

## Introduction

Hennion & Walsh, Inc. is registered with the Securities and Exchange Commission as a broker-dealer. Hennion & Walsh Asset Management, Inc. is registered with the Securities and Exchange Commission as an investment adviser.

Brokerage and investment advisory services and fees differ and it is important for you to understand the differences.

Free and simple tools are available for you to use at [Investor.gov/CRS](https://investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser?
- How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

## Terms to Know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

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

Hennion and Walsh, Inc. offers full service brokerage services to retail investors. Our primary focus is on income producing investment products such as investment grade municipal bonds, investment grade corporate bonds, preferred securities and certificates of deposit. In addition, we offer a wide array of other investment products including both equity and fixed income mutual funds as well as unit investment trusts and closed end funds. Investment advisory services are offered through our affiliate - Hennion & Walsh Asset Management® (HWAM) which provides both growth and income producing investment portfolios.

We provide our retail brokerage clients an account option which charges commissions when the customer transacts business by, for example, buying an investment product. Alternatively, clients can engage HWAM to provide either discretionary investment advisory services on a fee basis or non-discretionary investment advisory services as a fee based service.

Additional detailed information about our services is available on our website at <https://www.hennionandwalsh.com/> and at <https://adviserinfo.sec.gov/> by searching for our firm name. Our investment advisory services include the provision of investment management services primarily to individuals, the offering of various investment programs, and consulting services to sponsors of participant directed retirement plans. HWAM also serves as the portfolio advisor to SmartTrust®, our proprietary unit investment trusts.

## Brokerage Services

Hennion & Walsh, Inc. offers retail investors client-directed accounts whereby they can buy and sell securities. Our financial professionals can offer recommendations to retail investors including the product type and transactional recommendations such as buy and sell. Account holders may monitor their own accounts on-line or through monthly or quarterly account statements, as applicable to the account. There is a \$10,000 minimum initial account balance required to open a brokerage account with us, in limited cases exceptions may apply. A New Account Form is available to preview online and completion of the Form is accomplished with your Financial Professional. A completed New Account Form and verification of client identity is required under existing regulations. To access the new account form please visit our website at [https://www.hennionandwalsh.com/forms\\_agreements](https://www.hennionandwalsh.com/forms_agreements).

Neither Hennion & Walsh, Inc. nor its financial professionals provide ongoing monitoring of brokerage accounts. However, financial professionals can review the holdings in a customer's account for the purposes of determining whether to provide a recommendation.

## Investment Advisory Services

HWAM offers fee-based programs, as detailed in our Form ADV which can be found at <https://adviserinfo.sec.gov/>. Fee-Based accounts may be established as discretionary whereby customers provide discretionary authority to HWAM. We also offer customers the option to establish a non-discretionary fee based account. Client completion and acceptance of the HWAM Account Application is required to open a client account. Verification of client identity and funding of the account is required prior to trading. Additional detailed information about our advisory services and programs can be found at <https://www.hennionandwalsh.com/>.

### Conversation Starters - ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

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## What fees will I pay?

Fees are different for Brokerage and Advisory Services. As detailed above, the type of service you choose, whether Brokerage or Advisory, dictates the type of fee you pay. Brokerage customers pay commissions per transaction in brokerage accounts and Advisory customers pay a fee based on a percentage of the total assets, subject to a fee schedule or negotiated rate. You will pay fees and costs whether you make or lose money on your investments in either type of account. 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.

## Brokerage Services Fees

Brokerage accounts may incur a variety of fees including but not limited to transfer fees, postage and handling fees, margin interest, wire transfer fees and account transfer fees. These fees may change over time. These fees result from activity authorized by you, for example, the initiation of a wire transfer. Hennion and Walsh, Inc. charges fees and commissions which are competitive in the brokerage industry and they are assessed when an event occurs, such as a purchase. Trading in your account can result in a fee charged against your account. This charge – called a commission – is paid in part to your financial professional. You will be charged more when there are more trades in your account. Thus, the Firm will financially benefit the more you trade, whether or not you make money.

## Investment Advisory Services

HWAM offers investment advisory services to individuals, businesses and institutions. These services are offered on a fee basis, which charges a percentage of assets in accounts in the advisory program. Fees are typically inclusive of trade execution, custody, account reporting and investment management services. Asset based fees may cost more or less than purchasing each service separately and fees may be higher or lower than fees charged by other comparable providers. Generally, asset based fees increase with the value of the account; therefore, the Firm benefits as portfolios increase in value or additional assets are deposited. However, customers receive a discount on fees when the assets under management in the account reach certain pre-set or negotiated parameters.

Additional detailed information about these fees is located in our Form ADV which can be found at <https://adviserinfo.sec.gov/>.

## Other Fees and Costs

Other fees and costs you may incur include, for example, custodian fees, fees related to mutual funds and variable annuities, insurance fees and other transactional fees and product-level fees. This list is not exhaustive. You will pay fees and costs whether you make money or lose money on your investments over time.

### Conversation Starters - ask your financial professional:

- 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?

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

## Standard of Conduct

***When we provide you with a recommendation as your broker-dealer or 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 recommendations and investment advice we provide you. Here are some examples to help you understand what this means.***

## Examples of Ways We Make Money and Conflicts of Interest

Aside from our client brokerage or investment advisory relationships, we make money the following other ways:

- Proprietary Products: Investments that are issued, sponsored, or managed by us or our affiliates.
- Third-Party Payments: Compensation we receive from third parties when we recommend or sell certain investments.
- Revenue Sharing: Investments where the manager or sponsor of those investments or another third party (such as an intermediary) shares with us revenue it earns on those investments. This would include, for example, revenue earned on margin interest.
- Principal Trading: Investments we buy from a retail investor, and/or investments we sell to a retail investor, for or from our own accounts, respectively.
- We also receive **revenue sharing payments** from our Clearing Agent for the cash balances held in your investment accounts under the Cash Sweep Program offered through the Clearing Firm. Because of these fees, we and the Clearing Agent have a financial incentive to offer the Cash Sweep Program

For additional information about potential conflicts of interest, please see [https://www.hennionandwalsh.com/forms\\_agreements](https://www.hennionandwalsh.com/forms_agreements).

### Conversation Starters - ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

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## How do your financial professionals make money?

Our brokerage firm financial professionals are compensated on a transactions basis for the services they provide (including cash and non-cash compensation) and on their individual negotiated employment agreements. Compensation can include factors such as the amount of client assets they service, the time and complexity required to meet a client's needs, the product sold, product sales commissions, or revenue the firm earns from the financial professional's advisory services or recommendations.

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

Yes. Visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research financial brokers, advisers and firms.

### **Conversation Starters - ask your financial professional:**

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?

## Where can I find additional information?

You can always ask your financial professional for more information and request a copy of this relationship summary at 1-800-836-8240.

- [https://www.hennionandwalsh.com/forms\\_agreements](https://www.hennionandwalsh.com/forms_agreements)
- <https://adviserinfo.sec.gov/>