

## HENRY H. ARMSTRONG ASSOCIATES, INC.

### FORM CRS

June 18, 2020

Henry H. Armstrong Associates, Inc. (“Armstrong”, “we”, “us”) is registered as an investment adviser with the U.S. Securities and Exchange Commission. Services and fees offered by investment advisory firms like Armstrong differ from those offered by brokerage firms and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### What investment services and advice can you provide me?

We offer investment advisory services to retail investors primarily through separately managed equity portfolios. When appropriate to meet client objectives, we purchase and sell a range of securities including NYSE, NYSE Amex, and NASDAQ equity securities, high quality municipal and corporate debt securities, certificates of deposit, exchange-traded funds (“ETFs”), mutual fund shares, and U.S. government securities. We also provide wealth advisory services, helping you with financial planning and wealth transfer considerations.

**Monitoring:** As part of our standard advisory services, we monitor the securities held in your account(s) on an ongoing, continuous basis. News related to your portfolio holdings or portfolio company reports and filings would also trigger a review of your portfolio. We conduct account reviews on an event-driven basis, such as in response to a change in your investment objectives and/or financial situation, account cash flows, market corrections or escalations we deem severe, and upon your request. You are responsible to inform us of any changes in your investment objectives and/or financial situation.

**Discretionary Authority:** We accept discretionary authority to manage securities accounts on your behalf. This authority allows us to buy and sell securities we determine are in your best interest in an amount and in the timeframe that we determine is appropriate. Nearly all account transactions are executed with your custodian, although on behalf of certain clients, we have discretion to trade away from your custodian if deemed to be in your best interest if you custody your account(s) at Schwab or Fidelity and if you have signed a Prime Brokerage agreement with your custodian. In the rare instance where we do not have full discretion, you make the ultimate decision to buy or sell following our recommendation. You may place reasonable restrictions on securities we may buy and sell and also elect to grant us authority to deduct our advisory fees from your account. We do not have the authority to vote proxies for client accounts.

**Account Opening Requirements:** We require you to sign a written Management Agreement which authorizes us to manage investments on your behalf. You may cancel the Management Agreement at any time. Our minimum account size is \$2 million, but we will accept accounts of lower value at our discretion.

See Items 4 and 7 of our Form ADV, available at <https://henryarmstrong.com/disclosures>, for more information about our relationships and services.

*CONVERSATION STARTERS: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

### What fees will I pay?

We are compensated for advisory services based on a percentage of assets under management including cash: 1% per annum on the first \$5 million, 0.9% on the next \$5 million, 0.8% on the next \$5 million, and 0.7% over \$15 million. Fees, at one-fourth the quoted rate, are billed quarterly in advance unless you direct otherwise. Fees may vary based

on householding arrangements and other considerations. The more assets we manage for you, the greater our fee and so we have an incentive to encourage you to increase account assets. You also pay brokerage commissions and other transaction costs for trade execution. Prime Brokerage clients pay additional commissions when we exercise that authority. If you own mutual funds and ETFs, you pay the operating expenses of those securities.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. See Item 5 of our Form ADV, available at <https://henryarmstrong.com/disclosures>, for more information about our fees and expenses.**

*CONVERSATION STARTERS: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are examples to help you understand what this means: our employees are permitted to buy and sell the same securities recommended to clients. Furthermore, we charge an asset-based fee which could incentivize us to favor larger accounts with more assets under management who typically generate higher fees.*

*CONVERSATION STARTERS: How might your conflicts of interest affect me, and how will you address them?*

### **How do your financial professionals make money?**

Our financial professionals are paid a salary and bonus, which is payable at our discretion. Factors which impact the bonus include investment performance and extraordinary new business. This presents a conflict because as revenues grow, so does our compensation. Read our Form Part 2A to learn more about potential conflicts and how we address them at <https://henryarmstrong.com/disclosures>.

### **Do you or your financial professionals have legal or disciplinary history?**

No, Armstrong has no legal or disciplinary events to report. Please visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research Armstrong and our financial professionals.

*CONVERSATION STARTERS: As a financial professional, do you have any disciplinary history?  
For what type of conduct?*

For up-to-date information or to request a current copy of Form CRS, contact Peter Eberhart, Managing Director, at 412-471-1551, or [pete@henryarmstrong.com](mailto:pete@henryarmstrong.com). You may also visit our website at <https://www.henryarmstrong.com>.

*CONVERSATION STARTERS: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*