



BRUDERMAN ASSET MANAGEMENT, LLC

ADVISER DISCLOSURE BROCHURE

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MARCH 31, 2021

This Brochure provides information about the qualifications and business practices of Bruderman Asset Management, LLC (“Bruderman Asset Management,” the “Adviser,” or “BAM”). If you have any questions about the contents of this Brochure, please contact us at (516) 609-0291. 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.

Bruderman Asset Management, LLC is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) under the U.S. Investment Advisers Act of 1940, as amended (“Advisers Act”). Registration with the SEC does not imply any level of skill or training. Additional information about SRC also is available on the SEC’s website at <https://adviserinfo.sec.gov/firm/summary/173565>.

Item 2 Material Changes

This item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. The date of our last annual update of this Brochure was March 31, 2020.

Pursuant to SEC Rules, Bruderman Asset Management will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the business' fiscal year. BAM may further provide other ongoing disclosure information about material changes as necessary.

Bruderman Asset Management will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Bruderman Asset Management at (516) 609-0291 or info@bruderman.com.

Additional information about Bruderman Asset Management is available via the SEC's website, <https://adviserinfo.sec.gov/firm/summary/173565>. The SEC's website also provides information about any persons affiliated with Bruderman Asset Management who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

As of March 31, 2021, Bruderman Asset Management has no material changes to report.

Item 3 Table of Contents

Item 1	Cover Page	
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	10
Item 6	Performance-Based Fees and Side-By-Side Management	13
Item 7	Types of Clients	13
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9	Disciplinary Information.....	15
Item 10	Other Financial Industry Activities and Affiliations	15
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
Item 12	Brokerage Practices	18
Item 13	Review of Accounts	20
Item 14	Client Referrals and Other Compensation	20
Item 15	Custody	22
Item 16	Investment Discretion	22
Item 17	Voting Client Securities	22
Item 18	Financial Information.....	23

Item 4 Advisory Business

Bruderman Asset Management, LLC is an SEC registered investment adviser that specializes in servicing mass affluent, affluent, and high net-worth individuals and families and is wholly owned by Bruderman & Company, LLC. Our goal is to create and deliver customized investment strategies that are aligned with our client's vision and aspirations. Bruderman Asset Management takes a holistic approach to financial planning and investing where we consider current and future cash needs to ensure that our client's lifestyle obligations are met presently, as well as for the future.

We focus on the whole client, not just his or her investable assets. Built upon a strong history of managing wealth, Bruderman Asset Management delivers through its Private Wealth Services ("PWS") division, tailored holistic solutions for ultra-high net worth individuals and families. Our processes are designed to optimize these financial disciplines and deliver a personalized wealth management experience to each client.

Bruderman Asset Management, LLC is a direct owner of Bruderman Brothers, LLC ("BBLLC") a FINRA registered and member broker-dealer. Certain employees of Bruderman Asset Management are also registered with Bruderman Brothers, LLC. Bruderman Brothers, LLC utilizes the services of a Qualified Custodian¹ and clearing firm. Certain products and services are delivered by Bruderman Asset Management through 1879 Advisors, a wholly owned affiliate and boutique money management firm which offers advisory services, general securities, and insurance products to predominately mass affluent individuals and institutional clients.

Legacy Benefit Assurance, LLC, is a New York state licensed Insurance Agency controlled by officers and directors of the Adviser and provides fixed and variable annuity life insurance policies to clients of the Adviser.

Sandy Hill Investors, LLC which undertakes and participates in private equity, investment, and merchant banking transactions by which clients of the Adviser may participate. Sandy Hill Investors, LLC is controlled by officers and directors of the Adviser.

Portfolio Management Services

The Adviser offers discretionary, portfolio management services to our clients. Discretionary portfolio management means we will make investment decisions and place buy or sell orders in your account without contacting you first. These decisions would be made based upon your stated investment objectives. To this end, clients grant us a limited Power of Attorney with discretionary trading authority over all of their accounts to buy, sell, or otherwise effect investment transactions involving the Assets in the Client's name and for the Client's account.

¹ Satisfying the requirements as found under rule 206(4)-2(a)(1) of the Investment Advisers Act of 1940.

In limited cases, we may offer non-discretionary portfolio management. Non-discretionary portfolio management service means that we must obtain your approval first prior to making any transactions in your account.

Our investment advice is tailored to meet our client's needs and investment objectives. If you decide to retain BAM to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and decide how much risk you should take in your investments. The information we gather will assist us with implementing an asset allocation strategy that will be specific to your goals, whether we are actively investing for you or simply providing you with advice.

Bruderman Asset Management deploys a variety of Managed Account Programs as part of its portfolio management process using exchange traded funds, mutual funds, equity securities, corporate debt securities, municipal securities, U.S. government securities, and other securities or instruments as we may determine including hedge funds and other "alternative" investments. We monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions, your financial circumstances, or both.

Managed Account Program. The Managed Account Program seeks to invest client funds in diversified portfolios consisting of a range of internally and externally managed strategies. Portfolios are constructed according to each client's needs and consider a client's financial planning goals, risk tolerance, and return objective. The Managed Account Program may invest in the strategies described above and/or other investment strategies depending on the goals, needs, and wishes of the client.

Clients should note that the Managed Account Programs have a variety of minimum account and minimum fee requirements some of which may be waived at the discretion of Bruderman Asset Management. We may group certain related client accounts ("householding") for the purposes of achieving the minimum account size and determining the annualized fee. Nevertheless, from time to time our minimum separate account size may require that the Adviser decline to accept particularly small accounts or move the funds into a program in which the funds would satisfy the minimum account and fee requirements.

The following represent Managed Account Programs that deploys specific "model" strategies that are generally utilized for the investment of client assets. Bruderman Asset Management may also structure other Managed Account Programs tailored to the individual investment objectives of the client.

Managed Account Programs available to both Bruderman Asset Management, LLC Private Wealth Services and 1879 Advisors clients:

Select Trac Equities Program Strategies

Select Dividend Strategy. The Select Dividend Strategy seeks to achieve current income and long-term capital appreciation by investing in a diversified high conviction portfolio of dividend paying stocks. Stock selection is driven by fundamental research focused on valuation, financial strength, and management quality. The selection universe consists of US and non-US domiciled large cap companies and the strategy targets low turnover. The Dividend Strategy typically invests in a portfolio of 20-30 large-capitalization companies and invests no more than 30% of assets in any one sector.

Select Growth Strategy. The Select Growth Strategy seeks to achieve long-term capital appreciation by investing in a diversified high conviction portfolio of stocks exhibiting high revenue earnings or cash flow growth. Stock selection is driven by fundamental research focused on valuation, financial strength, and management quality. The selection universe consists of US and non-US domiciled large cap companies, and the strategy targets low turnover. The Growth strategy typically invests in a portfolio of 20-30 large-capitalization companies and invests no more than 30% of assets in any one sector.

Select Small Cap Strategy. The Select Small Cap Strategy seeks to achieve long-term capital appreciation by investing in a diversified high conviction portfolio of stocks exhibiting attractive valuation, financial strength, and management quality characteristics. The selection universe consists of companies with market capitalizations below \$10 billion. The strategy typically invests in a portfolio of 20-40 small-capitalization companies and invests no more than 30% of assets in any one sector.

Select Corporate Income Strategy. The Select Corporate Income Strategy seeks to achieve current income by investing in a diversified high conviction portfolio of higher yielding ETFs, closed-end funds, and mutual funds. The Strategy invests primarily in corporate bond ETFs with maturities across the 1-10-year yield curve. A portion of assets may be held in tactical positions that may provide higher yields along with higher risk although the strategy will seek to maintain an overall exposure to investment-grade securities. The Strategy may take a view on duration and may be shorter, longer, or neutral relative to the maturity of the benchmark.

Select Income Strategy. The Select Income Strategy seeks to achieve high current income and long-term capital appreciation by investing in a portfolio of high income producing securities, including individual equities, real estate investment trusts (“REITS”), mutual funds, closed-end funds, business development companies (“BDCs”) and exchange-traded funds (“ETFs”). The strategy typically invests in a portfolio of 20-40 securities and invests no more than 30% of assets in any one sector.

Managed Account Programs available to 1879 Advisors clients only:

1879 Select Trac ETF Programs

The Select Trac ETF Programs are allocation strategies comprised of Exchange Traded Funds (“ETFs”) that seek long-term capital appreciation. The asset allocations are determined after conducting research using both a top down and bottom up approach. The allocations are based on a client’s investment goals and risk tolerance. Investments can include but are not limited to asset class, sector, industry, fixed income, specialty, and alternative ETFs. A higher weight will be allocated to areas believed to be more attractive.

Tactical ETF / ETF Moderate Strategies. The Tactical ETF / Moderate ETF strategies ("ETF strategies") seek to achieve long-term capital appreciation by investing in diversified portfolios of exchange traded equity and fixed income funds. Portfolio construction is guided by the firm's proprietary asset allocation methodology that seeks to increase allocations to sectors and asset classes with attractive forward-looking risk / reward expectations. Allocations may be made both strategically and tactically, but the ETF strategies typically invest with a longer-term view.

ETF Conservative Strategy. The ETF Conservative Strategy is designed for clients who seek a combination of stability of principal and capital appreciation. The strategy’s balanced approach is designed to reduce volatility, while still providing clients with opportunities for capital appreciation.

1879 Select Trac Mutual Fund Programs

The Select Trac Mutual Fund Programs are designed to assist the client with the creation of an effective personal investment policy with a unique five part managed mutual fund program that offers: in-depth profiling of goals and objectives; top down & bottom up analysis on the markets; sectors and asset classes; dynamic asset allocation and fund selection; consistent portfolio monitoring and re-allocation of funds; and superior communication, through regular meetings, and monthly reports.

Mutual Fund Conservative Program. The Mutual Fund Conservative Program primarily consists of both equity and fixed income mutual funds. The portfolio diversifies across different asset classes and sectors to provide growth, income, and stability. The portfolio may seek investments abroad. This portfolios objective is designed for those clients who cannot withstand substantial swings, need current income, or do not have sufficient time to weather significant market fluctuations.

Mutual Fund Moderate Program. The Mutual Fund Moderate Program is invested primarily in equity funds, with some consideration to income. Using a blended approach, investments are allocated and diversified to different asset classes, domestically or internationally. This portfolios

objective is designed for clients who are willing to accept short-term fluctuations for long-term growth. The client should have a sufficient time horizon to sustain these fluctuations.

Fund Trac Variable Strategy

The Fund Trac Variable Strategy is a long term, tax deferred, asset allocation strategy designed for variable annuity clients. The asset allocation is determined after conducting research using both a top down and bottom up approach. Areas that are more attractive are over weighted and ones that are less attractive are underweighted. A mix of both equity and fixed income investments are used based on a client's investment goals and risk tolerance. Additional add-on options may be available which can provide additional benefits for future income.

Select Blend Strategies

Select Blend Strategy (40/60). The Advisors Select Blend Strategy seeks to achieve long-term capital appreciation and current income by investing in a diversified high conviction portfolio of growth and dividend paying stocks. Stock selection is driven by fundamental research focused on valuation, financial strength, and management quality. The selection universe consists of companies in the S&P 500 and S&P ADR indices and the strategy targets low turnover. The Select Blend strategy typically invests in 20-30 large capitalization companies and invests no more than 30% of assets in anyone sector. The portfolio is weighted more heavily towards capital appreciation with current income being a secondary objective and holdings are updated quarterly.

Select Blend Strategy (60/40). The Advisors Select Blend Strategy seeks to achieve long-term capital appreciation and current income by investing in a diversified high conviction portfolio of growth and dividend paying stocks. Stock selection is driven by fundamental research focused on valuation, financial strength, and management quality. The selection universe consists of companies in the S&P 500 and S&P ADR indices and the strategy targets low turnover. The Select Blend strategy typically invests in 20-30 large capitalization companies and invests no more than 30% of assets in anyone sector. The portfolio is weighted more heavily towards current income with capital appreciation being a secondary objective and holdings are updated quarterly.

Delegation to sub-advisors: We may use one or more sub-advisors to manage a portion of your investable assets. All sub-advisers that we recommend to clients must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state or country authority. We continuously monitor the performance of any assets managed by the sub-adviser and assume discretionary authority to hire or fire the sub adviser where such action is deemed to be in the best interest of the client. The sub-advisor(s) may use one or more of their own model portfolios to manage your assets.

You will grant to us a limited Power of Attorney providing Bruderman discretion to execute agreements with sub-advisors or a tri-party agreement with the sub-advisor and Bruderman Asset Management on your behalf. BAM will generally not share in the fees charged by the sub-advisor.

We recommend that you review the statement(s) you receive from your Qualified Custodian. Please call our office number, located on the cover page of this brochure, if you have any questions about your statement.

Financial Planning Services

Bruderman Asset Management, LLC offers broad based financial planning services including, but not limited to, tax planning, insurance planning, estate planning, disability planning, business planning, retirement planning, education planning, and budgeting and cash flow analysis. Bruderman Asset Management strives to achieve a client's long-term financial goals by implementing a financial planning process that may include any or all of the following steps:

- Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, and employee benefit statements.
- Identification of a client's financial and personal goals and objectives. Goals or objectives may include financing a child's college education or retirement planning. The identified goals or objectives are specific, realistic, and measurable. All goals include time horizons.
- Resolution of finance related problems. Obstacles to achieving financial independence are identified so that a resolution may occur. Examples of problem areas can include too little or too much insurance coverage, inadequate cash flow, or a high tax burden.
- Plan Design. A written financial plan is prepared that includes recommendations and solutions to address financial related problems.
- Implementation of the financial plan. The financial plan is finalized and agreed upon. The recommendations and solutions are executed to reach the desired goals and objectives. Evaluation of the financial plan is conducted periodically. The financial planning service provides the option of conducting a periodic review and revision of the plan to ensure that the financial goals are achieved.

Financial plans are based on your financial situation and the financial information you provide to Bruderman. If your financial situation, goals, objectives, or needs change, you must notify us promptly.

We also provide financial planning services that cover a specific area, such as retirement or estate planning. We offer consultative services where we set an appointment to meet with you for financial planning advice for an hourly fee.

You may choose to accept or reject our recommendations. If you decide to proceed with our recommendations, you may do so either through our investment advisory services or by using the advisory/brokerage firm of your choice.

Bruderman does not provide tax or legal advice. Clients should consult with their professional advisors regarding any tax or legal matters.

Regulatory Assets Under Management (“RAUM”)

As of December 31, 2020, Bruderman Asset Management managed a total of \$1,337,881,114.00 of RAUM on a discretionary basis of which \$30,731,240.00 of assets was managed on a non-discretionary basis.

Item 5 Fees and Compensation

Advisory Fee

The Account will be charged a fee on a quarterly basis in advance (the “Advisory Fee”). The Advisory Fee rate charged each quarter will be one-fourth the annual Advisory Fee.

The client is charged an advisory fee that is a percentage of the assets in the account. “Assets in Account” shall include all assets managed by the Adviser in any of its asset management programs, assets managed by external alternative fund and long-only managers, private investments and excluding assets not managed but held in brokerage accounts with Bruderman Brothers, LLC. The advisory fee ranges to a maximum of 1.875% based upon the amount of assets in the account, the type of investment strategy the client is pursuing, and consideration of the number of accounts the client or their immediate family may have with Bruderman Asset Management (“householding”). BAM may also engage in special advisory fee arrangements which are negotiated with a client. Additional breakpoints and fee reductions may be granted for advisory relationships in excess of \$25,000,000.00.

The Advisory Fee is payable quarterly in advance, based on the balance in the Account at the close of the market on the last business day of the prior quarter. In any partial calendar quarter, the Advisory Fee will be prorated based on the number of days that the Account was open during the quarter. The fee for the first period will be billed at the beginning of the first full calendar month the account is open, based on the value at the close of the market on the last business day of the prior month.

Client authorizes their Custodian to deduct from their designated Fee Account and pay to the Adviser their Advisory Fee for each applicable billing period. The Advisory Fee will be debited at the beginning of each quarter from the Fee Account. In the event of advisory agreement

termination, the Adviser will refund pre-paid fees on a pro-rata basis calculated from the date of termination through the end of the quarter.

The Advisory Fee covers the advisory services provided by the Adviser, as described in this Agreement. The Advisory Fee does not cover Transaction Charges (as described below), brokerage charges provided by broker-dealers other than BBLLC, custody services provided by any custodian other than Custodian. The Advisory Fee also does not cover certain costs or charges that may be imposed by Adviser, Bruderman Brothers, LLC, its affiliated broker-dealer (“BBLLC”), Custodian, or third parties, including costs associated with exchanging foreign currencies, odd-lot differentials, IRA fees, transfer taxes, exchange fees, wire transfer fees, postage fees, and other fees or taxes required by law. The Adviser’s representative servicing the Account will receive a portion of the Advisory Fee.

The Account will be charged fees for the processing, trading, and custodian charges in connection with transactions executed through BBLLC (“Transaction Charges”). Transaction Charges generally include a per share charge for exchange-listed securities and a per transaction “ticket” charge for securities.

Client may deposit cash into an Account at any time, provided that the Adviser reserves the right not to accept particular securities into an Account or impose a waiting period before certain securities may be deposited or invested. Client may withdraw Account assets on notice to Adviser, subject to the usual and customary securities settlement procedures. No portion of any prepaid Advisory Fee will be rebated to the Account based on the value of partial withdrawals. Client understands that the Account is designed as a long-term investment vehicle; therefore, withdrawals may impair the achievement of Client’s investment objectives.

Client understands that certain funds in which Client may invest pursuant to this Agreement, including exchange-traded funds and mutual funds, also bear their own investment advisory fees and/or other expenses. Client further understands that certain funds available through this Agreement may be available directly from a broker-dealer without paying the Advisory Fee.

Client also understands that Custodian and/or BBLLC may receive payments from certain mutual funds (including money market funds) pursuant to a 12b-1 distribution plan or other arrangement as compensation for distribution and/or administrative services and are distributed from the fund’s total assets. The 12b-1 fee and services fee arrangements are described in the applicable fund’s prospectus. If available cash is held in the Account as free credit balances, Custodian and/or BBLLC may receive compensation in connection with those balances.

Fees for Additional Services

Clients opting to use Bruderman Asset Management’s third-party account aggregator for administration of certain assets may incur an additional service fee, which shall be determined by

the Adviser. Clients are not required to use the third-party account aggregator to administer assets. Any such fees for additional services would be agreed upon with the client in advance.

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. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period. Additionally, the client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Pooled Investment Account Fees: All fees paid to Bruderman Asset Management, LLC for advisory services are separate and distinct from the fees and expenses charged by investments (such as mutual funds, ETFs, etc.) 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 Bruderman 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.

Direct Debit vs Billing: When authorized by the Client, fees are debited from the account in accordance with the terms set forth in the Investment Management Agreement. When calculating fees, we pay careful attention and review them on a regular basis. However, the Custodian holding your assets will not determine whether the fee was properly calculated. You are also responsible for confirming that the fee we submit to the custodian is accurate. Clients are provided with an itemized billing notification. Please review these notices carefully and contact Bruderman Asset Management with questions or discrepancies.

ERISA Accounts: In instances where we provide management to certain retirement plans, Bruderman Asset Management may be 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"). As such, Bruderman 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, Bruderman Asset Management may only charge fees in ERISA accounts for investment advice about products for which the Adviser and/or our related persons do not receive any commissions or 12b-1 fees, or

conversely, investment advice about products for which BAM and/or our related persons receive commissions or 12b-1 fees, where those fees are used to offset Bruderman Asset Management's advisory fees.

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

Compensation from Other Business Activities: Certain individuals of Bruderman Asset Management, LLC are also registered representatives with Bruderman Brothers, LLC² a FINRA member broker-dealer, which is wholly owned by Bruderman Asset Management, LLC. In this capacity, these individuals have the ability to receive separate compensation for the products they recommend to clients. This presents a conflict of interest as this gives Bruderman Asset Management, LLC personnel an incentive to recommend investment products based on the compensation received, rather than on a client's needs basis. To mitigate this conflict, we advise our clients that no BAM client is obligated to purchase any products or services from these individuals. The Adviser has included a list of possible conflicts of interest and ways in which we mitigate these conflicts of interest in Items 10 and 11 of this Disclosure Brochure. Clients are free to purchase investment products that we recommend through any broker/dealer or agent of their choice that are not affiliated with the Adviser. Clients may be charged commissions or mark-ups in addition to our advisory fees.

At times, BAM recommends mutual funds. Other than as noted in the ERISA section above, we do not provide offsets for commissions or 12b-1 fees received by our registered representatives.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

Bruderman Asset Management does not currently charge performance-based fees. However, the Adviser may do so in the future on certain products, services, or portfolios offered to Clients.

Item 7 Types of Clients

Bruderman Asset Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Mass Affluent individuals and families
- Pension and Profit-Sharing Plans
- Charitable Organizations

² CRD #47957 and SEC Filing #8-51974.

- Endowments and foundations
- Small businesses
- Corporations

Bruderman Asset Management may require a minimum investment to open and maintain advisory accounts. At our sole discretion, we may waive this requirement. We may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

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

Methods of Analysis

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

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.

Economic and Market Analysis. We attempt to review, summarize, and interpret broad global economic, market trends, and themes for the purpose of risk identification and opportunity recognition. This summary acts as an aid to overall asset allocation analysis, market-wide trends, and developing themes. Increased levels of market volatility are considered, as are technical and other factors, including funds flows, currency movements, commodity prices, inflation, employment rates, and political or regulatory changes.

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 client behavior and potentially predict future price movement.

Mutual Fund and/or ETF Analysis. We look at the product design, 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 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 other 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.

Computer software. We use computerized financial planning software to organize data and create a preliminary analysis of the client's current and projected financial situation. In order to analyze security performance and risk, we use a variety of technical data supplied by third parties as well as percentile rankings of mutual fund managers' adjusted risk performance. A risk of such computer programs is that projections and recommendations formulated from the program are generated from assumptions entered by the software's programmers, often based on how markets or securities have historically performed. However, markets and securities can and often do perform differently than they have in the past.

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.

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.

Item 9 Disciplinary Information

The Adviser has no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

As stated in Item 5 of this disclosure brochure, management and certain registered personnel of Bruderman Asset Management are separately licensed as registered representatives with BBLLC, an affiliated FINRA member broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they could receive separate, yet customary, compensation.

BAM generally acts as broker-dealer for the Investment Programs. Transaction charges for accounts are generally passed through to the client. In addition, equity transactions will generally incur costs. The Custodian and clearing firm will also generally receive all or a portion of the per share charge for equity transactions.

Certain management members and investment advisor representatives are also registered as insurance agents. Products sold through these individuals may generate a commission to the Adviser and the representative. Bruderman Asset Management and its employees have a conflict of interest when recommending insurance products for which they will receive additional compensation. Clients are always free to decline insurance recommendations or may choose to implement those recommendations through channels unaffiliated with Bruderman Asset Management.

While BAM 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 ability to receive separate, additional compensation itself creates a conflict of interest, and that may affect the judgment of these individuals when making recommendations.

Clients should be aware that when any affiliated person(s) of Bruderman Asset Management, LLC receive additional compensation it creates a conflict of interest that may impair the objectivity of the Adviser and those individuals when making advisory recommendations. BAM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; therefore, 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 the Adviser, our employees, and/or affiliates to earn compensation from advisory clients in addition to our advisory fees;
- We disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- 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; and
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Except as those noted above, BAM and our related persons are not engaged in any other additional financial industry activities and have no other industry affiliations. We do not have any referral arrangements with any other registered investment advisers or any other referral arrangements. Bruderman Asset Management, LLC does not recommend or select investment advisers and receive compensation, either directly or indirectly, for such recommendations.

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

Bruderman Asset Management has adopted a Code of Ethics (the “Code”) which sets forth high ethical standards of business conduct that we require of our Supervised Persons (all employees of the Adviser providing investment advisory services are categorized as Supervised Persons), including compliance with applicable federal and state securities laws.

Bruderman Asset Management, LLC and our employees owe a duty of loyalty, fairness, and good faith towards our clients, and we have an obligation to adhere not only to the specific provisions of the Code of Ethics but also to the general principles that guide the Code.

Our Code 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 Supervised Persons of the Adviser. Among other things, our Code contains policies and procedures which comply with Rule 204A-1 of the Adviser’s Act which 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 recordkeeping provisions.

Bruderman Asset Management, LLC's Code further includes the policy prohibiting the use of material, nonpublic information. While we do not believe that we have any particular access to nonpublic information, all Supervised Persons are reminded that such information may not be used in any personal or professional capacity.

A copy of our Code is available to our Advisory clients and prospective clients. You may request a copy by emailing us at info@bruderman.com, or by calling us at (516) 609-0291.

Bruderman Asset Management, LLC may recommend securities to clients, or transact buys and/or sells for client accounts, in which BAM or any related person of the Adviser, have a financial interest. As noted in Item 10, Bruderman Asset Management, LLC is affiliated with and processes transactions through Bruderman Brothers, LLC, a registered broker/dealer. Bruderman Brothers LLC may, as principal, buy securities for Bruderman Asset Management. Additionally, Bruderman Brothers, LLC may perform, for compensation, securities transactions on behalf of such Clients of Bruderman Asset Management, LLC.

Our Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of our Supervised Persons 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 Supervised Persons to invest for their own accounts.

Bruderman and/or individuals associated with Bruderman 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 which may also be recommended to a client.

It is the expressed policy of Bruderman that no Supervised Person may purchase or sell any security prior to a transaction(s) being implemented for an Advisory account, thereby preventing

such Supervised Person(s) from benefiting from transactions placed on behalf of Advisory accounts.

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

- No principal or Supervised Person of BAM may put his or her own interest above the interest of an advisory client.
- No principal or Supervised Person of BAM 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.
- 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 Supervised Persons from benefiting from transactions placed on behalf of advisory accounts.
- BAM requires prior approval for any IPO or private placement investments by related persons of BAM.
- BAM has established procedures for the maintenance of all required books and records.
- Clients can decline to implement any advice rendered, except in situations where BAM is granted discretionary authority.
- All of our principals and Supervised Persons must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- BAM has established policies requiring the reporting of Code violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

Bruderman Asset Management, LLC generally does not accept directed brokerage discretion from any client, but instead requires that clients direct Bruderman Asset Management to place trades through Bruderman Brothers, LLC and its Custodian and clearing firm to execute transactions made for the Client's account. As disclosed in Item 10 of this Brochure, Bruderman Asset Management members are affiliated with Bruderman Brothers, LLC, a FINRA member registered broker-dealer. BAM reserves the right to decline acceptance of any Client account for which the client directs the use of a broker-dealer other than Bruderman Brothers, LLC or a Custodian and clearing firm designated by BAM.

Bruderman Asset Management, LLC, through its Custodian and clearing firm, obtains best execution, but clients should be aware that the use of BBLLC, as well as the commissions charged by BBLLC, may be higher than commissions or charges otherwise available. A potential conflict of interest exists as members of the Adviser may also receive brokerage commissions and other fees while acting as the broker/dealer for our advisory clients.

Clients should understand that Bruderman Asset Management has a conflict of interest in recommending its affiliated broker-dealer and in recommending the associated services of Bruderman Brothers, LLC's Custodian and clearing firm. Bruderman Brothers, LLC receives other fees from its Custodian and clearing firm, such as rebates on margin account balances, based on accounts and balances carried with its Custodian and clearing firm.

Where Bruderman Asset Management refers a client to Bruderman Brothers, LLC as an introducing broker-dealer for execution, BAM may effectively have discretionary authority to determine commission rates. Bruderman Asset Management will ensure that Bruderman Brothers, LLC charges rates that are either (i) specially negotiated to reflect discounts available by virtue of the affiliation between Bruderman Brothers, LLC and Bruderman Asset Management; or (ii) competitive with other full-service brokerage firms offering execution and other services. Bruderman Asset Management cannot, however, guarantee that the commissions charged by any broker-dealer used for execution will be the lowest available rates. Clients may be able to obtain similar services at higher or lower commission rates through a different broker-dealer.

Bruderman Asset Management may, but shall not be obligated to, aggregate orders for advisory accounts with orders for other advisory accounts or clients. The Adviser will allocate securities purchased or sold, as well as the expense incurred in the transaction, in a manner that it considers to be equitable and consistent with its fiduciary obligations to clients. Trade aggregation may allow us to execute equity trades in a timelier, more equitable manner, and at an average share price. Bruderman Asset Management will typically aggregate trades among clients whose accounts can be traded at a given broker. The Adviser's aggregated trading policy and procedures are as follows:

- 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 Bruderman Asset Management.
- 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. 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.
- 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 its Custodian and clearing firm, transaction costs may be based on the number of shares traded for each client.
- Bruderman Asset Management'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.

- Funds and securities for aggregated orders are clearly identified in Bruderman Asset Management's records and to its broker-dealer by the appropriate account numbers for each participating client.
- No client or account will be favored over another.

Accounts in these programs will be held in custody at a Qualified Custodian. Clients must include any limitations on the Adviser's discretionary authority by providing BAM with a written statement. Clients may change/amend these limitations as required.

Some mutual funds that may be purchased for an advisory account pay annual distribution charges to broker-dealers, sometimes referred to as "12b-1 fees," and these 12b-1 fees may be partially re-allocated to Bruderman Asset Management.

Bruderman Asset Management ensures that our clients receive best execution services based on a total mix of all factors and services, as well as quality of execution and products offered by performing a periodic review of these factors.

Bruderman Asset Management does not accept directed brokerage from clients.

Bruderman Asset Management has not accepted and does not receive any soft dollar compensation. The Adviser does not receive brokerage incentives for client referrals.

Item 13 Review of Accounts

Portfolio Management and Separate Account Management

Reviews: Periodic review of client accounts is performed by a qualified supervisor in coordination with the Adviser's Compliance Department. Trade blotters of all transactions are also reviewed by the Compliance Department. Should the situation warrant it, reviews are more frequent.

Reports: Clients receive at least quarterly statements and confirmations of transactions from their Custodian and clearing firm. Additional reports summarizing account performance, balances, and holdings may be delivered, if separately contracted by the client.

Item 14 Client Referrals and Other Compensation

Client Referrals

Bruderman Asset Management may, periodically, engage in solicitation agreements through which it will receive compensation for referring clients to other investment advisory programs. Where Bruderman Asset Management acts as a solicitor, BAM will refer clients to other advisers and receive a referral fee. At such time that Bruderman Asset Management enters into such a relationship, it will provide a separate disclosure statement describing the arrangement and the compensation to be paid to the Adviser. Bruderman Asset Management will also provide the client

with the other adviser's disclosure documents. In all cases, solicitation fees or referral fees are paid out of the adviser's stated management fee; clients do not pay any additional fees to Bruderman Asset Management.

Bruderman Asset Management may enter into solicitation agreements through which it will pay referral fees to a solicitor for referring clients to the Adviser. In addition, Bruderman Asset Management employees are compensated through receipt of a portion of the asset-based fee. As such, they receive more compensation when they bring in new clients to Bruderman Asset Management, and that compensation may be more than what the person would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services.

In addition, Bruderman periodically offers incentive arrangements whereby employees receive a higher level of compensation based on assets brought to BAM in a specific time period. Therefore, Bruderman Asset Management's employees have a financial incentive to recommend their Programs over other programs or services.

Bruderman Asset Management may from time to time pay referral fees to our affiliated broker/dealer, or its employees, for referrals of clients, where allowable by law. These referral fees are paid out of the Program Fees paid to Bruderman Asset Management so there is no additional charge to the referred client.

Other Compensation

Investment Adviser Representatives of Bruderman Asset Management, who are also registered representatives with Bruderman Brothers, LLC, may be eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of securities or insurance policies or other investment products.

Certain Investment Adviser Representatives who are also licensed insurance agents may receive compensation for the sale of insurance products either through Legacy Benefit Assurance, LLC, a New York state licensed Insurance Agency controlled by officers and directors of the Adviser or through third-party Insurance Carriers providing primarily fixed and variable annuity life insurance policies.

Certain Investment Adviser Representatives who are also registered representatives with Bruderman Brothers, LLC, may receive compensation by introducing clients of the Adviser to Sandy Hill Investors, LLC which undertakes and participates in private equity, investment, and merchant banking transactions and is controlled by officers and directors of the Adviser.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

Item 15 Custody

Pursuant to Rule 206(4)-2, we are deemed to have custody of client account's funds and securities because (i) we may debit fees directly from the accounts of such clients and/or (ii) certain clients have executed a letter or instruction or similar asset transfer authorization arrangement with a qualified custodian whereby we are authorized to withdraw client funds or securities maintained with a qualified custodian upon our instruction to the qualified custodian (each, an "SLOA"). The terms of each such SLOA are consistent with the terms described in the February 21, 2017 letter of the Chief Counsel's Office of the Securities and Exchange Commission clarifying custody with respect to a standing letter of instruction or other similar asset transfer authorization arrangement established by a client with a qualified custodian. As a result, with respect to transfers of funds and securities between client accounts and to third parties, client accounts will not be subject to independent verification (i.e., a surprise exam). Clients have access to their portfolio holdings and activity on a continuous basis by logging into their qualified custodial accounts via secure login and password. In addition, the qualified custodian of each Client account sends, unless the client opts out, or makes available, on a quarterly basis or more frequently, account statements directly to each Client. We urge Clients to carefully review these account statements from their qualified custodians and compare the information therein with any financial statements or information received or made available to Clients through us or any other outside vendor.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. To this end, clients will grant us with a limited Power of Attorney with discretionary trading authority over all accounts to buy, sell, or otherwise perform investment transactions involving the assets in the Client's name and for the Client's account.

Our discretionary authority includes the ability to do the following without contacting the Client first:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell; and/or
- Determine sub-advisors to manage some or all of the funds in the account.

Clients give us discretionary authority and Power of Attorney when they sign a discretionary investment advisory agreement with the Adviser, and they may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with written instructions.

Item 17 Voting Client Securities

BAM does not vote proxies on behalf of clients and does not take any position with respect to class action shareholder lawsuits. Therefore, although the Adviser may provide investment advisory services relative to client investment assets, Clients maintain exclusive responsibility for: (i) directing the manner in which proxies solicited by issuers of securities beneficially owned by the

client shall be voted, and (ii) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the Client's investment assets.

We may provide clients with consulting guidance regarding proxy issues or class action shareholder suits if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an Advisory firm that maintains discretionary authority for Clients' accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Bruderman Asset Management, LLC has no additional financial circumstances to report.

The Adviser has in place an expense sharing agreement with its affiliated broker-dealer, Bruderman Brothers, LLC by which it derives a portion of its gross revenue from its investment in this entity. Fluctuations in revenue received by the Adviser may impact its financial condition.

The Adviser received two Paycheck Protection Plan ("PPP") Loans through the Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 Pandemic. As described in the program requirements, the loans provided to the Adviser are to be used to support the firm's payroll expenses and other expense items as allowed under the program which based on the parameters of the loans will then result in the loans being forgiven without a requirement for the Adviser to make any repayment. If the PPP loans proceeds are used in any manner other than allowed under the program, then the loans will convert to standard loans which will require the Adviser to repay the loans proceeds in accordance with the Adviser's agreement with the lending financial institution. The Adviser has not suffered any interruption of service.

Under no circumstances do we 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.

Bruderman Asset Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.