



## **ADV Part 2A**

**HUNTLEIGH ADVISORS, INC.**

**TRADITIONAL ADVISORY SERVICE**

March 21, 2018

Huntleigh Advisors, Inc.

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St. Louis, MO 63105

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<http://huntleighadvisors.com/>

This brochure provides information about the qualifications and business practices of Huntleigh Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 314-236-8888 or [coconnell@oconnelllawfirm.com](mailto:coconnell@oconnelllawfirm.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.

Huntleigh Advisors, Inc. is a registered investment advisor. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Huntleigh Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Clients can search this website by using our name or by using a unique identification number known as a CRD number. The CRD number for Huntleigh Advisors, Inc. is 113412.

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## **SUMMARY OF MATERIAL CHANGES**

### ***Annual Update***

The United States Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" on July 28, 2010 which amends the rules associated with the disclosure documents that we provide to clients and prospective clients. This Brochure is prepared in accordance with the SEC's amended rules.

Following the amended SEC Rules, we will deliver to you within 120 days of the close of our firms fiscal year (December 31<sup>st</sup>) either:

1. a copy of the current (updated) Brochure that includes or is accompanied by the summary of material changes, or
2. a summary of material changes that includes an offer to provide a copy of the current (updated) Brochure.

Ongoing disclosure information about material changes and/or a new Brochure may be provided at any time as necessary based on revisions or updated information. These will be provided at no charge.

### ***Material Changes Since the Last Update***

This Section outlines specific material changes that have been made to the Brochure since our last annual update on March 24, 2017.

There have been no material changes since our last update.

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## **HUNTLEIGH ADVISORS, INC. TRADITIONAL ADVISORY SERVICE**

### ***Description of the Advisory Firm***

Established in 2001, Huntleigh Advisors, Inc. is an employee-owned advisory firm registered with the SEC pursuant to Section 203 of the Investment Advisers Act of 1940, as amended (the "Act"). Our principal place of business is located in St. Louis, Missouri with satellite offices across Metro St. Louis and southern Illinois.

As used in this Brochure, the words "we", "our" and "us" or "HAI" refer to Huntleigh Advisors, Inc. The words "you", "your", and "client" refer to you as either a client or prospective client of Huntleigh Advisors, Inc.

Our primary owners consist of Robert L. Chambers and Michael B. Rowan.

### ***Advisory Services***

Since our inception in 2001, Huntleigh Advisors, Inc. has employed a proprietary dynamic ranking model to identify current and potential market opportunities. We use a value-based management style that seeks to identify companies that will create shareholder value rather than destroy it. To this end, HAI employs a framework to calculate a true "economic profit" as opposed to the easily distorted, accounting profits that are reported. This, in turn, is employed in a Discounted Cash Flow Model to calculate our estimate of the "fair market value" of individual stocks. Huntleigh Advisors, Inc. believes that the markets are not always efficient, therefore it is possible to buy companies for less than their intrinsic value. Our investment objectives are to add value by building a diversified portfolio of attractively valued opportunities with a goal of preserving capital, producing absolute returns, and yielding consistent performance.

We provide investment management services on a discretionary or non-discretionary basis to high-net worth individuals, institutions, and not-for-profit organizations. Services may also be provided to additional clients as described in the section titled Types of Clients. Discretion means that we have permission to make investment decisions for your account without prior consultation with you, the client. While most services provided by HAI are discretionary, we also provide non-discretionary services. Please refer to the section titled Investment Discretion for additional information with regard to discretion.

Through personal discussions in which goals and objectives based on your particular circumstances are established, we develop your personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine your individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. We primarily invest client funds in the following securities: exchange-listed securities, securities traded over-the-counter, warrants, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, mutual fund shares, United States governmental securities, and options contracts on securities. Because some types of investments

involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Please refer to the section titled Methods of Analysis, Investment Strategies and Risk of Loss for a discussion of these securities and any additional types of securities that may be purchased in your account along with a discussion of the associated risks.

Although we retain investment discretion over your account as outlined in the section titled Investment Discretion, you have the right to impose reasonable restrictions or constraints regarding specific conditions or limitations on the types of investments to be made for your account. All such restrictions or constraints, and any modifications to existing restrictions or constraints, are to be agreed upon in writing. We reserve the right to reject or to terminate an account if we believe the restrictions or constraints imposed are not reasonable or prohibit effective management of the account. You should understand that the account restrictions or constraints may affect the performance of your account, either positively or negatively. Accounts with restrictions may result in performance dispersion due to security holdings and cash levels differing from other accounts in the same investment strategy. The portfolio manager works to maintain dispersion at a minimum among the accounts, and, therefore, accounts with restrictions may receive an allocation of a similar non-restricted security and/or may contain higher or lower cash levels than other accounts in the same strategy.

### ***Model Programs***

Model programs are professionally managed private investment accounts that are rebalanced regularly by our Portfolio Manager. Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Warrants
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **Huntleigh Advisors, Inc. Core Asset Managed Portfolios**

Huntleigh Advisors has five actively managed equity and fixed income portfolios. The program goal is to strategically select securities within the portfolio that management believes can outperform the portfolio's respective benchmark. The five portfolios offered are designed to meet a broad range of

client needs, from more aggressive equity portfolios to more conservative fixed income needs. Equities are selected based on quantitative modeling with a cash flow focus, qualitative analysis, technical analysis, and momentum indicators. In addition to the fees charged by Huntleigh Advisors, Inc., clients investing in these portfolios may pay additional custodial fees (e.g. postage and handling fees), markups, 12(b)-1 fees, brokerage commissions from our affiliated broker-dealer, transaction fees, transfer taxes, wire transfer and electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses. We encourage you share with us any questions or concerns about how these charges may or may not apply to your account. While Huntleigh Advisors utilizes model portfolios to manage customer accounts, all accounts are ultimately individually managed. Therefore, your specific account may contain differing investments and investment percentages than our model, or other customer accounts in the same portfolio group. A minimum of \$150,000 assets under management is required for this service. This account size may be negotiable under certain circumstances and a minimum fee may apply which would be reflected in the customer's contract.

### **Huntleigh Advisors ETF Managed Allocation Portfolios**

The ETF Allocation Program is an active allocation program managing Exchange Traded Funds in separately managed accounts. Huntleigh Advisors manages five ETF portfolios with varying equity, fixed income, and commodity allocations in order to meet a diverse set of client needs. The programs goal is to strategically allocate client funds into the sectors and indices that have the strongest upward price momentum as well as the use of proprietary quantitative value and cash flow models to point our portfolio management to specific sectors or indices they believe have greater potential than others. Clients investing in this program may pay fund management fees in addition the portfolio management fee. In addition to the fees charged by Huntleigh Advisors, Inc., clients investing in these portfolios will pay mutual fund or sub-account management fees inherent to the ETF products, and other fees and commissions charged by the broker-dealer and/or clearing firm. We encourage you share with us any questions or concerns about how these charges may or may not apply to your account. A minimum of \$40,000 assets under management is required for this service. This account size may be negotiable under certain circumstances and a minimum fee may apply which would be reflected in the customer's contract.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which the client's goals and objectives are established, we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities. While Huntleigh Advisors utilizes model portfolios to manage customer accounts, all accounts are ultimately individually managed. Therefore, your specific account may contain differing investments and investment percentages than our model, or other customer accounts in the same portfolio group.



**Individual Representative Management**

Some clients have requested that their individual representative of Huntleigh Advisors, Inc. manage their account, as opposed to using the model portfolio management discussed above. Representatives who manage clients' accounts outside of the model portfolios have the ability to set fee schedules and choose customized strategies that align with client needs and the client's risk questionnaire as part of the advisory contract. These representatives utilize company personnel for issuing trades, client billings, and may occasionally seek the advice of the Huntleigh Advisors, Inc. Portfolio Manager, but retain the ability to manage the client account on their own.

**Pension Consulting Services**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we may offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. We typically meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the Plan Sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written Investment Policy Statement (hereafter referred to as "IPS") detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance. We may provide input and assistance to the Plan Sponsor in developing and preparing an IPS for the plan. We typically review the Policy with the Plan Sponsor at least annually and will develop any necessary or appropriate changes. Pension Consulting Services are comprised of several distinct services. Clients may choose to use any or all of these services:

*1. Investment Management Services (ERISA 3(38))*

As Investment Manager, we may act as the Plan Sponsor's agent, with full power and authority to manage, acquire, or dispose of any asset of the Plan in accordance with the IPS, including the power and authority to add or delete core mutual funds, exchange-traded funds, target-date model portfolios or other commingled funds as investment options for participants as Huntleigh Advisors, Inc. shall believe to be in the best interest of the participants and their beneficiaries.

*2. Investment Advisory Services (ERISA 3(21))*

As Investment Advisor, Huntleigh Advisors, Inc. may, from time to time, review and analyze plan investment options and render investment advice to the Plan Sponsor, and may make recommendations to the Plan Sponsor regarding the mutual funds, exchange-traded funds, target-date model portfolios or other commingled funds available to participants as plan investment options in accordance with the IPS and in accordance with the "broad range" requirements of ERISA section 404(c). We may also assist the Plan Sponsor in identifying an investment fund intended to meet the definition of a "Qualified Default Investment Alternative ("QDIA") under ERISA. We may make other recommendations to the Plan Sponsor as we consider appropriate.

*3. Recordkeeper Selection*

We may assist the Plan Sponsor with the initial searching, quoting, and benchmarking recordkeepers, as well as make recommendations to the Plan Sponsor about recordkeeping

providers that meet servicing needs or conditions expressed by the Plan Sponsor. In addition, we may perform benchmarking and fee negotiation with recordkeepers from time to time as needed. These services may be performed as requested by the Plan Sponsor, or as deemed appropriate by our firm, which could be as frequent as annually but usually no less frequently as 3-5 years.

#### *4. Participant Education-Only Services*

As an education-only advisor, we may educate plan participants, through group and/or individual meetings, about plan features, investment options, and about how to enroll, change investment elections, change deferral elections, and elect beneficiaries.

#### *5. Participant Education and Advisory Services*

As a participant educator and participant advisor, we may educate plan participants, through group and/or individual meetings, about plan features, investment options, and about how to enroll, change investment elections, change deferral elections, and elect beneficiaries. In addition, participants may receive guidance related to incoming or outgoing rollovers and investment allocation. Sample allocations based on risk tolerance will be provided upon request using plan's existing core mutual funds and exchange-traded funds.

We may provide the following services as requested by the Plan Sponsor:

##### *Model Portfolios*

If the Plan's recordkeeping platform has the capabilities to handle model portfolios, we, at the Plan Sponsor's direction, may design and manage a series of model portfolios managed to a specific risk and reward profile or target year of planned retirement. The portfolios managed to a specific risk and reward profile, may invest in a combination of the plan's existing core mutual funds and exchange-traded funds. As time passes and the targeted retirement date nears and passes, the target date portfolios adjust to become more conservative. Each strategy invests in a combination of the Plan's existing core mutual funds representing a variety of asset classes and investment styles and seeks to provide the highest total return over time consistent with its asset mix. Each target date portfolio may be named for the year in which a participant retires or expects to retire, ranging in increments from 2020 to 2060. We may identify and recommend or select new, additional or replacement core mutual funds within the Model Portfolios.

##### *Investment Performance Monitoring and Evaluation Reports*

We may provide periodic performance reports for each core mutual fund option and Target-Date Model Portfolio selected for the Plan. These reports may include graphic and tabular presentations of performance, including comparisons to appropriate market indices and goals as stated in the Policy, as well as market cycle comparisons and risk/return analysis. The performance reports will be based upon information obtained from the mutual fund managers and from various commercially available mutual fund databases. Although this information is believed to be reliable and accurate, Huntleigh Advisors, Inc. does not independently verify this information nor guarantee its accuracy or validity except for that data that may be determined to be inaccurate in the normal scope of our duties and due diligence. Huntleigh Advisors, Inc. may identify and recommend new,

additional or replacement mutual funds as investment options under the Plan based upon the periodic performance reports.

*Ongoing Consulting and Various Other Services*

On an ongoing basis Huntleigh Advisors, Inc. may consult with the Plan Sponsor on matters related to plan design and other issues with respect to plan operation, and service providers. Additionally, we may consult with the Plan Sponsor on matters related to news and developments in capital and retirement markets and asset classes generally available from Huntleigh Advisors, Inc. or specifically prepared for the Plan Sponsor. Additional reports and services may be available as agreed to between Huntleigh Advisors, Inc. and the Plan Sponsor.

*Plan Sponsor Information*

The Plan Sponsor will provide Huntleigh Advisors, Inc. with all relevant information that may from time to time be requested. We may rely on this information without further verification. If the information previously provided is no longer accurate or complete, the Plan Sponsor agrees to notify Huntleigh Advisors, Inc. promptly about such change and to provide the updated information.

All information furnished to Huntleigh Advisors, Inc. will be treated by Huntleigh Advisors, Inc. as strictly confidential and will not be disclosed to any third party except as required by the Agreement or by applicable law.

*Reliance*

Huntleigh Advisors, Inc. acknowledges that the Plan Sponsor is relying on us to recommend the mutual funds for inclusion as Plan investment options from among those available through Plan's recordkeeper, and to assist the Plan Sponsor in selecting a recordkeeper supporting investment fund options suitable under the Policy.

Huntleigh Advisors, Inc. shall not be held responsible for any failure on the part of the Plan recordkeeper, the Plan Sponsor or any service provider to implement or exercise investment instructions received from a Plan participant.

*Fees*

For services rendered pursuant to the contract, the Plan pays to Huntleigh Advisors, Inc. the fees set forth in the advisory contract. The fees may be paid by the Plan or an ERISA Budget account at the Plan recordkeeper. In the event the Plan and the ERISA Budget account for the Plan do not fully satisfy the fee obligation, the Plan Sponsor will pay the remaining unpaid portion of the fees to Huntleigh Advisors, Inc.

*Selection of Investment Vehicles:*

We may assist Plan Sponsors in constructing appropriate asset allocation models. We may then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended may be determined by the client, based on the IPS.

**Monitoring of Investment Performance:**

We may monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we may supervise the client's portfolio and make recommendations to the client as market factors and the client's needs dictate.

**Employee Communications:**

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

**Assets Under Management**

As of 12/31/2017, Huntleigh Advisors, Inc. has the following assets under management:

Discretionary Amount	\$230,653,342
Non-Discretionary Amount	\$11,073,454
Total Amount	\$241,726,796

**FEES AND COMPENSATION**

Approximately 100% of our revenue is generated from advisory fees. Our advisory fees are based on a percentage of assets under management and do not include costs that may be charged by your custodian, broker-dealer, and/or other third party managers. Additional costs can include custodial fees (e.g. postage and handling fees), markups, 12(b)-1 fees brokerage commissions, transaction fees, transfer taxes, wire transfer and electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses.

Although Huntleigh Advisors, Inc. has established the below-mentioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. The fee you are actually charged will be set forth in your advisory contract. Certain factors are considered when negotiating advisory fees, such as: strategy, asset size of the account, complexity of the client, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the advisor and each client.

### **Typical Fee Schedules for HAI Managed Model Portfolios**

<b>Strategy</b>	<b>Annual Management Fee</b>
Equity Only	1.50% on the first \$500 thousand in assets 1.25% on the next \$500 thousand in assets 1.00% on the remainder in assets  <i>*(a minimum management fee of \$400 annualized or \$100 per quarter may apply; please refer to your contract)</i> <i>Because fees may be negotiated separately, your fee may differ from this schedule and/or may differ from other customers.</i>
Equity Rising Dividend	
Equity Balanced	
Balanced	
Income	
Fixed Income	
MAP Long-term Growth	
MAP Moderate Growth	
MAP Growth & Income	
MAP Conservative Growth & Income	
MAP Income	

*Fees are billed in a tiered manner. Example: For \$600,000 in Assets with a 1.5%, 1.25% schedule; the first \$500,000 would be billed at 1.5% annually and the next \$100,000 would be billed at 1.25% annually.*

Advisory fees are billed quarterly in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value) on the last day of the previous quarter. Annual advisory fees are generally calculated quarterly (unless otherwise specified in the Client Services Agreement), and, therefore, the annual advisory fee is divided by four. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. Other paying arrangements may be negotiated upon client request in certain cases. Execution and clearing charges are paid by Huntleigh Advisors to the firm responsible for clearing the trade. Huntleigh Advisors does not directly participate in commission or execution charges. Fees may be subject to change with advanced notice.

Advisory fees may be pro-rated under the following circumstances: new accounts arriving in the middle of a quarter, substantial additions to, or withdrawals from, the account during a quarter. Related client accounts may be aggregated for the purposes of achieving the minimum account size and determining the annualized fees. A minimum management fee may be charged, and will be reflected in the customer's contract. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

#### **General Information**

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to the other party. Upon termination of the advisory relationship, a customer may request in writing that any prepaid, unearned fees be refunded. In calculating a client's reimbursement of fees, we will pro-rate the reimbursement according to the number of days remaining in the billing period.

**Mutual Fund Fees:** All fees paid to Huntleigh Advisors, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders.

These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, postage & transaction charges, markups, 12(b)-1 fees, brokerage commissions, transaction fees, transfer taxes, wire transfer and electronic fund fees and other miscellaneous fees and taxes on brokerage accounts and securities transactions and other related costs and expenses imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section below for additional information.

**Grandfathering of Minimum Account Requirements:** Pre-existing advisory clients are subject to Huntleigh Advisors, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

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

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

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

## ***Payment of Fees***

As previously outlined under Fee Schedules, fees are billed quarterly in advance and are calculated based on the value of the account as of the last day of the previous quarter. By signing the advisory contract, the client authorizes the account custodian, at the direction of Huntleigh Advisors, Inc., to automatically withdraw all applicable advisory fees charged to the client under their Agreement. These fees will be withdrawn directly from the client's managed account(s). This authorization will remain in

effect until revoked in writing or until the Investment Advisor Agreement is terminated. Other paying arrangements may be negotiated upon client request in certain cases.

The total amount of management fees that has been deducted from the client's account per quarter is detailed in statements provided to the client by our custodian; therefore, invoices are not generally mailed out. Custodians do not confirm the accuracy of our management fee calculation and we encourage the client to review the statement for accuracy and to contact us with any questions.

### ***Pre-Payment of Fees***

As outlined previously, we collect management fees in advance. For more detailed information, please refer to the *Fee Schedules* section of this brochure.

- A pro-rata fee is charged to new accounts based upon the days under management for the quarter and on the initial assets in the account.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice to the other party. Upon termination of the advisory relationship, a customer may request in writing that any prepaid, unearned fees be refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

### ***Clients Are Responsible for Third Party Fees***

Clients are responsible for the payment of all third party fees such as custodian fees, brokerage fees, transaction fees, etc. Those fees are separate from the fees and expenses we charge. For additional information, please refer to the *Additional Fees and Expenses* section under the *Payment of Fees* header of this Brochure.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Huntleigh Advisors, Inc. does not charge performance-based fees.

## **TYPES OF CLIENTS**

We provide advisory services, largely on a discretionary basis, to the following types of clients:

- High net worth individuals
- Individuals (other than high net worth individuals)
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations, Trusts, and Estates
- Corporations or other business not listed above

Our firm has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements,

please review the disclosures provided in each applicable service in the Model Programs section of this Brochure.

Before an account can be opened, you will be asked to sign an advisory agreement. The advisory agreement outlines the services, strategies, and fees charged. By signing this agreement you grant Huntleigh Advisors, Inc. discretionary authority over your account which allows us to invest and reinvest your account assets in securities and amounts of such securities to be purchases or sold without prior consultation with you. Unless otherwise directed by the customer in writing, Huntleigh Advisors, Inc. will select and/or recommend which broker-dealer to use without prior consultation with the customer.

Within the advisory agreement, you will be asked to provide us with additional details and information with regards to you and your account as well as to fill out a risk questionnaire based on your personal investment goals. You have the option to place reasonable restrictions on your account which can be added to your advisory agreement. For example, a routine restriction is one that prevents us from purchasing or selling certain companies in a client's account. Any client may reasonably specify in the advisory agreement or otherwise instruct us regarding specific limitations on purchasing or selling certain holdings.

Further, upon opening an account and in compliance with our anti-money laundering policy, we will ask you to provide certain identifying documentation such as government issued identification, articles of incorporation, partnership agreement or trust instruments.

### ***Anti-Money Laundering Policy***

To assist the government in fighting the funding of money laundering activities, the USA Patriot Act and Federal law requires financial institutions to obtain, verify, and record information identifying each person who opens an account. In support of these anti-money laundering measures we will ask you for information and documentation that will allow us to verify your identity prior to opening an account with us. Please be aware that we may not be able to open an account in your name until the needed documentation has been provided or we have verified your identity.

The USA Patriot Act also mandates the maintenance of records and occasional update of identity verification. We are aware of the seriousness of safeguarding our clients' personal information and have taken steps in accordance with our *Privacy Policy* to maintain confidentiality.

### ***Privacy Policy***

Please refer to Exhibit A at the end of this Brochure for our *Privacy Policy*.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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



## ***Methods of Analysis***

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions.

We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### ***Investment Strategies***

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

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

### ***Material Risks Involved***

Past performance does not guarantee future results. The client should be aware that investing in securities involves risk of loss that the client should be prepared to take.

**Management Risk:** We cannot guarantee the securities we purchase will perform as we have anticipated. Our decision making / securities selection process or intrinsic value calculations could be inaccurate. If our strategies do not perform as anticipated, a customer's investment could suffer loss, including the loss of the principal invested.

**Equity Market Risk:** Risks inherent to the stock market itself may affect the value of the securities held in customer accounts, causing their value to fluctuate up and down, sometimes rapidly. These fluctuations can sometimes cause a security's value to fall below the price where it was purchased. Market risk can affect a single security, an industry, a whole sector or even the entire stock market. Stock markets can be affected by things such as economic growth and market conditions, interest rates, and political events.

**Undervalued Stocks Risk:** Undervalued stocks can react differently to issuer, political, market and economic developments than the market as a whole and other types of stocks. Undervalued stocks tend to be inexpensive relative to their earnings or assets compared to other types of stock. However, these stocks can continue to be inexpensive for long periods of time and may not realize their full economic value.

**Micro, Small and Mid Cap Company Risk:** Investments in micro, small and midcap companies may be riskier than investments in larger, more established companies. The securities of these companies may trade less frequently and in smaller volumes than securities of larger companies. In addition, micro, small and mid cap companies may be more vulnerable to economic, market and industry changes.

### ***Risks of Specific Securities Utilized***

Common stock, a class of security representing equity ownership in a corporation, is regularly purchased for client accounts. Those who hold common stock have the right to collect dividend and elect directors. Bondholder claims, preferred stockholders and general creditors all come before common stock claims.

We may purchase equity securities which are "restricted" within the meaning of Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), or whose sale is otherwise limited. Unless these limitations are eliminated by registration of a sale transaction under the Securities Act or the availability of an exemption from the registration requirement, the price at which sale transactions are executed may be different than the market price of the same securities whose sale is not restricted.

We may purchase equity securities which are "restricted" within the meaning of Rule 144A under the Securities Act which provides a safe harbor exemption from certain registration requirements and which allows resale of such securities to qualified institutional buyers, under certain conditions.

Master Limited Partnerships ("MLP") may occasionally be purchased for client accounts. Investing in MLP securities involves risks that differ from a similar investment in equity securities, such a common stock, of a corporation. Those who hold MLP units have rights generally given to limited partners in a limited partnership. In comparison to common shareholders of a corporation, holders of MLP units have more limited control and limited rights to vote on matters affecting the partnership. There are certain tax risks are associated with an investment in MLP units.

We may invest in exchange-traded funds ("ETFs"), ordinarily in our M.A.P. strategies. ETFs consist of a group of stocks that track a specific index. The market value of an ETF, prior to the deduction of its expenses, tracks the movement of the associated index rather closely. ETFs charge their own management fee and other expenses that come directly out of the funds returns. In addition to the ETF's management fee and other expenses, a commission on each purchase or sale may be charged by the executing broker-dealer. The principal risks involved with ETFs include the risk that the equity

securities in an ETF will decline in value due to factors affecting the issuing companies, their industries, or the equity markets generally.

A security may be frequently traded in a strategy as decided by the portfolio manager. Frequent trading of securities can affect investment performance, particularly through increased brokerage commissions and taxes. Frequently traded securities may cause a client's account to have a high turnover rate along with the potential for high volatility and increased transaction costs. Due to the differences in investment styles of the various strategies, portfolio turnover rates for some strategies may be greater than others.

We may invest in real estate investment trusts ("REITs"). Risks associated with REITs include, but are not necessarily limited to: (1) real estate industry risk which is the risk that the REIT share prices will decline because of adverse developments affecting the real estate industry and real property values; real estate values can be affected by a variety of factors, including supply and demand for properties, the economic health of the country or of different regions, and the strength of specific industries that rent properties; (2) investment style risk which is the risk that returns from REITs, which typically are small or medium capitalization stocks, will trail returns from the overall stock market; (3) interest rate risk which is the risk that changes in the interest rates may hurt real estate values or make REIT shares less attractive than other income-producing investments.

## **DISCIPLINARY HISTORY**

We are required to disclose in this Brochure any legal or disciplinary events that have occurred in the last ten (10) years that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

We do not have legal or disciplinary information to disclose.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### ***Registration as a Broker-Dealer or Broker-Dealer Representative***

We are not registered as a securities broker-dealer. Our Affiliated broker-dealers are Huntleigh Securities Corporation and K.W. Chambers & Co. Please see the Conflict of Interests section below for more information regarding conflicts which may exist between these organizations.

### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor***

We are not registered as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

***Conflicts of Interest / Relationships Material to this Advisory Business***

Huntleigh Advisors, Inc. ("Huntleigh Advisors") is affiliated with Huntleigh Securities Corporation through common ownership. Currently, Huntleigh Advisors uses Huntleigh Securities Corporation as the broker-dealer for placing its trades for its customers. This can create a conflict of interest where Huntleigh Advisors has an incentive to continue using Huntleigh Securities Corporation as the broker-dealer for placing its trades for its customers. Furthermore, because Huntleigh Securities Corporation has minimum monthly clearing charges in its contract with its clearing company, Wells Fargo Clearing Services, LLC ("First Clearing"), Huntleigh Advisors may be incented to conduct more frequent transactions to ensure that Huntleigh Securities Corporation meets its minimum monthly clearing charges.

Also, Huntleigh Advisors, Inc. is under common control with K.W. Chambers & Co. and Datatex Investment Services, Inc., in addition to Huntleigh Securities Corporation. Representatives of Huntleigh Advisors may also be licensed with K.W. Chambers & Co., as well as Huntleigh Advisors, Inc. and Huntleigh Securities Corporation. Therefore, a representative on a particular Huntleigh Advisors account may also be the representative on that customer's account held with the affiliated broker-dealer (K.W. Chambers or Huntleigh Securities Corporation). As explained in this brochure, in addition to advisory fees paid by the customer to Huntleigh Advisors, the affiliated broker-dealer may also charge commissions, fees, mark-ups, or other charges customary in the industry. In such a case, the representative could earn both a portion of the advisory fee charged by Huntleigh Advisors, and a portion of the fees, etc. charged by the broker-dealer.

This affiliation could therefore create a conflict of interest wherein the advisor representative on the account may have an incentive to purchase securities for the customer which would pay the representative additional money from the broker-dealer. While we monitor this relationship very closely and hold all our representatives to a strict code of ethics to help ensure the customers' interests are preserved above all others, it is important that the customer understands this relationship. We believe that the affiliated nature of these companies helps the client obtain the best overall execution for securities transactions, but if any customer has any questions or concerns about how these issues affect his/her account, or if the customer wishes to confidentially discuss these issues with a supervisor, he/she may directly contact the Chief Compliance Officer, Christopher C. O'Connell, at 314-236-8888.

Management personnel of Huntleigh Advisors, Inc. are separately licensed as registered representatives of K.W. Chambers & Co., and/or Huntleigh Securities Corporation, affiliated broker-dealers. Solicitors and registered advisor representatives may also be separately licensed as registered representatives of K.W. Chambers & Co., and/or Huntleigh Securities Corporation. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation. While Huntleigh Advisors, Inc. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Members of our firm's management and the firm's solicitors and/or registered advisor representatives may also be separately licensed as an investment advisor representative of Datatex Investment Services, Inc., an affiliated Registered Investment Advisor. In that capacity, these individuals provide advisory services through Datatex Investment Services, Inc. The advisory services delivered by Datatex

Investment Services, Inc. are distinct from those provided by our firm and are provided for separate compensation. Datatex Investment Services, Inc.'s advisory services may be recommended to our clients for whom it is appropriate.

However, a conflict of interest is created by this arrangement to the extent that these individuals may recommend that a Datatex Investment Services, Inc. client open a Huntleigh Advisors, Inc. account (or vice-versa) through which this individual will receive additional compensation. No Datatex Investment Services, Inc. client is obligated to use Huntleigh Advisors, Inc. or its services. No Huntleigh Advisors, Inc. client is obligated to use Datatex Investment Services, Inc. Clients choosing to implement Datatex Investment Services, Inc.'s recommendations through Huntleigh Advisors Inc.'s advisory services should refer to Huntleigh Advisors, Inc.'s Firm Brochure or other disclosure document for details regarding that our services and fees.

We may occasionally trade the same or similar securities in client portfolios that are traded by Datatex Investment Services, Inc. in its client portfolios. When this occurs, our clients may receive a better or worse price or execution than us, depending on the order of trade execution, the type of security traded and the broker-dealer used. In order to minimize the potential for any systematic disadvantage to clients; when trades are placed in the same security on the same day for both our clients and Datatex Investment Services, Inc.'s clients (whose portfolios are within the control of these representatives registered with both companies), we will seek to rotate the order of execution, or aggregate the trade so that all same-day trades in the same security receive the same price.

As required, any affiliated investment advisors are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure) In addition, the management persons and other employees of Huntleigh Advisors, Inc. are: (1) management persons and registered representatives of affiliated FINRA member broker-dealers; and, (2) management persons or advisor representatives of, an affiliated registered investment advisor. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for our advisory clients, for which these representatives will receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

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

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;



- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having reasonable and independent basis for the investment advice provided to a clients.

St. Louis Bancshares, Inc.: Robert L. Chambers is the majority shareholder of Datatex Investment Services, Inc., K.W. Chambers & Co., and Huntleigh Advisors, Inc. He is also the largest shareholder of Huntleigh Securities Corporation. Also, Robert L. Chambers is the chairman of the board of directors of St. Louis Bancshares, Inc. (St. Louis Bank), a local banking institution. All of the Affiliated Companies permit customers (if eligible) to invest in, and own shares of St. Louis Bank. Such shares may or may not be held with the Affiliated Companies. Customers should be aware that this can create a conflict of interest where Huntleigh Advisors, Inc. and/or other companies owned by Mr. Chambers, may favor customers who also own stock in St. Louis Bank / St. Louis Bancshares. Also, Mr. Chambers would benefit personally from sales of St. Louis Bank Stock, or additional investments in St. Louis Bank/St. Louis Bancshares, Inc. While we monitor this relationship closely and hold all our representatives (including Robert L. Chambers) to a strict code of ethics to help ensure the client's interests are preserved above all others, it is important that the client understands this relationship. If any client has any questions or concerns about how these issues affect his/her account, or if the client wishes to confidentially discuss this issues with a supervisor, he/she may directly contact the Chief Compliance Officer, Christopher C. O'Connell, at 314-236-8888.

### ***Selection of Other Advisors or Managers and How This Advisor is Compensated for Those Selections***

We do not select or advise our clients regarding other advisors or third party managers. We manage all client assets entrusted to us.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### ***Code of Ethics***

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

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



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

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [coconnell@oconnelllawfirm.com](mailto:coconnell@oconnelllawfirm.com), or by calling us at 314-236-8888.

Huntleigh Advisors, Inc. or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

Huntleigh Advisors, Inc. may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

An agency cross transaction is a transaction where our firm acts as an investment advisor in relation to a transaction in which Huntleigh Advisors, Inc. or any person controlled by or under common control with our firm, acts as broker for both the advisory client and for another person on the other side of the transaction.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

### ***Investing in the Same Securities as Clients***

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

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

***Trading Securities At or About the Same Time As Clients***

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

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

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, investment advisor representatives of another registered investment advisor, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **BROKERAGE PRACTICES**

For discretionary clients, Huntleigh Advisors, Inc. requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Huntleigh Advisors, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Huntleigh Advisors, Inc. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Huntleigh Advisors, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Huntleigh Advisors, Inc.'s block trading policy and procedures are as follows:

1. Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Huntleigh Advisors, Inc., or our firm's order allocation policy.
2. The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
3. The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Huntleigh Advisors, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
4. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
5. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

6. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
7. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
8. Huntleigh Advisors, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
9. Funds and securities for aggregated orders are clearly identified on Huntleigh Advisors, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
10. No client or account will be favored over another.

## **REVIEW OF ACCOUNTS**

### ***Frequency and Nature of Reviews***

It is the responsibility of our client to notify us of any changes to your investment objectives and/or financial situation. We suggest that you review your investment objectives and account performance with us on an annual basis.

Our portfolio manager is responsible for creating and maintaining the investment plan of our strategies as well as the day-to-day supervision of your account and the review of the securities held in our managed strategies. On a weekly basis our portfolio committee meets to discuss and review matters such as diversification, portfolio composition, performance, and factors related to portfolio benchmarks. Account reviews are constructed to ensure that activity for client accounts are in alignment with each client's specific investment objectives as outlined in the client's advisory agreement. During an account review clients can expect to go over their specific guidelines and performance of their account. The overall performance of each strategy is reviewed on a monthly/quarterly basis.

### ***Content and Frequency of Regular Reports Provided to Clients***

The type and frequency of reports are decided based on the specific needs of each client. We will provide reports if requested. Reports will generally consist of, but are not limited to, an appraisal of the client's account inclusive of current holdings with corresponding market value and percentage of each holding in relation to the total account, portfolio summary displaying the asset allocation of the client's account, and account performance for selected periods. Additional reports may be added and/or reports removed depending on the nature of the account.

You should receive your account statement from our broker-dealer, Huntleigh Securities Corporation, on a monthly basis. These statements are considered to be the actual books and records of your account and should be reviewed carefully.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

### ***Economic Benefits Provided by Third Parties for Advice Rendered To Clients***

Our revenues are derived from advisory fees. Our employees may at times give or receive gifts from clients, broker-dealers, and other unaffiliated third parties. Further, our employees may host a client, broker-dealer, and/or other unaffiliated third party or be the recipient of entertainment provided by a client, broker-dealer, and/or other unaffiliated third party. It is Huntleigh Advisors, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, directly or indirectly from any third party as an incentive for providing advice to our clients.

### ***Compensation to Non-Advisory Personnel for Client Referrals***

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

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

## **CUSTODY**

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

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. A copy of this statement will either be mailed or emailed to the client, depending on the preferences the client has set up. Additionally, if the client has set up online access, they will be able to access their monthly statements in an on-demand manner.

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

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

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

## **INVESTMENT DISCRETION**

Clients may hire us to provide discretionary asset management services, in which we make decisions without consulting you first, regarding buying or selling of securities, the amount of securities to buy or sell, or which broker-dealer to use, subject to reasonable investment objectives and guidelines that were previously established in the advisory agreement at the time of account inception. Clients give us discretionary authority when they sign a discretionary agreement within in the advisory agreement, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions. The advisory agreement allows us authorization to provide instructions regarding the investment decisions for the purchase, sale, conversion, redemption, exchange or retention of any security, cash, or cash equivalent or other investment for your account.

## **VOTING CLIENT SECURITIES**

### ***Clients That Provide Proxy Voting Authority to Huntleigh Advisors, Inc.***

We vote proxies, or abstain from voting, for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account. We will vote or refrain from voting proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will use a third party in order to cast and retain records of various proxy votes. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote. Clients may obtain a copy of our complete proxy voting policies and procedures by contacting our chief compliance officer by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client. We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the Plan Sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact our Chief Compliance Officer by telephone, email, or in writing. You can instruct us to vote a proxy according to particular criteria (for example, to vote with management, or to vote for or against a

proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting us at 314-236-8837.

### ***Clients That Retain Proxy Voting Authority***

If you do not grant us proxy voting authority, you may receive proxies and other solicitations directly from the custodian or a transfer agent. Typically, we do not provide advice on proxy voting issues when a client retains proxy voting authority.

### ***Class Action Lawsuits***

We may occasionally receive notifications that securities held in your account are the subject of a class action lawsuit. We contract with a third-party, Broadridge, to handle such cases. Accounts are reviewed on a semi-annual basis where potential class action lawsuits are identified and addressed by Broadridge. Any payment distributions will be sent directly to the account holder's address on file. We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

## **FINANCIAL INFORMATION**

### ***Balance Sheet***

We do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered; therefore, we are not required to include a financial statement.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

At this time we are not aware of, nor do we foresee any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. Huntleigh Advisors, Inc. has no additional financial circumstances to report.

### ***Bankruptcy Petitions in Previous Ten Years***

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

## **EXHIBITS**

### ***Exhibit A: Privacy Notice***

**HUNTLEIGH ADVISORS, INC.**  
**(and Affiliated Companies\*)**  
**PRIVACY POLICY STATEMENT**

At Huntleigh Advisors, Inc., we understand that confidentiality and trust are key elements of any financial relationship. Because you have entrusted us with your personal information, including your financial situation and goals, we make safeguarding that information and protecting your privacy a top priority.

We are providing this Privacy Statement to you in accordance with legislation requiring financial firms to disclose their processes for obtaining, using, and protecting customer information. You will receive a copy of our Privacy Policy on an annual basis, and this policy may also be found on our affiliate's website, at [www.hntlgh.com](http://www.hntlgh.com).

**Huntleigh Advisors, Inc. does not sell your personal information to anyone.**

**Collection of Information:** Nonpublic personal information includes much of the information you provide to us and the related information about your transactions and your account(s) at Huntleigh. Examples of nonpublic personal information include the information you provide on the new account form, your account balance or transactional history, and the fact that you are a customer of Huntleigh Advisors, Inc.

We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms
- Information about your transactions with us or our affiliates
- Information about your transactions with nonaffiliated third parties, such as providers of mutual funds, annuities, insurance and other investments offered through Huntleigh or its affiliates
- Information we may collect from other nonaffiliated third parties, such as marketing research firms
- Information we may receive from a consumer reporting agency

**Disclosure of Information:** We do not disclose any personal information about our customers or former customers to anyone, except as required or permitted by law, or upon your written consent. In the course of providing securities services, we may disclose the information we collect to our affiliates or to companies which perform services on our behalf, such as account administration, transaction processing, marketing services, and processing and delivery of account statements and other documents, or to other financial institutions with whom we have joint marketing agreements.

**Security of Information:** We restrict access to your nonpublic personal information to personnel who are necessary or appropriate to provide products or services to you. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

**Right to Opt Out:** Huntleigh Advisors, Inc. does not currently disclose nonpublic personal information of its customers to nonaffiliated third parties, except as described above. If, in the future, this policy changes, you will be notified and given an opportunity to opt out of having this information shared.

If you have questions about our privacy policy, please contact your Financial Advisor, or our Customer Service Department, at (314) 236-2400 or (800) 727-5405.

Thank you for your continued trust and confidence in Huntleigh Advisors, Inc.

*\*As of March 2018, Huntleigh Advisors, Inc.'s affiliated companies are: Huntleigh Securities Corporation, K.W. Chambers & Co., and Datatex Investment Services, Inc.*