Henry H. Armstrong Associates, Inc.
Investment Management

FIRM BROCHURE
ADV PART 2A

February 26, 2025

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This Brochure provides information about the qualifications and business practices of Henry H. Armstrong Associates, Inc. If you have any questions about the contents of this Brochure, please contact us at 412-471-1551, or by email at info@henryarmstrong.com. The information in this Brochure has not been approved or verified by the United States Security Commission ("SEC"), or by any state securities authority. Registration with the SEC as an investment adviser does not imply a certain level of skill or training.

Additional information about Henry H. Armstrong Associates, Inc., is available on the Investment Adviser Public Disclosure ("IAPD") website at www.adviserinfo.sec.gov, by searching for our CRD #105510.

ITEM 2: MATERIAL CHANGES

Since the last annual amendment of this Form ADV Part 2A Brochure on February 23, 2024, Henry H. Armstrong Associates, Inc. ("Armstrong", the "Firm", "we", "us", "our") reports no material changes to our business.

We routinely make changes throughout the Brochure to improve and clarify the descriptions of our business practices and compliance policies and procedures or in response to evolving industry and Firm practices. We believe that these changes are not material changes and do not describe them in this Item 2. We encourage you to read this document in its entirety.

We will provide clients ("you") with a new Brochure as necessary based on regulatory requirements, in the event of material changes or new information, without charge. Should you require a copy of our most current Brochure at any time, please contact us at 412-471-1551, or by email at info@henryarmstrong.com. Please read this Form ADV Part 2A in its entirety. Additional information about Armstrong is available on the IAPD website at www.adviserinfo.sec.gov, by searching for our CRD #105510.

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ITEM 4: ADVISORY BUSINESS

A. Firm Description and Principal Owners

Henry H. Armstrong Associates, Inc. ("Armstrong," "we," "our") has been in business since 1983 with its headquarters in Pittsburgh, PA. Armstrong provides investment supervisory services to individuals, families, and endowments. The principal owner of Armstrong is James McKay Armstrong.

B. Types of Advisory Services

Armstrong offers continuous investment advisory services to clients. These services include the purchase and sale of 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 United States government securities. Armstrong also provides wealth advisory services, helping clients with financial planning and wealth transfer considerations. We do not render advisory services with regard to futures and options, nor provide legal or accounting services.

C. Retirement Plan Rollovers – No Obligation

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Armstrong recommends that a client roll over their retirement plan assets into an account to be managed by us, such a recommendation creates a conflict of interest if we earn new (or increase its current) compensation as a result of the rollover. If Armstrong provides a recommendation as to whether a client should engage in a rollover or not, we are acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Armstrong.

D. Tailored Relationships

Armstrong will tailor our advisory services to the individual client's needs. The client's unique situation is our starting point. Armstrong takes the time to listen to clients, consult with their other advisors, and analyze existing financial statements and wealth planning documents. We help clients articulate and establish measurable and attainable goals. We work with the client's team of advisors to put forward recommendations designed to meet client goals. We work closely with the client and their other advisors to implement our strategy and we regularly track the progress toward client goals, confirm client goals, and modify the plan, as necessary. Clients are permitted to impose reasonable restrictions on investing in certain types of securities.

E. Client Obligations

In performing its services, Armstrong is not required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify us if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Armstrong's previous recommendations and/or services.

F. Wrap Programs

Armstrong does not participate in or sponsor a wrap fee program.

G. Assets Under Management

As of December 31, 2024, Armstrong managed $1.143 billion in assets, all on a discretionary basis.

ITEM 5: FEES AND COMPENSATION

The client can determine to engage Armstrong to provide discretionary and/or non-discretionary investment advisory services on a fee basis.

A. Fee Schedule Description

Armstrong offers continuous investment advisory services for a fee, calculated as a percentage of assets under management. Our standard fee schedule is as follows:

1.00 percent on the First $5,000,000.00
0.90 percent on the Next $5,000,000.00
0.80 percent on the Next $5,000,000.00
0.70 percent over $15 Million

These rates are applied to the market value of all assets under management, including cash balances that are available for investment, and are charged annually. Fees are in some cases negotiated with a client as deemed appropriate by Armstrong. Fees are generally waived for employee and related or family member accounts.

B. Fee Billing

Armstrong calculates fees each quarter based upon our quarter-end market appraisal of the portfolio, and the amount is billed in advance unless a client directs otherwise. Armstrong's fee can be deducted directly from the client's assets held by the independent custodian or, if the client prefers, they can pay the bill directly.

Two criteria must be met for the custodian to make payment of fees. They are as follows: (1) the client must provide written authorization (either within the context of the brokerage account application or a separate letter of authorization to the custodian) permitting the fees to be paid directly from the client's account held by the independent custodian; and (2) the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Armstrong.

Armstrong sends a copy of each client's bill to the client. The bill shows the amount of the fee, the value of the client's assets on which the fee was based, and the method used to calculate the fee. The account custodian does not verify the accuracy of Armstrong's advisory fee calculation.

When calculating advisory fees, Armstrong will generally aggregate account values for each client relationship, which will typically include accounts of both spouses and minor children and (at the exclusive discretion of Armstrong) occasionally include adult children as well.

C. Cash Balances

Armstrong considers cash to be an asset class. Cash held in the client's investment account is typically invested in a money market fund or swept into a money market bank account at the client's custodian. Armstrong generally includes cash and cash equivalents in the calculation of assets under management and fees, with the exception of asset carve out arrangements which are formalized based on the client's expressed need to set aside cash. During periods of exceedingly low short-term interest rates, client fees paid on cash balances may exceed money market yields.

D. Other Fees

Clients will incur brokerage commissions and other transaction costs for trades executed in their account, to the extent applicable. For clients enrolled in Prime Brokerage a nominal fee also applies. Clients who own mutual funds will be subject to the operating expense of the various mutual funds in which they invest. Clients who own ETFs will be subject to the operating expenses of the ETFs in which they invest. Armstrong does not accept or receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale, purchase, or redemption of mutual funds. (Please see Item 12 – Brokerage Practices for more information about Armstrong's brokerage practices.)

E. Fee Refunds and Partial Fee Periods

If a client terminates their Management Agreement with us before the end of the billing period they will receive a refund on a pro rata basis. If a client opens a new account in the middle of a billing period, Armstrong will generally not charge the client for the first partial period in which we manage the new account.

ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Armstrong does not charge client accounts any performance-based fees.

ITEM 7: TYPES OF CLIENTS

A. Description

Armstrong provides investment advice to individuals, high net worth individuals, families, trusts, estates, pension and profit-sharing plans, corporations, and charitable organizations.

B. Account Opening and Account Minimums

Armstrong requires all clients to sign a Henry H. Armstrong Management Agreement. This Agreement authorizes Armstrong to manage investments for a client's account. It spells out the terms of our engagement and does not commit the client to any fixed term of engagement. The Management Agreement can be canceled at the client's option at any time. Armstrong's minimum account size is $2 million, but Armstrong will accept accounts of lower value at its discretion.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

A. Methods of Analysis

James McKay Armstrong, President, and Adam Scholl, CFA, Senior Vice President, use a meticulous and discriminating analysis of fundamentals to select securities, typically common stocks, for inclusion in Armstrong portfolios. They focus on a company's operating conditions including return on capital, consistent earnings and revenue per share growth, and balance sheet strength in an attempt to find businesses to invest in. An emphasis is placed on how the business has performed, and is expected to perform, over a long period of time that will span a variety of economic circumstances. Upon identifying a business we believe to be superior, Armstrong will assess the value of its common stock. If the stock is offered at a price at or below Armstrong's assessed value, Armstrong will generally purchase the stock for client portfolios.

Stocks owned are continually assessed as if they were candidates for purchase. If Armstrong expects business conditions to deteriorate or if the stock price is deemed to be excessive, Armstrong will sell the security. Short-term circumstances such as the current economic climate and the short-term movement of stock price are generally not considered.

In certain limited situations, when directed by a client, Armstrong will invest a portion of a client's account in mutual funds or ETFs. These directives generally stem from the client's interest in gaining exposure to a specific sector of the capital markets. In these situations, Armstrong will use its discretion to select the most cost-effective holding(s) to meet the client's express needs.

Messrs. Armstrong and Scholl regularly review the securities held in client accounts. They consult a wide range of sources, including, but not limited to, financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, annual and quarterly reports, prospectuses, filings with the U.S. Securities and Exchange Commission ("SEC"), company press releases, conference calls, etc.

Investing in securities involves risk of loss that clients should be prepared to bear.

B. Investment Strategy

Armstrong invests primarily in the common stocks of what are perceived to be strong, stable companies. The principles of quality, clarity, and safety lead Armstrong to invest in companies that we believe can prosper despite competition, recession, inflation, and other hazards of the marketplace. Armstrong's companies are usually dominant, global franchises headquartered in the United States. They generally have little debt, accounting that can be reconciled to Generally Acceptable Accounting Principles, consistently high returns on capital, and growing earnings per share. Armstrong will, on occasion, invest in companies that do not fit the above criteria if Armstrong believes those companies offer superior value. Armstrong strives to buy stocks at reasonable prices. When Armstrong deems the stocks of those companies to be trading at unsustainably high valuations, or the business thesis changes, Armstrong will generally sell.

C. Types of Securities

Armstrong invests mainly in U.S. equity securities with a focus on growth-oriented companies. Many of these companies have high exposure to fast-growing overseas markets, but shield us from direct political, currency, and foreign accounting risks.

As noted above, in certain limited situations, when so directed by a client, Armstrong will invest a portion of a client's account in mutual funds or ETFs.

Armstrong invests in fixed income securities for clients who require a steady income stream and a balanced portfolio. We use U.S. Treasury securities of intermediate to short-term maturity, or very high-grade municipal bonds, when available. We typically structure maturities in a laddered fashion covering a period of years to take advantage of interest rate shifts, to substantially reduce price volatility, and to avoid tying up funds for a long period of time.

D. Risk of Loss

While it is the intention of Armstrong to implement strategies designed to minimize potential losses suffered by its clients, there is no assurance that such strategies will be successful. It is possible that a client could lose a substantial proportion or all of his, her, or its assets in connection with investment decisions made by Armstrong. All investing involves a risk of loss and the investment strategy offered by Armstrong could lose money over short or even long periods. There is no guarantee that a client's portfolio will achieve appreciation in terms of capital growth or that a client's investment objective will be met by Armstrong. We believe that regular communication with clients plays a critical role in maintaining a prudent and successful long-term investment program.

<u>Stock Market Risk</u>
There is a chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Technology Sector Risk
Stock prices of technology companies may experience significant price movements as a result of intense market volatility, worldwide competition, consumer preferences, product compatibility, product obsolescence, government regulation, or excessive investor optimism or pessimism.

Concentration Risk
Armstrong generally structures client portfolios with a limited number of stocks. Investing in a limited number of securities tends to involve more volatility and risk than investing in a greater number of securities because changes in the value of a single security will generally have a more significant effect, either negative or positive, on the value of an account. To the extent that a client account invests its assets in fewer securities, the account is subject to greater risk of loss if the valuation of any of those securities becomes permanently impaired.

Interest Rate Risk and Credit Risk
Armstrong recommends investment in fixed income securities in certain situations. The value of these holdings are often adversely affected by rising interest rates. Credit risk (the risk that an issuer will default on its debt obligations) does exist in certain cases.

Municipal Bond Investing Risk
In limited situations, client portfolios hold municipal bonds, which are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, liquidity and valuation risk.

Mutual Fund Investing Risk
While not a part of our standard investment strategy, from time to time, under special circumstances as agreed to with the client, certain portfolios hold shares of mutual funds. When Armstrong has discretion to invest a client's assets in a mutual fund, we will invest the client assets in institutional shares, or the best share class available. In the instance of legacy holdings, we generally do not have control over which share class the account is invested in. Shares can be bought and sold through a broker, and the selling shareholder often has to pay brokerage commissions or transaction fees in connection with the sale. Investment returns and principal value will fluctuate so that when shares are redeemed, they are expected to be worth more or less than original cost. Shares can only be redeemed directly from the fund. There can be no assurance that an active trading market for the shares will develop or be maintained, and shares will trade at, above or below their net asset value ("NAV"). Armstrong and its employees do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ETF Investing Risk
From time to time under special circumstances, ETFs are used in client portfolios to maintain market exposure. ETFs are subject to risks similar to those of stocks and are not suitable for all

investors. Shares can be bought and sold through a broker, and the selling shareholder often has to pay brokerage commissions or fees in connection with each transaction. Investment returns and principal value will fluctuate so that when shares are redeemed, they are generally worth more or less than original cost. Shares can only be redeemed directly from the fund. There can be no assurance that an active trading market for the shares will develop or be maintained, and shares will trade at, above or below their NAV.

Sociopolitical Risk

Sociopolitical risk is the possibility that instability or unrest in one or more regions of the world will affect investment markets. Terrorist attacks, war, and pandemics are just examples of events, whether actual or anticipated, that impact investor attitudes toward the market in general and result in systemwide fluctuations in currencies as well as prices of securities and commodities.

Social Media Risk

The dissemination of negative or inaccurate information via social media about issuers in which client accounts are invested could harm their business, reputation, financial condition, and results of operations, which could adversely affect client portfolios and, due to reputational considerations, influence our decision as to whether to remain invested in such issuers.

Analysis Risk

Armstrong's securities, asset allocation, and market analysis methods rely on the assumption that the issuers of securities we recommend, the research firms that provide data and analysis on these securities, and other publicly available sources of information about such securities, provide 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, or we may come to an incorrect conclusion based on our analysis.

Inflation Risk

During periods of rising or high inflation, increases in the prices of goods and services, and therefore the cost of living, reduce consumer purchasing power.

Climate Change Risk

Climate change, its physical impacts, and related regulations could result in significantly increased operating and capital costs that could materially harm certain companies held in client portfolios.

Cybersecurity Risk

Armstrong is dependent on the effectiveness of the information and cybersecurity policies, procedures and capabilities it maintains to protect the confidentiality, integrity, and availability of its computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack including a phishing scam, malware, or denial-of-service attack, or an internally caused incident, such as failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential client or competitive information. Moreover, any increased use of mobile and cloud technologies could heighten these and other operational risks, as certain aspects of the security of such technologies may be complex, unpredictable or beyond our control. Armstrong's exposure to the public Internet, as well as any reliance on mobile or cloud technology or any failure by third-party service providers to adequately safeguard their systems and prevent cyber-attacks, could disrupt our operations and result in misappropriation, corruption or loss of personal, confidential or proprietary information.

In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. Moreover, due to the complexity and interconnectedness of our systems, the process of upgrading existing capabilities, developing new functionalities and expanding coverage into new markets and geographies, including to address client or regulatory requirements, may expose Armstrong to additional cyber- and information-security risks or system disruptions, for the firm, as well as for clients who rely upon, or have exposure to, our systems. Although Armstrong has implemented policies and controls, and takes protective measures, to strengthen its computer systems, processes, software, technology assets and networks to prevent and address potential data breaches, inadvertent disclosures, cyber-attacks and cyber-related fraud, there can be no assurance that any of these measures prove effective. In addition, due to our interconnectivity with third-party vendors, custodians, and other financial institutions, Armstrong may be adversely affected if any of them are subject to a successful cyber-attack or other information security event, including those arising due to the use of mobile technology or a third-party cloud environment.

Armstrong from time to time may transmit and receive personal, confidential or proprietary information by email and other electronic means. We collaborate with clients, vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, Armstrong cannot ensure that it or such third parties have all appropriate controls in place to protect the confidentiality of such information. Any information security incident or cyber-attack against us or third parties with whom we are connected, or issuers of securities or instruments in which client portfolios invest, including any interception, mishandling or misuse of personal, confidential or proprietary information, has the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability.

Risks Related to War and International Conflicts

An ongoing military conflict exists between Russia and Ukraine, which has impacted global financial systems as well as trade and transport, among other things. In response, multiple other countries have imposed global sanctions and other severe restrictions or prohibitions on the activities of individuals and businesses connected to Russia. In October 2023, Hamas, a Palestinian militant group who has controlled the Gaza Strip since 2007, conducted a coordinated surprise civilian attack on Israel. In response, Israel declared war on Hamas and initiated a ground combat mission in the Gaza Strip. As a result, across the Middle East region, tensions have risen, and there is concern that the Hamas-Israel war could expand to involve other regional powers and global actors. The ultimate course of conflicts, such as the Russia-Ukraine conflict and the Israel-Hamas war, and their impact on global economic and commercial activities and conditions, and on the operations, financial condition and performance of a strategy, industry, and/or business as well as the duration and severity of such effects, is impossible to predict. Such conflicts may have a significant adverse impact and result in significant losses to a strategy, industry and/or company. This impact may include reductions in revenue and growth, cyber-attacks, unexpected operational losses and liabilities, and/or reductions in the availability of capital. Developing and further governmental actions (military or otherwise) and international negotiations over such conflicts may cause additional disruption and constrain or alter existing financial, legal and regulatory frameworks and systems in ways that are adverse to investors, all of which could adversely affect a portfolio's ability to fulfill its investment objectives.

ITEM 9: DISCIPLINARY INFORMATION

Armstrong has not been involved in any legal or disciplinary events.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither Armstrong, nor its representatives, are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither Armstrong, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or a representative of the foregoing.

Armstrong has no financial industry activities or affiliations.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

Armstrong has adopted a Code of Ethics ("Code") in accordance with Rule 204A-1 under the Investment Advisers Act of 1940. Armstrong's Code governs, among other things, personal securities transactions by employees, ensuring that the interests of employees do not conflict with the interests of clients and investors. Armstrong's Code includes standards of conduct requiring Armstrong employees to comply with the spirit and letter of the federal securities laws and the fiduciary duties an investment adviser owes to its clients.

In accordance with Section 204A-1, Armstrong also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Armstrong or any person associated with Armstrong.

Armstrong distributes the Code to each employee upon the commencement of employment, and upon any material change to the Code. Each employee must also acknowledge that they have received, read, understood and agreed to comply with Armstrong's policies and procedures described in the Code upon the commencement of employment, annually and when it is materially amended.

B. Participation or Interest in Client Transactions

Neither Armstrong nor any related person of Armstrong recommends, buys, or sells for client accounts, securities in which Armstrong or any of its related persons has a material financial interest.

C. Personal Trading

Should Armstrong employees buy or sell securities that are also recommended to clients, they could be in a position to benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Armstrong did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Armstrong's clients) and other potentially abusive practices.

Armstrong has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each "Access Person" to avoid such conflicts of interest. Armstrong's securities transaction policy requires that an Access Person provide the Chief Compliance Officer or his designee with a written report of their current securities holdings within ten (10) days of becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date that Armstrong selects. Finally, each Access Person must provide the Chief Compliance Officer or his designee with a written report of the Access Person's securities transactions in certain reportable securities each calendar quarter.

Access Persons are permitted to invest in private placements and limited offerings if there are no material conflicts with client interests. Armstrong maintains policies and procedures detailed in its Code of Ethics to ensure that Access Person investment in these opportunities does not impede Armstrong's fiduciary duty. The Chief Compliance Officer is responsible to pre-approve all Access Person investment in private or limited offerings as well as initial public offerings. Armstrong has not and will not favor any client in terms of fees or allocation of investments in exchange for Access Person opportunities to invest in private or limited offerings sponsored by clients.

D. Investing in Securities that we Recommend to Clients

Armstrong's employees at times buy or sell for themselves or related persons, securities it also recommends to clients. If Armstrong is buying or selling a security for clients, the client's trades must be executed before or at the same time as any employee or related person trades. In certain situations, Armstrong employees must obtain written approval from our Chief Compliance Officer before placing personal securities transactions. Similarly, certain of the Chief Compliance Officer's trades are approved prior to execution by another officer of Armstrong. Armstrong seeks to avoid conflicts of interest by maintaining a list of securities currently under consideration for client investment, and prohibiting personnel from trading ahead of clients, thereby profiting personally, directly, or indirectly, by using knowledge about those currently considered securities transactions.

A copy of our Code of Ethics is available upon request by contacting us at 412-471-1551, or by email at info@henryarmstrong.com.

ITEM 12: BROKERAGE PRACTICES

Armstrong has adopted trading policies and procedures which prohibit unfair trading practices and seek to avoid any conflicts of interest or resolve conflicts in favor of clients. If a conflict of interest does exist, it is our fiduciary duty to manage and disclose it responsibly. Armstrong has adopted written policies and procedures for trade documentation, trade allocation and aggregation, soft dollars, best execution, and resolution of trade errors. Armstrong employees must follow these policies and procedures which are tested by the Chief Compliance Officer or his designee to ensure their effectiveness. Some of these important policies are highlighted below.

A. Selecting Brokerage Firms

Armstrong, if the client so requests, can recommend a broker for custody of assets or execution of trades. Armstrong selects the recommended brokers based upon excellence and promptness of service and execution; reliability; minimal frequency of errors; research reports and data provided; cost of custody; cost of trading commissions; general assistance, and helpfulness in solving client problems or intelligence in avoiding trading errors or problems.

Most of Armstrong's client assets are maintained at Charles Schwab & Co., Inc., or Fidelity Investments. Armstrong generally trades with these custodians electronically to avoid generating commissions wherever possible. When applicable, Armstrong negotiates commission rates that it believes to be fair and reasonable; however, we do not necessarily demand the absolute lowest price available, believing that service quality, reliable execution, and research data have significant value to clients and are worth a moderate premium. If Armstrong recommends a particular broker to a client, Armstrong discusses the benefits and costs of doing business with the recommended broker with the client at the time of recommendation. Armstrong is independently owned and operated and not affiliated with any broker-dealer and does not share earnings or fees with any broker-dealer or custodian.

B. Research and Soft Dollar Benefits

If a client desires, Armstrong typically recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. or Fidelity Investments to maintain custody of client assets and to effect trades for the accounts. These broker-dealers provide Armstrong with access to their institutional trading and custody services, which are typically not available to retail investors. These services are available to independent investment advisors on an unsolicited basis and at no charge, provided that at least $10 million of the advisor's client assets are maintained in accounts with them. The provision of these services by Schwab and Fidelity is not contingent upon Armstrong committing to any specific amount of business. These broker-dealer services include brokerage, custody, research, and access to other investment services that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

These broker-dealers do not charge Armstrong clients separately for custodial services but may in certain situations be compensated by account holders through commissions or other transaction-related fees for securities trades. Armstrong does not receive client referrals from a broker-dealer or third party for selecting or recommending broker-dealers to clients.

These broker-dealers make available to Armstrong other products and services that benefit Armstrong but might not benefit all of its clients' accounts equally. Some of these other products and services assist Armstrong in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Armstrong's fees from its clients' accounts, and assist with back-office functions, record-keeping and client reporting. Many of these services are used to service all or a substantial number of Armstrong's accounts, including accounts not maintained with such broker-dealers.

These broker-dealers also make available to Armstrong other services intended to help us manage and further develop our business. These services at times include publications and free attendance at local/regional conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

Clients of Armstrong are permitted to direct us to use a specific broker or dealer to custody their assets outside of our recommendation. If this is the case, the client must sign a letter indicating this directive. Armstrong might be unable to achieve the most favorable execution of client transactions and the client might pay higher brokerage commissions because we would not be able to aggregate orders or negotiate commission rates to reduce transaction costs.

When we use client brokerage commissions to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products, or services in hard dollars. We therefore have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving the most favorable execution.

SEC regulations provide a "safe harbor" which allows an investment adviser to pay for research and brokerage services with the commission dollars generated by client account transactions. Armstrong will use soft dollars only in a manner consistent with the SEC safe harbor, as interpreted by the SEC and its Staff. In determining whether to acquire a specific service or product with soft dollars, Armstrong evaluates whether the service or product: (1) is eligible research or brokerage under the safe harbor; (2) provides lawful and appropriate assistance to us in carrying out our responsibilities; and (3) is acquired for an amount of soft dollars reasonable in relation to the value deemed to be provided by the product or service, within the terms of the safe harbor.

We do not receive referrals from broker-dealers or third parties to whom we've placed client transactions or custody assets. We do not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer.

C. Order Aggregation

Armstrong attempts to allocate all trades in a manner that is fair and equitable to clients and to avoid conflicts of interest. Armstrong does not favor one managed client or account over another. Armstrong does not favor family and friends over managed clients. It is our policy that Armstrong enters trades for all family, friends, and employee accounts that do not pay a fee at the same time as or after fee-paying client trades have been entered and executed.

We aggregate orders when we believe doing so provides the best price and execution for the clients participating in the aggregated order. Each client participates in the order at the average price for all of the transactions and shares transaction costs, if any, pro rata based on participation in the aggregated order. If we are either unable to aggregate the trades of multiple accounts or deem doing so not to be in the best interest of our clients, we utilize a trade rotation process to ensure fairness of trade orders over time. In these situations, we aggregate client orders by custodian, and rotate trade execution by custodian. When orders are not aggregated, clients might not receive the best price and execution.

D. Principal and Agency Cross Transactions

As a matter of policy, Armstrong does not conduct principal transactions nor does Armstrong conduct agency cross transactions. An 'agency cross transaction' occurs when the adviser acts as broker for the advisory client and the other party to the trade. Agency cross transactions also arise if an adviser is or affiliates with a broker-dealer. Armstrong is not a broker-dealer and is not affiliated with a broker-dealer. Armstrong does not cross trades between client accounts.

ITEM 13: REVIEW OF ACCOUNTS

A. Ongoing Review

The securities held in client accounts are reviewed on an ongoing basis by James McKay Armstrong, President, and Adam Scholl, CFA, Senior Vice President. News related to client portfolio holdings or portfolio company reports and filings would also trigger a review of client security holdings.

B. Event-Driven Reviews

Armstrong conducts client account reviews generally on an event-driven basis, such as in response to a change in client investment objectives and/or financial situation, client account cash flows, market corrections and upon client request. Clients are advised that it remains their responsibility to inform Armstrong of any changes in their investment objectives and/or financial situation.

C. Regular Reports

A written investment review is prepared by Armstrong and mailed to each client quarterly. Such reviews indicate the security and number of shares or bonds held, annual income on holdings, yield, tax basis (where applicable), current price and current market value. Clients also receive statements and confirmations directly from their independent custodian. Clients should carefully review the custodial statements and should compare these statements to any account information provided by Armstrong. Our reports at times vary from custodial statements based on differences between accounting procedures, reporting dates, or valuation methods for certain securities.

Armstrong provides each Limited Partner in the Funds with the following reports: (1) audited annual financial statements; and (2) annual tax information necessary to complete any applicable tax returns.

ITEM 14: CLIENT REFERALS AND OTHER COMPENSATION

As referenced above in Item 12 – Brokerage Practices, Armstrong receives (without cost and/or at a discount) direct or indirect economic benefits from Schwab and Fidelity in the form of the support products and services they make available to Armstrong and other independent investment advisers whose clients maintain accounts at Schwab or Fidelity.

Armstrong's clients do not pay more for investment transactions effected and/or assets maintained at Schwab and/or Fidelity because of this arrangement. There is no corresponding commitment made by Armstrong to Schwab and/or Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific securities or other investment products because of the above arrangement.

Armstrong does not pay any portion of its advisory fees to any third-party investment adviser or professional in connection with client referrals to Armstrong.

Armstrong may compensate an employee for a client referral. Any such referral fees is paid solely from Armstrong's management fee and does not result in any additional charges to the client. When promoting the Firm's services, the employee shall disclose the nature of his/her affiliation to Armstrong.

Other than the previously described products and services that Armstrong receives from Schwab and Fidelity, Armstrong does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

ITEM 15: CUSTODY

A. Direct Fee Debit

Custody occurs when an adviser or related person directly or indirectly holds client funds or securities or has the ability to gain possession of them. Except as noted below, Armstrong has custody of client funds only to the extent that we are able to deduct our advisory fee. Each client chooses how they want to pay the management fee. They can authorize our advisory fee deduction directly from their brokerage account by initialing the appropriate area on their brokerage account application or choose to pay our management fee directly by check. Clients will receive account statements from their custodian on a regular basis and from Armstrong on a quarterly basis. Clients are urged to review and compare the account statements they receive.

B. Trustee Services

Armstrong has custody of client assets in limited instances where an employee serves as a trustee to an unrelated client's accounts. Armstrong has engaged the services of an independent public accountant to conduct an annual surprise examination of the accounts for which it is deemed to have such custody.

C. Third-Party Standing Letters of Authorization

In accordance with regulatory guidance, Armstrong has custody if it has the authority to transfer client funds to a non-account owner pursuant to a Standing Letter of Authorization ("SLOA"). Under a third-party SLOA, the client account owner generally executes a document for the custodian that permits Armstrong to transfer funds from the account to a person or entity other than the account owner (i.e., for payment of bills, insurance premiums, taxes, etc.) on an ongoing basis (rather than requiring the account owner to pre-authorize the transfer, in writing, each time), after having provided standing instructions to do so.

In accordance with regulatory guidance, and to avoid a surprise custody exam, Armstrong only permits third party SLOAs when ALL the following seven criteria are met:

- Client provides written authorization to the custodian, signed by the client, and includes the recipient's name and address or name and account number at the custodian to which the transfer is to be directed.
- Client provides written authorization to Armstrong (on custodial form or separately), to direct transfers to the third party either on a specified schedule or from time to time.
- Client's custodian verifies client's instruction, such as signature review or other method, and provides transfer of funds notice to client promptly after each transfer.
- Client has the ability to terminate or change instruction to custodian.
- Armstrong has no authority or ability to designate or change the identity of the third party, address, or any other information about the third party.
- Armstrong maintains records showing that the third party is not a related party of Armstrong or located at the same address as Armstrong.
- Custodian sends the client initial and annual written notices confirming the instruction.

D. First-Party Standing Letters of Authorization

In certain situations, custody includes first party transfers of funds among a client's own accounts held at different custodians. For Armstrong to avoid a surprise custody exam, the client must provide written, signed authorization to the sending custodian, specifying the name and account numbers on the sending and receiving accounts (routing number or name of receiving custodian), such that the sending custodian has a record that the client has identified the accounts for which the transfer is being effected as belonging to the client. If these criteria cannot be satisfied, then Armstrong must treat the situation as a third-party SLOA, which is discussed above.

To the extent that Armstrong provides clients with periodic account statements or reports, the client is urged to carefully compare any statement or report provided by Armstrong with the account statements received from the account custodian. Armstrong reports at times vary from custodial statements based on differences between accounting procedures, reporting dates, or valuation methods for certain securities. Client questions about these differences should be directed to Armstrong or the custodian of record.

The account custodian does not verify the accuracy of Armstrong's advisory fee calculation.

ITEM 16: INVESTMENT DISCRETION

Armstrong accepts discretionary authority to manage securities accounts on behalf of clients. Clients grant written discretionary authority as part of our Management Agreement. The client also grants Armstrong discretionary authority directly with the custodian of their assets through the context of the brokerage agreement or a limited power of attorney form. Discretionary authority allows Armstrong to buy and sell securities we determine are in the best interest of the client in an amount that we determine is appropriate relative to the total portfolio value. Although nearly all client account transactions are executed with the client's custodian, for clients who custody their accounts at Schwab or Fidelity and who have signed a Prime Brokerage agreement with their respective custodian, Armstrong has discretion to execute client account transactions with another broker-dealer if deemed to be in the client's best interest.

For clients who have not granted discretionary authority within the context of the Management Agreement, Armstrong must obtain verbal approval from the client prior to each individual security transaction. In such cases, clients will generally be contacted by telephone and required to accept or reject Armstrong's investment recommendations including: (1) the security being recommended, (2) the number of shares or units transacted, and (3) whether to buy or sell. Clients who authorize us to act on their behalf on a non-discretionary basis should be aware that if the client cannot be reached or is slow to respond to Armstrong's request for approval, it can have an adverse impact on the timing of trade implementation and therefore we at times will not obtain the optimal trading price. Non-discretionary terms of engagement are specifically set forth in the written Management Agreement or addendum thereto.

ITEM 17: VOTING CLIENT SECURITIES

Armstrong does not accept authority to vote client securities. Clients will receive their proxies or other solicitations from their custodian or a transfer agent. Clients may contact us directly at 412-471-1551, or by email at info@henryarmstrong.com with questions regarding a particular proxy solicitation.

ITEM 18: FINANCIAL INFORMATION

Armstrong does not solicit fees in any amount per client, six months or more in advance. Armstrong has never filed for bankruptcy and is not aware of any financial conditions that would impair its ability to meet contractual commitments to clients.