

Item 1 - Cover Page



SENSENIG CAPITAL ADVISORS, INC.

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www.sensenigcapital.com

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This brochure provides information about the qualifications and business practices of Sensenig Capital Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (610) 584-9700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sensenig Capital Advisors, Inc. is also available on the Internet at www.adviserinfo.sec.gov. You can view information on this website by searching for Sensenig Capital Advisors, Inc.'s name or by using its CRD number: 142821.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

Since Sensenig Capital Advisors, Inc. filed its last annual amendment, the following material changes to firm business have occurred:

- In April 2012, the firm moved from SEC registration to state registration as a result of the new rules issued pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act. These new rules shifted primary responsibility for advisors with less than \$100 million in assets under management to states rather than the SEC.
- The firm's asset management services are no longer offered to clients as a stand-alone advisory service, although it will continue to service accounts for existing clients under their current client agreements. Instead, as of January 2012, the firm began offering a new wealth management service that incorporates asset management services with assistance in other areas such as income planning, college planning, retirement planning, risk management counsel, estate planning, etc.
- Also in January 2012, the firm began offering consulting services for hourly fees and pension consulting services for a percentage of benefit plan assets.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Clients and prospective clients can always receive the most current Disclosure Brochure for Sensenig Capital Advisors, Inc. at any time by contacting Jeremy C. Brenn at (610) 584-9700.

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Item 4 – Advisory Business

Ownership

Sensenig Capital Advisors, Inc. (“Advisor” or “we”) is an investment advisor registered with the Securities and Exchange Commission from February 2007 to April 2012 and with its home state of Pennsylvania (and other states, as applicable) since April 2012. We are a corporation formed under the laws of the State of Pennsylvania. Carl B. Sensenig is the sole owner of Advisor.

General Description of Primary Advisory Services

We offer personalized investment advisory services including wealth management services, asset management services (for existing clients only) and consulting services. The following are brief descriptions of our primary services. A detailed description is provided in *Item 5, Fees and Compensation*, so that clients and prospective clients (“clients” or “you”) can review the services and description of fees more thoroughly.

Wealth Management Services

Our wealth management services combine asset management services with additional services that may be needed based on a client’s unique circumstances and needs. This service is available to both new and existing clients.

We also provide asset management services that include continuous and on-going supervision over client accounts. This means that we continuously monitor their account and make trades in that account when necessary. New clients are not eligible to contract for this stand-alone service but Advisor continues to service clients with existing management accounts.

Consulting Services

We offer consultations on any topic of interest to clients, and these consultations can last for a single meeting or involve several meetings.

Pension Consulting Services

We offer pension consulting services to benefit plan sponsors and to individual participants in benefit plans.

Limits Advice to Certain Types of Investments

We generally provide investment advice on the following types of investments:

- 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 government securities

Although we generally limit our advice to the investment products listed previously, we reserve the right to offer advice on any product that may be suitable for each client’s specific circumstances, needs, goals and objectives. Please refer to **Item 8, Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

Tailor Advisor Services to Individual Needs of Clients

Our services are always provided based on your specific needs. You are given the ability to impose restrictions on your accounts, including specific investment selections and sectors. However, we will not enter into an investment advisor relationship with you if your investment objectives may be considered incompatible with our investment philosophy or strategies or where you seek to impose unduly restrictive investment guidelines.

Wrap-Fee Program versus Portfolio Management Program

In traditional management programs, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. In wrap-fee programs, advisory services and transaction services are provided for one fee. We do not act as a portfolio manager of or sponsor wrap fee programs.

Client Assets Managed by Advisor

The amount of clients assets managed by Advisor totaled \$39,200,000 as of December 31, 2011, with \$14,800,000 managed on a discretionary basis and \$24,400,000 managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4, Advisory Business*, this section provides details regarding our services, fees and compensation arrangements.

Wealth Management Services

Advisor's wealth management services combine asset management services with additional services that may be needed based on your unique circumstances and needs. These additional services can include, but are not limited to, income planning, college planning, retirement planning, risk management counsel, estate planning, establishment of and counsel on retirement plans, assistance with assets outside our direct management and document aggregation services.

We offer a customized and individualized investment program providing you with advice regarding various asset classes, ongoing assistance with evaluating and selecting investments, adjusting and rebalancing portfolios. We work with you to help determine your specific investment objectives. These objectives may be set forth in a written Investment Policy Statement that describes an asset allocation model conforming to your risk tolerance level and expected rate of return requirements. Investment and portfolio allocation software may be used to evaluate alternative portfolio designs. We evaluate your existing investments with respect to your investment policy statement and work with you to develop a plan to transition from your existing portfolio to a portfolio recommended by us. Our advice may include recommendations on any investments held by you at the start of the advisory relationship.

We require that your assets be maintained in a brokerage account with Charles Schwab Institutional, a division of Charles Schwab & Co., Inc. (Schwab), a registered broker/dealer and member SIPC. See *Item 12, Brokerage Practices*, for additional discussion on our use of Schwab. We assist you in establishing an account through Schwab. There is no minimum account value required to establish or maintain a wealth management account. Schwab maintains custody of your funds and securities. We do not act as custodian and we do not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.

In providing asset management services, we have trading authorization on your account and provide the management services on a discretionary basis only. See *Item 16, Investment Discretion*, for additional discussion on discretionary and non-discretionary authority.

When providing both asset management and additional wealth management services, we rely on information provided by you. Therefore, it is very important that the information you provide is complete and accurate. We are not responsible for verifying the information supplied by you. Our services do not include legal or tax advice. You are urged to work closely with your attorney, accountant or other professionals regarding your financial and personal situation. We may also consult with attorneys, accountants or other professional consultants when providing services, including your own personal professional consultants. In no event are the services of any professional consultant engaged without your express approval. You are responsible for all fees of the professional consultants.

We charge for wealth management services based on a percentage of assets under management. Fees are billed quarterly in arrears and calculated based on the fair market value of the account as of the end of the preceding quarter as follows:

| <u>Portfolio Value</u> | <u>Annual Fee</u> |
|------------------------|-------------------|
| First \$500,000 | 1.00% |
| Next \$500,000 | 0.80% |
| Next \$1,000,000 | 0.70% |
| Next \$1,000,000 | 0.50% |
| Next \$2,000,000 | 0.40% |
| Above \$5,000,000 | 0.30% |

Fees are negotiable based on the complexity of your situation, the composition of your account assets and your relationship and history with us. You can “aggregate” or “bundle” your household accounts to reach a higher portfolio value and, therefore, a lower fee. There is a minimum annual fee of \$5,000.

If an agreement for services is executed mid-period, the initial fee is prorated based on the number of days services are provided during the first billing period. In addition, if you make additions or withdrawals to your account during a billing period that results in an increase or decrease to the quarterly fee of \$50 or more, we make an adjustment to your fee at the end of the billing period. This fee adjustment is procedurally handled similar to your other advisory fees (i.e., deducted from your account or per a billing notice).

At your option, fees can be billed directly to you or automatically deducted from your account and paid directly to us by Schwab. If fees are billed directly, they are due upon receipt of our billing statement. If fees are deducted from an account, you are required to provide Schwab with written authorization to have the fees deducted from the account and paid directly to us. If fees are deducted from an account, we send a billing statement to you at approximately the same time we send one to Schwab. The billing statement shows the amount to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any such adjustments. At least quarterly, you receive an account statement from Schwab detailing transactions in your account, including advisory fees charged. You should review the account statements received from Schwab and verify that appropriate advisory fees are being deducted.

Schwab generally does not charge separately for maintaining custody of your accounts, but may charge brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account, including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IAR and qualified retirement plan fees. Our fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each security prospectus.

Either of us can terminate services at any time by providing written notice to the other party. Termination is effective upon receipt of the notice. If services are terminated, we charge a prorated fee based on the number of days that services were provided prior to receiving the termination notice.

Asset Management Services

NOTE: The following service is no longer offered and new clients are not eligible to contract for it. Advisor will continue to service clients with existing asset management agreements. New clients can contract for our wealth management services. Existing management clients can terminate their current asset management agreements and contract for wealth management services instead.

Our asset management services include giving continuous investment advice and/or making investments for you based on your individual needs, goals and objectives. Our customized and individualized investment program provides you with advice regarding various asset classes, ongoing assistance with evaluating and selecting investments, adjusting and rebalancing portfolios. We have trading authorization on your accounts and provide management services on a discretionary basis only. See *Item 16, Investment Discretion*, for additional discussion on discretionary authority.

We recommend that your assets be maintained in a brokerage account with Schwab, but you are free to select any account custodian you wish. We assist you in establishing an account through Schwab or another qualified custodian that you select. We require a \$250,000 minimum to establish an account. We grant exceptions to this minimum if you anticipate additional deposits to meet the \$250,000 minimum within a reasonable time (generally six months excluding extenuating circumstances) or if the account holder is a relative of an existing client, a firm employee or a relative of a firm employee. In addition, you can “aggregate” or “bundle” your household accounts

to reach the minimum account size. The qualified account custodian maintains custody of your funds and securities. We do not act as custodian and do not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization.

We charge for asset management services based on a percentage of assets under management. Fees are billed quarterly in arrears and calculated based on the fair market value of the account as of the end of the preceding quarter as follows:

| <u>Portfolio Value</u> | <u>Annual Fee</u> |
|----------------------------|-------------------|
| First \$1,000,000 | 1.00% |
| \$1,000,000 to \$5,000,000 | 0.75% |
| \$5,000,000 and Above | 0.50% |

If an agreement for services is executed mid-period, the initial fee is prorated based on the number of days services are provided during the first billing period. In addition, we adjust for additions or withdrawals to the account during a billing period as of the date the transaction occurs, with a minimum adjustment amount of \$50. Existing clients may pay management fees based on a pre-existing fee schedule which is different than the schedule stated above. There is a minimum annual fee of \$2,500 for all accounts.

At your option, fees can be billed directly to you or automatically deducted from an account designated by you and paid directly to us by the account custodian. If fees are billed directly, they are due upon receipt of our billing statement. If fees are deducted from an account, you are required to provide the account custodian with written authorization to have the fees deducted from the account and paid directly to us. If fees are deducted from an account, we send a billing statement to you at approximately the same time we send one to the account custodian. The billing statement shows the amount to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any such adjustments. At least quarterly, you will receive an account statement from your account custodian detailing transactions in your account, including advisory fees charged. You should review the account statements received from the account custodian and verify that appropriate advisory fees are being deducted.

Schwab generally does not charge separately for maintaining custody of your accounts, but other qualified custodians selected by you may charge a separate custody fee. However, account custodians may charge brokerage commissions and/or transaction fees directly to you. We do not receive any portion of the commission or fees from either the custodian or from you. In addition, you may incur certain charges imposed by third parties other than us in connection with investments made through your account, including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IAR and qualified retirement plan fees. Our management fees are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each security prospectus.

Either of us can terminate services at any time by providing written notice to the other party. Termination is effective upon receipt of the notice. If services are terminated we charge a prorated fee based on the number of days that services were provided prior to receipt of the termination notice.

Consultation Services

Clients not wishing to contract for our wealth management services can instead contract with us for consultations on any topic(s) of interest or concern to them. Consulting services can include retirement and asset allocation advice to participants in benefit plans (e.g., 401(k) plans, pension plans, profit sharing plans, etc.).

Our consulting services do not involve implementing any transaction on a client's behalf or the active and ongoing monitoring or management of their investments or accounts. Clients have the sole responsibility for determining whether to implement our consulting recommendations. If clients want to implement any of our investment recommendations through us or retain us to actively monitor and manage their investments, they must execute a separate written agreement for our wealth management services.

Consultations can involve a single meeting or multiple meetings, as clients determine. Fees for services are charged at an hourly rate of \$100-\$300 per hour and are negotiable based the complexity of the client's situation, the actual services requested and their relationship and history with us. Fees are payable upon completion of the consultations and receipt of our billing statement. If we provide clients with general recommendations as a part of these consultation services and clients implement those recommendations through us, we may waive or reduce our consulting fees.

Consultation services terminate upon completion of the consultations. However, either party can terminate services at any time by providing written notice to the other party. Termination is effective immediately upon receiving the notice. Clients are responsible for the time expended to the date of termination and we provide a billing statement detailing the prorated charge due.

Pension Consulting Services

We offer pension consulting services to benefit plan sponsors and to individual participants in benefit plans. We have contracted with BAM Advisors Services, LLC ("BAM") for assistance when providing some of these services to clients. We provide educational meetings for plan participants designed to give an overview of the plan and its investment selections. No individual participant circumstances are considered and no individual recommendations are given during these meetings. Our representatives can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections. The participants must complete a risk tolerance survey and any advice given is limited to investments within the qualified plan. However, if participants wish to receive other advisory services from us, they are required to enter into a separate client agreement with us and are charged fees for those additional services.

Together with BAM, we can also provide the following services:

- Plan analysis (due diligence reviews of the plan and its investment options) (This is a joint analysis but we present the plan analysis to the sponsor)
- Plan assessment of fees and expenses
- Plan design recommendations (assisting the plan sponsor and selected third party administrator in establishing a qualified plan, including fiduciary file set-up, selecting a record keeper)
- Conflicts of interest review
- Investment policy statement

For benefit plan sponsors, yearly fees are based on the size of the plan assets, as follows:

| <u>Plan Assets</u> | <u>Annual Fee</u> |
|------------------------|-------------------|
| First \$1,000,000 | 1.00% |
| Next \$1,000,000 | 0.80% |
| Next \$3,000,000 | 0.60% |
| Next \$5,000,000 | 0.45% |
| All amounts thereafter | 0.40% |

This fee is negotiable based the actual services requested to be provided, such as whether or not ongoing monitoring is required and the number of employee education meetings requested. From the total fee charged, BAM will receive 30% for its services and we receive the remaining 70% for our services.

There is no additional fee charged for participants to use our individual investment advice services relative to plan assets.

Fees are billed quarterly in advance and calculated as of the plan value on the last day of the previous quarter. Fees are prorated and billed in arrears for any plan or account created mid-quarter with the following quarter billed in advance.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of a billing notice from us. If the plan sponsor elects to have fees automatically deducted from the plan account, the sponsor provides written authorization to the plan custodian and/or third-party administrator for the advisory fees to be deducted from the plan account and paid directly to us. If fees are deducted from plan assets, we do not send a billing notice to the trustees. We, the plan trustee, the third party administrator and/or record keeper all receive executed copies of the fee authorization documents at the onset of the plan. At least quarterly, the plan custodian sends an account statement that includes the advisory fees deducted from the plan account. If billed directly, we send a billing invoice to the plan sponsor within 15 days of the end of the quarter. Fees are due upon when the sponsor receives the billing invoice. If we do not receive payment within 45 days of the billing invoice date, the plan sponsor authorizes us to automatically deduct fees from plan account assets.

Pension consulting services are for a one year period and automatically renew on the one year anniversary of the original client agreement being signed. Services are renewed on the same terms and conditions as contained in the original agreement. However, if there is a change in services or fees, a new client agreement is required.

Services can be terminated by either party by providing written notice to the other and termination is effective 30 days from the date notice is received. During that 30 day period, our representatives finish up any activities they are working on but do not begin any new services without express instruction from the client. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

Pension consulting services are not management services, and neither we nor our representatives serve as administrator or trustee of the plan itself. Nor do we or our representatives act as custodian for any client account or have access to client funds or securities. In addition, neither we nor our representatives implement any transactions in a benefit plan or participant's account if the clients elect to implement any recommendations made by us or our representatives. Clients are solely responsible for implementing all transactions.

Newsletters

We provide newsletters to clients approximately 3 times per year through both e-mail and the U.S. mail. The newsletters are informational and educational in nature and no specific investment recommendations are made. Besides existing clients, other individuals (i.e., prospective clients, industry peers, interested parties, etc.) can receive the newsletters by contacting us and requesting to be added to our mailing list. There is no charge for receiving these newsletters.

Additional Compensation

We do not receive any additional compensation other than that discussed in *Item 12, Brokerage Practices*.

Comparable Services

We believe our fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not charge performance-based fees.

Item 7 – Types of Clients

Advisor generally provides investment advice to the following types of clients.

- Individuals (including high net worth individuals)
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations

All clients are required to execute an agreement for services in order to establish a client arrangement with us.

Minimum Investment Amounts Required

Wealth Management Services

There is no minimum amount required to establish or maintain a wealth management account. However, there is a minimum \$5,000 annual fee for these services.

Asset Management Services

For stand-alone asset management services, we require a \$250,000 minimum to establish a managed account. Exceptions to this minimum are granted if you anticipate additional deposits to meet the \$250,000 minimum within a reasonable time (generally six months excluding extenuating circumstances) or if you are a relative of an existing client, a firm employee or a relative of a firm employee. In addition, you can “aggregate” or “bundle” your household accounts to reach the minimum account size. **NOTE: New clients are not eligible to contract for asset management services but can contract for wealth management services. Advisor will continue to service client accounts with existing management agreements.**

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

Methods of Analysis

Advisor's security analysis is based on a number of factors including those derived from commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis that clients may request.

Our investment advice is based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Our investment approach is firmly rooted in the belief that markets are efficient and that investors' returns are determined principally by asset allocation decisions, not by market timing. We focus on developing globally diversified portfolios, principally through the use of passively managed mutual funds and exchange traded funds that are generally available only to institutional investors and clients of a network of select investment advisors.

We also use fundamental analysis when considering investment strategies and recommendations for our clients. Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, an analyst tries to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery, buildings, land, etc.) and intangible factors (e.g., patents, trademarks, “brand” names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell). Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its “correct” value over the long run--perhaps several years.

Using fundamental analysis usually results in less frequent trading practices. This could have a positive or negative impact on your portfolio value, but likely has reduced brokerage and transaction costs.

Investment Strategies

We primarily use long term purchases (investments held at least one year) when implementing investment advice, although short term purchases (investments sold within one year) may be used also.

Although all investments involve risk, Advisor's investment recommendations seek to limit risk through broad global diversification and investment in high-quality fixed income securities. Our investment philosophy is designed for investors who desire a buy and hold strategy, with an investment time horizon of a minimum of five years, and preferably longer. Frequent trading of securities increases transaction costs that our investment philosophy seeks to minimize.

Our main sources of information are financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, annual reports, prospectuses and filings with the Securities and Exchange Commission, company press releases and mutual fund information direct from the fund company and/or Morningstar.

Risk of Loss

Investing in securities involves a risk of loss that clients should be prepared to bear, including loss of original principal. However, you should be aware that past performance of any security is not necessarily indicative of future results. Therefore, you should not assume that future performance of any specific investment or investment strategy will be profitable. We do not provide any representation or guarantee that your goals will be achieved.

Investing in securities involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk.** Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Company Risk.** There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- **Fixed Income Risk.** Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **ETF and Mutual Fund Risk.** ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- **Management Risk.** Your investments also vary with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our strategies do not produce the expected returns, the value of your investments will decrease.

Primarily Recommend One Type of Security

We primarily recommend passively managed mutual funds, but may also recommend public real estate investment trusts (REITS) and commodities index funds for certain clients who desire to include real estate or commodities in their asset allocation strategy. We typically create a portfolio of passively managed mutual funds and may use model portfolios if the models match a client's investment policy. We allocate a client's assets among various investments taking into consideration the client's unique ability, need and willingness to take risk.

Mutual funds that follow a passive investment philosophy generally have low holdings turnover. Consequently, the fund expenses are generally lower than fees and expenses charged by other types of funds. Client portfolios may also include some individual equity securities but these are generally part of clients' investment holdings prior to working with us.

While we primarily recommend mutual funds, we reserve the right to recommend any product that may be suitable for each client relative to their specific circumstances and needs.

Item 9 – Disciplinary Information

In December 2010 we entered into an Offer of Settlement with the Pennsylvania Securities Commission to settle allegations that we violated certain provisions of the Pennsylvania Securities Act of 1972 by engaging in the business of advising others, for compensation, on the purchase or sale of securities.

This matter involved one of our investment advisor representatives. Although the representative's duties were primarily administrative in nature, the representative also assisted other investment advisor representatives in providing investment advice and advisory services to our clients. These duties fall within Pennsylvania's definition of investment advisor representative duties and so require registration. The registration request and applicable fees were submitted in a timely manner to state regulators. However, we were unaware the IARD/CRD system (a regulatory management database) had purged the representative's application and labeled the licensing request as deficient. When this deficiency was discovered, the representative re-applied for and was granted registration as an investment advisor representative with Advisor. Because of the time that had passed, the Pennsylvania Securities Commission alleged the representative had engaged in the business of advising others on the purchase and sale of securities and received compensation in doing so.

The Offer of Settlement was accepted by the Pennsylvania Securities Commission in January 2011 and we were ordered to pay investigative and legal costs as well as an administrative assessment. The costs and assessment totaled \$14,000.

There are no other legal or disciplinary events that are material to your evaluation of our business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

Advisor does not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- An investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- A investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- An accountant or accounting firm
- An insurance company or agency
- A lawyer or law firm
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

We are an independent registered investment advisor and are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure.

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

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in your best interests. Both we and our investment advisor representatives have a fiduciary duty to you. We have established a Code of Ethics which all associated persons must read. They must then execute an acknowledgment stating that they understand and agree to comply with our Code of Ethics. Our fiduciary duty to you is considered the core underlying principle for our Code of Ethics and represents the expected basis for all dealings with clients. We have the responsibility to make sure that your interests are placed ahead of our own investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws

at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to you prior to services being conducted.

All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to you. This section is only intended to provide you with a description of our Code of Ethics. If you wish to review our Code of Ethics in its entirety, a copy may be requested from any of our associated persons and a copy will be provided promptly.

Participation in Client Transactions and Personal Trading

We may buy or sell securities or have an interest or position in a security for our personal account which is also recommended to you. We are now and will continue to be in compliance with applicable state and federal rule and regulations. As these situations may represent a potential conflict of interest, it is our policy that no associated person will prefer his or her own interest to your interest. No person employed by us may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry.

To help avoid additional conflicts if we buy or sell securities for client accounts at or about the same time that we buy or sell the same security for our own or for a related person's account, it is our policy that personal account transactions are only made toward the end of the trading day (i.e., 3:00-4:00 p.m.)

Item 12 – Brokerage Practices

You are free to select any broker/dealer or investment advisor you wish. If we assist you in implementing any recommendations, we have a duty to ensure that you receive the best execution possible. Best execution does not necessarily mean the lowest price but includes the overall services received from a broker/dealer.

If you contract for our wealth management services, we require you to establish a brokerage account at Schwab. Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to the advisors so long as (1) at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab and (2) is not otherwise contingent upon our committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab also makes available to us other products and services that benefit us but may not benefit our clients' accounts. Some of these other products and services assist us in managing and administering client accounts. These include software and other technology that:

- Provide access to client account data (such as trade confirmation and account statements)
- Facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Provide research, pricing information and other market data
- Facilitate payment of our fees from client accounts
- Assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab. Schwab also makes available other services intended to help us manage and further develop our business. These services may include:

- Consulting, publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

In addition, Schwab may make available, arrange and/or pay for these types of services rendered to us by independent third party providing these services to us. As a fiduciary, we endeavor to act in your best interest. Our

recommendation that you maintain your assets in accounts at Schwab may be based in part on the benefit to us in the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. This may create a potential conflict of interest.

If you are an existing client with a current asset management agreement, we recommend that you use Schwab; however, you can select a broker/dealer or account custodian other than Schwab. You are under no obligation to act on our recommendations. When you direct us to use a particular broker/dealer or other custodian, we may not be able to obtain the best price and execution for the transaction. If you direct the use of a particular broker/dealer or custodian, you may receive less favorable prices than would otherwise be the case if you had not designated a particular broker/dealer or custodian. Further, we may place directed trades after effecting non-directed trades.

You should understand that not all investment advisors require the use of a particular broker/dealer. While we attempt to seek best execution for client accounts, we may be unable to achieve the most favorable execution of your transactions if you direct the use of a specific custodian. There may be other platforms that are less expensive and may provide faster execution capabilities.

Item 13 – Review of Accounts

Financial planning services terminate upon completion of the consultations and no reviews are conducted.

Managed accounts are usually reviewed on a monthly basis but all accounts are reviewed at least quarterly. Each of our investment advisor representatives is responsible for reviewing their own accounts. While the calendar is the main triggering factor, reviews can also be conducted due to:

- Client request
- A change in client circumstances
- Unusual market activity or economic conditions
- Portfolio developments (i.e., merger, spin-off, tender offer or significant price swing of an individual equity held)
- Significant additions or withdrawals of cash in the portfolio

We review accounts and check on the accuracy of the holdings, check that your investment products remain suitable and also that account performance continues to work toward your goals and objectives.

You receive account statements at least quarterly from the account custodian. In addition, if you meet with us and request it, we provide a report that includes data on individual tax lots, capital gains and losses and investment performance.

Item 14 – Client Referrals and Other Compensation

Client Referrals

We do not directly or indirectly compensate anyone for referring clients to us.

Non-Client Economic Benefit

Please see *Item 12, Brokerage Practices*, for discussion about the services and products we may receive when utilizing Schwab as the qualified custodian for managed accounts.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. Please note that regulators have deemed the authorization to trade in client accounts to not be custody. However, we are deemed to have custody of client funds and se-

curities whenever we are given the authority to have fees deducted directly from client accounts. Our procedures do **not** result in our maintaining custody of your funds and securities.

For accounts where we are deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. You or your independent representative direct, in writing, the creation of all accounts and are therefore aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to you or your independent representative at least quarterly. You should carefully review those statements. When you have questions about your account statements, you should contact us or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

In addition to having trading authority on your accounts, we may manage assets on a discretionary or non-discretionary basis. Assets managed under the wealth management services program are managed on a discretionary basis only. Assets managed under existing asset management services program can be managed on either a discretionary or non-discretionary basis. If managed on a discretionary basis, we make all decisions to buy, sell or hold securities, cash or other investments in the managed account in our sole discretion without consulting with you before implementing any transactions. You must provide us with written authorization to exercise this discretionary authority.

When discretionary authority is granted, it is limited. We do not have access to your funds and/or securities with the exception of having advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian. You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to us so long as the limitations are specifically set forth or included as an attachment to the client agreement.

If management services are provided on a non-discretionary basis, we always contact you before implementing any transactions in an account. You must accept or reject our investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, we are responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. You should know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of implementing trades and we may not achieve the optimal trading price.

Item 17 – Voting Client Securities

We do not vote proxies or accept proxy materials on your behalf. All proxy materials are sent directly to you from the product sponsor, custodian or transfer agent. You should read through the information provided with proxy-voting documents and make a determination based on the information provided. However, if you request it, our investment advisor representatives may provide limited clarifications of the issues presented in the proxy-voting materials based on his or her understanding of issues presented in the materials. But you have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This item is not applicable to our brochure. We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for its most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

Item 19 – State-Registered Advisors

Principal Executive Officer

Carl B. Sensenig, Born 1946

Education Background:

York College: BS, Business Management, 1972

Ursinus College: Certificate of Professional Studies, 1988

Business Background:

Sensenig Capital Advisors, Inc.: President, Investment Advisor Representative, 2/07-present; Chief Compliance Officer, 2/07-1/12

Arthur E. Spellissy & Associates: Vice President, 1/88-11/07; Investment Advisor Representative, 3/92-11/07

Mr. Sensenig spends his entire workweek providing advisory services.

Additional Information

We do not receive performance-based fees. Except for the information provided earlier in *Item 9, Disciplinary Information*, neither we nor our management personnel have been involved in any:

- Arbitration claims alleging damages in excess of \$2,500 involving
 - An investment or an investment-related business or activity
 - Fraud, false statement(s) or omissions
 - Theft, embezzlement or other wrongful taking of property
 - Bribery, forgery, counterfeiting or extortion; or
 - Dishonest, unfair or unethical practices
- Civil, self-regulatory organization or administrative proceeding involving
 - An investment or an investment-related business or activity
 - Fraud, false statement(s) or omissions
 - Theft, embezzlement or other wrongful taking of property
 - Bribery, forgery, counterfeiting or extortion; or
 - Dishonest, unfair or unethical practices

Neither we nor our management personnel have a relationship or arrangement with any issuer of securities.

Customer Privacy Policy

Guiding Principles

The relationship between Sensenig Capital Advisors, Inc. (SCA) and our clients is the most important asset of our firm. We strive to maintain your trust and confidence in our firm, an essential aspect of which is our commitment to protect your personal information to the best of our ability. We believe that all of our clients value their privacy, so we will not disclose your personal information to anyone unless it is required by law, at your direction, or is necessary to provide you with our services.

The personal information that we collect and maintain

In order to provide investment management service to you, the types and categories of information SCA collects and maintains include:

- Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone number, e-mail address and financial information);
- Information that we generate to service your account (such as portfolio appraisals and tax information);
- Information that we may receive from third parties with respect to your account (such as trade confirmations and monthly statements from brokerage firms and banks).

How we protect your personal information

To fulfill our privacy commitment at SCA, we have instituted firm-wide practices to safeguard the information that we maintain about you. These include:

- Requiring third parties that perform services for us to agree by contract to keep your information strictly confidential.
- Requests for certain client information via telephone or the Internet by unauthorized third parties will be referred to the Chief Compliance Officer of SCA, in order to eliminate potential illegal “phishing” activity.
- Inclusion of password protected attachments to email correspondence containing personal and financial client information.
- Protecting information of our former clients to the same extent as our current clients.

However, in order for SCA to provide investment management services to you, we do disclose your personal information in very limited instances, which include:

- Disclosures to entities – subject to strict confidentiality procedures – that perform services on our behalf (for example, technology consultants); and
- Disclosures to companies necessary to service your account (such as providing account information to brokers and custodians).

Brochure Supplement: Carl B. Sensenig

April 2012

This brochure supplement provides information about Carl B. Sensenig that supplements the Sensenig Capital Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeremy C. Brenn if you did not receive the Sensenig Capital Advisors, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Carl B. Sensenig is available on the SEC's website at the following address: www.adviserinfo.sec.gov.

Carl B. Sensenig
President
Chief Compliance Officer
Sensenig Capital Advisors, Inc.
3100 Mill Road, P.O. Box 245
Fairview Village, Pennsylvania 19409
Phone: (610) 584-9700

Educational Background and Business Experience

Carl B. Sensenig was born in 1946. He graduated from York College in 1972 with a Bachelor of Science degree in Business Management. He received the Certificate of Professional Studies in Finance from Ursinus College in 1988.

Mr. Sensenig has been the President of and an investment advisor representative with Sensenig Capital Advisors, Inc. since February 2007. He was the Chief Compliance Officer from February 2007 to January 2012. Prior to this, he was a Vice President at Arthur E. Spellissy & Associates from January 1988 until November 2007 and also an investment advisor representative with that organization from March 1992 until November 2007.

Disciplinary Information

Carl B. Sensenig has no disciplinary history that is required to be disclosed by the U.S. Securities and Exchange Commission or state regulatory authorities.

Other Business Activities

Mr. Sensenig does not have any outside activities or other business affiliations that he spends time on.

Additional Compensation

Mr. Sensenig does not receive any other compensation besides fees charged for providing advisory services.

Supervision

Jeremy C. Brenn is the Chief Compliance Officer of Sensenig Capital Advisors, Inc. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives. Mr. Sensenig is the President of Sensenig Capital Advisors, Inc. and is responsible for the overall business operations of the firm. Both Mr. Brenn and Mr. Sensenig can be contacted at (610) 584-9700.

Requirements for State Registered Advisers

Mr. Sensenig has not been involved in an arbitration claim alleging damages in excess of \$2,500 resulting in an award or otherwise being found liable. Additionally, he has not been involved in a civil, self-regulatory organization or administrative proceeding resulting in an award or otherwise being found liable. He has not been the subject of a bankruptcy petition.

Brochure Supplement: Jeremy C. Brenn

April 2012

This brochure supplement provides information about Jeremy C. Brenn that supplements the Sensenig Capital Advisors, Inc. brochure. You should have received a copy of that brochure. Please contact Jeremy C. Brenn if you did not receive the Sensenig Capital Advisors, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Jeremy C. Brenn is available on the SEC's website at the following address: www.adviserinfo.sec.gov.

Jeremy C. Brenn

Vice President, Chief Compliance Officer
Sensenig Capital Advisors, Inc.
3100 Mill Road, P.O. Box 245
Fairview Village, Pennsylvania 19409
Phone: (610) 584-9700

Educational Background and Business Experience

Jeremy C. Brenn was born in 1980. He graduated from York College in 2002 with a Bachelor of Arts Degree in Graphic Design. In 2006, he graduated from Hood College with a Master of Business Administration in Finance degree.

Mr. Brenn has been the Operations Manager with Sensenig Capital Advisors, Inc. since April 2007, an investment advisor representative since August 2010, the Vice President since July 2011 and the Chief Compliance Officer since January 2012. From November 2002 to December 2007, he was the Art Director and Prepress Manager at Signature Book Printing.

Disciplinary Information

Other than the information provided in *Item 9, Disciplinary Information*, of Form ADV Part 2A, Jeremy C. Brenn has no disciplinary history that is required to be disclosed by the U.S. Securities and Exchange Commission or state regulatory authorities.

Other Business Activities

Mr. Brenn does not have any outside activities or other business affiliations that he spends time on.

Additional Compensation

Mr. Brenn does not receive any other compensation besides fees charged for providing advisory services.

Supervision

Jeremy C. Brenn is the Chief Compliance Officer of Sensenig Capital Advisors, Inc. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives. Mr. Sensenig is the President of Sensenig Capital Advisors, Inc. and is responsible for the overall business operations of the firm. Both Mr. Brenn and Mr. Sensenig can be contacted at (610) 584-9700.

Requirements for State Registered Advisers

Mr. Brenn has not been involved in an arbitration claim alleging damages in excess of \$2,500 resulting in an award or otherwise being found liable. Additionally, he has not been involved in a civil, self-regulatory organization or administrative proceeding resulting in an award or otherwise being found liable. He has not been the subject of a bankruptcy petition.