

Moloney Securities Asset Management, LLC Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices of Moloney Securities Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at **Error! Reference source not found.** or by email at: **Error! Reference source not found.** 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 Moloney Securities Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Moloney Securities Asset Management, LLC's CRD number is: **Error! Reference source not found.***

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Registration does not imply a certain level of skill or training.

Version Date: 11/7/2016

Item 2: Material Changes

Moloney Securities Asset Management, LLC has not yet filed an annual updating amendment to this Wrap Fee Program Brochure. Therefore there are no material changes to this brochure to report.

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Item 4: Services Fees and Compensation

Moloney Securities Asset Management, LLC (hereinafter “**Error! Reference source not found.**”) offers the following services to advisory clients:

A. Description of Services

Error! Reference source not found. participates in and sponsors a wrap fee program, which allows **Error! Reference source not found.** to manage client accounts for a single fee that includes both portfolio management services and brokerage costs. The fee schedule is set forth below:

Total Assets Under Management	Annual Fee
\$0 - \$1,000,000	2.25%
\$1,000,001 - \$2,000,000	1.85%
\$2,000,001 – And Up	1.50%

These fees are negotiable depending upon the needs of the client and complexity of the situation and the final fee schedule is attached as Exhibit II of the client contract. **Error! Reference source not found.** the last day of previous quarter for purposes of determining the market value of the assets upon which the advisory fee is based.

Advisory fees are withdrawn directly from the client’s accounts with client written authorization. Fees are paid quarterly in arrears. Because fees are charged in arrears, no refund policy is necessary.

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract with thirty days’ written notice.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client’s account, the adviser’s ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as annual IRA fees to the custodian or mutual fund fees.

D. Compensation of Client Participation

Neither **Error! Reference source not found.**, nor any representatives of **Error! Reference source not found.** receive any additional compensation beyond advisory fees for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, **Error! Reference source not found.** may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

MSAM generally provides advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and/or business entities.

Client relationships vary in scope and length of service.

There is no account minimum.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

Error! Reference source not found. will not select any outside portfolio managers for management of this wrap fee program. **Error! Reference source not found.** will be the sole portfolio manager for this wrap fee program.

Standards Used to Calculate Portfolio Manager Performance

Error! Reference source not found. will use industry standards to calculate portfolio manager performance.

Review of Performance Information

Error! Reference source not found. reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by **Error! Reference source not found.**

B. Related Persons

Error! Reference source not found. and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses **Error! Reference source not found.**'s management of the wrap fee program. However, **Error! Reference source not found.** addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

C. Advisory Business

Error! Reference source not found. offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

Wrap Fee Portfolio Management

Error! Reference source not found. offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. **Error! Reference source not found.** creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management includes, but is not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

Error! Reference source not found. evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. **Error! Reference source not found.** will charge clients one fee, and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that **Error! Reference source not found.** has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, **Error! Reference source not found.** will

always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

Performance-Based Fees and Side-By-Side Management

Error! Reference source not found. does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Services Limited to Specific Types of Investments

Error! Reference source not found. generally limits its investment advice to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities.

Error! Reference source not found. may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

Error! Reference source not found. will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by **Error! Reference source not found.** on behalf of the client. **Error! Reference source not found.** will not use "model portfolios" but rather a specific set of recommendations for each client based on their personal restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent **Error! Reference source not found.** from properly servicing the client account, or if the restrictions would require **Error! Reference source not found.** to deviate from its standard suite of services, **Error! Reference source not found.** reserves the right to end the relationship.

Wrap Fee Programs

Error! Reference source not found. sponsors and acts as portfolio manager for this wrap fee program. **Error! Reference source not found.** manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. The fees paid to the wrap account program will be given to **Error! Reference source not found.** as a management fee.

Amounts Under Management

Prior to the effectiveness of MSAM's successor application, MSAM had zero assets under management. MSAM is a successor investment adviser to its affiliate, Moloney Securities which, as of December 31, 2015 had assets under management of \$257,176,431.58.

Methods of Analysis and Investment Strategies

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial media, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases. Further research and due diligence practices are implemented by the Investment Advisor consistent with his or her investment process and implementation of your agreed upon investment strategy.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations and in the written advisory agreement. The client may change these objectives at any time by providing notice of such change to MSAM. Each Investment Advisor utilizes his or her own investment strategy which may or may not be consistent with MSAM's other Investment advisors.

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). Certain clients with applicable investment objectives and risk tolerances may include strategies such as reverse convertible notes, leveraged ETF's, index-linked CDs and other structured products.

Material Risks

All investment programs have certain risks borne by the investor. These risks include, among other things; loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings, occurring from market risk, interest rate risk, issuer risk, and general economic risk. Although we manage the assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful and the client should be prepared to bear the risks.

It is important that clients understand that investing in securities involves certain risks which clients should understand and be prepared to bear.

All investments carry some amount of risk. The risks applicable to MSAM's investment strategies include, but are not limited to the following investment risks:

Credit Risks – The risk that the portfolio could lose money if the issuer of guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

Counter-Party Risks – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Debt Securities Risks – The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

Derivatives Risks – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

Emerging-Markets Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Leverage Risk – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage- and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Short Sale Risk – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the short sale may fail to honor its contract terms, causing a loss to a portfolio.

Private Securities Risk – Private securities contain the risks of illiquidity and lack of public knowledge of the business.

Real Estate Risk – Due to changes in interest rates, the lending market, economic policy, and supply and demand, in addition to illiquidity, real estate investments contain risk.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Proxies

If the client makes such selection in the specific advisory agreements(s) executed by the client, client will select to authorize MSAM and/or an external money manager if one is engaged, to receive the proxy-related materials, annual reports and other issuer-related materials for securities in that portion of the Account and to delegate to MSAM the proxy voting rights for those securities (and, thereby, authorize MSAM to further delegate those proxy voting rights to, or otherwise use services provided by, a third party proxy voting or advisory service). A copy of Moloney's voting record is available to clients upon request.

Item 7: Client Information Provided to Portfolio Managers

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

Item 8: Client Contact with Portfolio Managers

Error! Reference source not found. places no restrictions on client ability to contact its portfolio managers. **Error! Reference source not found.**'s representative, **Error! Reference source not found.** can be contacted during regular business hours and contact information is on the cover page of **Error! Reference source not found.**'s Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

MSAM's management personnel and investment advisory representatives may be registered or affiliated with Moloney Securities, an affiliated FINRA broker/dealer and/or Moloney Securities Asset Management LLC, an affiliated SEC Registered Investment Advisor.

Clients have the option to purchase investment products recommended through other broker/dealers or agents not affiliated with MSAM. In the event the client elects to utilize the brokerage services of Moloney Securities the client may pay commissions that are higher or lower than those available from another broker/dealer for the same products or services.

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

Neither **Error! Reference source not found.** nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

MSAM's management personnel and investment advisory representatives may be registered or affiliated with Moloney Securities, an affiliated FINRA broker/dealer and/or Moloney Securities Asset Management LLC, an affiliated SEC Registered Investment Advisor.

Clients have the option to purchase investment products recommended through other broker/dealers or agents not affiliated with MSAM. In the event the client elects to utilize the brokerage services of Moloney Securities the client may pay commissions that are higher or lower than those available from another broker/dealer for the same products or services.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

MSAM may utilize un-affiliated third-party money managers to assist in the management of client's assets. The compensation paid to these entities, as well as the fees and charges to the client will be outlined in the account documentation specific to the client.

MSAM has entered into agreements with various unaffiliated investment advisor representatives or unaffiliated registered investment advisers, whereby these individuals or entities may refer potential investment advisory clients to MSAM. If the clients become clients of MSAM, these individuals or entities will receive a portion of the fee collected by MSAM. These referred clients will not pay higher fees due to the referral arrangement and will receive a disclosure statement outlining the terms and conditions of the arrangement(s).

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

MSAM maintains and administers a Code of Ethics that details a standard of behavior and performance designed to put the clients' personal and financial interests above its own. We investigate the educational and professional backgrounds of prospective advisors. Our advisors and other associated access persons are monitored to mitigate conflicts of interest. Our clients come first.

You may obtain a copy of the Code of Ethics by request to your Financial Advisor or on our website at www.moseco.com.

Recommendations Involving Material Financial Interests

Error! Reference source not found. does not recommend that clients buy or sell any security in which a related person to **Error! Reference source not found.** or **Error! Reference source not found.** has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of **Error! Reference source not found.** may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of **Error! Reference source not found.** to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. **Error! Reference source not found.** will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of **Error! Reference source not found.** may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of **Error! Reference source not found.** to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, **Error! Reference source not found.** will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Account reviews are performed as often as necessary, always keeping in mind the best interests of the client. Accounts are monitored and reviewed no less than quarterly, and as a practical matter more frequently based on applicable market conditions.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

New accounts are reviewed within the first quarter of the contracted investment strategy being implemented. Other conditions that may trigger a review are a client's request or applicable changes in market conditions.

Content and Frequency of Regular Reports Provided to Clients

The Custodian where the client assets are held provides account statements directly to clients at their address of record, at least quarterly. In addition, Moloney may provide separate, supplemental portfolio reports to the client.

***Economic Benefits Provided by Third Parties for Advice Rendered to Clients
(Includes Sales Awards or Other Prizes)***

Error! Reference source not found. does not receive any economic benefit, directly or indirectly from any third party for advice rendered to **Error! Reference source not found.** clients.

Compensation to Non – Advisory Personnel for Client Referrals

Error! Reference source not found. does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

Error! Reference source not found. does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

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

Neither **Error! Reference source not found.** nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

Error! Reference source not found. has not been the subject of a bankruptcy petition in the last ten years.