFP®)  
Master of Science (MS)  
Chartered Life Underwriter (CLU®)  
Chartered Financial Consultant (ChFC®)  
Holds Series 7, 6, 24, 51, 63, 65

**Five Year Business Background:**

1981 to Present – President & CEO - H Financial Management

Garrett S. Hoge is an investment advisor representative (IAR) of H Financial Management.

2009 to Present – H Financial Management – Garrett is a Registered Representative of Triad Advisors, Inc., Atlanta, Georgia. Triad is a registered broker/dealer member FINRA.

**Disciplinary Information**

A. Garrett S. Hoge has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.

B. Garrett S. Hoge has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

C. Garrett S. Hoge has never been the subject of a self-regulatory organization (SRO) proceeding.

D. Garrett S. Hoge has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

**Other Business Activities**

A. Garrett S. Hoge is actively involved as an insurance agent and offers insurance products that could produce commissions with regard to sales of insurance products.

**Additional Compensation**

Garrett S. Hoge receives no economic benefit from any non-client individuals for providing advisory services. However, commissions could be received by the sale of securities and insurance related products. If a commission will be made, the client will be informed through prospectus documents of the product as well as other disclosure forms that will evidence the compensation.

**Supervision**

Garrett S. Hoge is a registered principal at the office of supervisory jurisdiction (OSJ) at 400 Southpointe Blvd. Suite #420 Canonsburg, PA 15317 for Triad Advisors Inc. in Norcross, GA. Garrett's activities then are supervised by a registered principal at Triad Advisors in Norcross, GA.

## **Brochure Supplement (March 31, 2017)**

### **Advisor Representative:**

Clair L. Hawkins  
P.O. Box 695 / 256 High Street  
Morgantown, WV 26507  
(304) 292-6837

### **Company:**

H Financial Management  
P.O. Box 695 / 256 High Street  
Morgantown, WV 26507  
(304) 292-6837

This “Brochure Supplement” provides information about Clair L. Hawkins that supplements the information found in the H Financial Management Brochure. You should have already received a copy of that brochure. Please contact Clair L. Hawkins if you did not receive H Financial Management’s advisory firm brochure or if you have any questions about the contents of this supplement.

Additional information about Clair L. Hawkins is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Clair L. Hawkins has successfully completed a Bachelors degree program at West Virginia University. Additional details follow:

Name: Clair L. Hawkins

Date of Birth: February 4, 1945

Education:

West Virginia University  
Bachelor of Science in Business/Education

Certifications/Designations:

Chartered Life Underwriter (CLU®)  
Registered Financial Consultant (RFC®)  
Chartered Financial Consultant (ChFC®)  
Holds Series 1, 63

### **Five Year Business Background:**

1981 to Present – H Financial Management

Clair L. Hawkins is an investment advisor representative (IAR) of H Financial Management.

2009 to Present – H Financial Management – Clair is a Registered Representative of Triad Advisors, Inc., Atlanta, Georgia. Triad is a registered broker/dealer member FINRA.

**Disciplinary Information**

- A. Clair L. Hawkins has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.
- B. Clair L. Hawkins has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. Clair L. Hawkins has never been the subject of a self-regulatory organization (SRO) proceeding.
- D. Clair L. Hawkins has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

**Other Business Activities**

- A. Clair L. Hawkins is actively involved as an insurance agent and offers insurance products that could produce commissions with regard to sales of insurance products.
- B. Noumenon Corporation; investment related; 256 High Street Morgantown, WV 26505; Gas Wells; Limited Partner; 1982; 0 Hrs/Month; Not Compensated; No Duties
- C. Inner City Professional Realty, investment related; 240 High Street Morgantown, WV 26505; Rental Properties; Limited Partner; 1982; 0 Hrs/Month; Not Compensated; No Duties

**Additional Compensation**

Clair L. Hawkins receives no economic benefit from any non-client individuals for providing advisory services. However, commissions could be received by the sale of securities and insurance related products. If a commission will be made, the client will be informed through prospectus documents of the product as well as other disclosure forms that will evidence the compensation.

**Supervision**

Clair L. Hawkins is supervised by Garrett S. Hoge, a registered principal at the office of supervisory jurisdiction (OSJ) at 400 Southpointe Blvd. Suite #420 Canonsburg, PA 15317 for Triad Advisors Inc. in Norcross, GA.

## **Brochure Supplement** (March 31, 2017)

### **Advisor Representative:**

Jeffrey Karns  
400 Southpointe Blvd., #420  
Canonsburg, PA 15317  
(724) 745-9406

### **Company:**

H Financial Management  
400 Southpointe Blvd., #420  
Canonsburg, PA 15317  
(724) 745-9406

This “Brochure Supplement” provides information about Jeffrey Karns that supplements the information found in the H Financial Management Brochure. You should have already received a copy of that brochure. Please contact Jeffrey Karns if you did not receive H Financial Management’s advisory firm brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffrey Karns is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

Jeffrey Karns has successfully completed a Bachelors degree program at Westminster College.  
Jeffrey Karns has successfully completed a Master degree program at Clarion University of Pennsylvania.

Additional details follow:

Name: Jeffrey Karns

Date of Birth: February 7, 1978

#### **Education**

Westminster College - Bachelor of Science in Accounting  
Clarion University of Pennsylvania - Master of Business Administration

#### **Certifications/Designations:**

Holds Series 7 & 66

### **Five Year Business Background:**

2005 to 2012 – Ayco Company, LP  
2012 to Present – H Financial Management

Jeffrey A. Karns is an investment advisor representative (IAR) of H Financial Management.

2012 to Present – H Financial Management – Jeff is a Registered Representative of Triad Advisors, Inc., Atlanta, Georgia. Triad is a registered broker/dealer member FINRA.

**Disciplinary Information**

- A. Jeffrey Karns has not been the subject of a criminal or civil action in any domestic, foreign or military court of competent jurisdiction.
- B. Jeffrey Karns has never had an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C. Jeffrey Karns has never been the subject of a self-regulatory organization (SRO) proceeding.
- D. Jeffrey Karns has never been involved in any other proceeding in which a professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

**Other Business Activities**

- A. Jeffrey Karns is not actively engaged in any other investment-related business or occupation.

**Additional Compensation**

Jeffrey Karns receives no economic benefit from any non-client individuals for providing advisory services. However, commissions could be received by the sale of securities related products. If a commission will be made, the client will be informed through prospectus documents of the product as well as other disclosure forms that will evidence the compensation.

**Supervision**

Jeffrey Karns is supervised by Garrett S. Hoge, a registered principal at the office of supervisory jurisdiction (OSJ) at 400 Southpointe Blvd. Suite #420 Canonsburg, PA 15317 for Triad Advisors Inc. in Norcross, GA.

### *Explanation of Designations*

#### **Certified Financial Planner® (CFP®)**

Those with the CFP® designation have demonstrated competency in all areas of financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. The program is administered by the Certified Financial Planner Board of Standards Inc. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

A financial planner works with individuals to help them understand their options and make financial decisions suited to their personal financial situation and goals. Since, because of the nature of their work, a lot of trust is placed in these individuals, the CFP Board posts information on the financial planning process and current licensees, allowing clients of CFPs to verify if their financial planners' designations are in good standing.

#### **Chartered Life Underwriter (CLU®)**

For 85 years the CLU® has been the respected risk management credential for advisors. Designees have completed eight or more college-level courses representing an average study time of 400 hours. Topics for required courses include insurance and financial planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include such advanced topics as income taxes, group benefits, retirement planning, and health insurance. CLU® designees must meet experience and continuing education requirements and must adhere to a high ethical standard. The mark is awarded by The American College, a non-profit educator with the top level of academic accreditation.

#### **Chartered Financial Consultant (ChFC®)**

The ChFC® designation has been a mark of excellence for almost thirty years and currently requires nine college-level courses, the most of any financial planning credential. Average study time to earn the ChFC® exceeds 450 hours. Required courses cover extensive education and application training in financial planning, income taxation, investments, and estate and retirement planning. Additional electives are chosen from such topics as macroeconomics, financial decisions for retirement, and executive compensation. ChFC® designees must meet experience requirements and adhere to continuing education and ethical standards. The credential is awarded by The American College, a non-profit educator with an 85-year heritage and the highest level of academic accreditation.

#### **Registered Financial Consultant (RFC®)**

According to the IARFC, this designation is given to advisors who “meet and document seven stringent requirements of education, experience, examination, integrity, licensing, ethics and a significant amount of continuing professional education.” Candidates must pass an examination, and must complete 40 hours of continuing education per year.

#### **Masters of Science (MS)**

The Masters of Science is an advanced program offered through the College of Financial Planning. The Masters of Science (MS) is a graduate degree recognizing one of the highest levels of expertise in the industry today. The program focuses on real world, critical thinking, and problem-solving skills to better help clients preserve their wealth or plot a course for retirement.