

Item 1 Cover Page

HGK Asset Management, Inc.  
Form ADV Part 2A  
525 Washington Boulevard, Suite 2000  
Jersey City, NJ 07310  
Telephone: 201-659-3700  
[www.hgk.com](http://www.hgk.com)  
March 15, 2014

This brochure provides information about the qualifications and business practices of HGK Asset Management, Inc. (“**HGK**”). If you have any questions about the contents of this brochure, please contact us at 201-659-3700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about HGK is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

HGK is a “registered investment adviser”. Registration of an investment adviser does not imply that the adviser has attained any level of skill or training. The oral and written communications of HGK provide you with information about which you determine to hire or retain HGK.

Item 2 Material Changes

This brochure dated March 15, 2014 is an amendment to the Company's last updated brochure dated June 20, 2013. The material changes have been made:

- Item 4 has been updated to reflect HGK's AUM as of December 31, 2013.
- In Item 5, we have clarified that fees may be either deducted from a client's account or they may be billed directly to the client. We also clarify in Item 5 we state that, while HGK may recommend a broker-dealer, it is not affiliated with any broker dealer.
- In Item 6, we explain that investment advisor services clients and pooled equity fund services clients have different fee structures as reflected in their respective contracts.
- Item 10 has been amended to reflect HGK's ownership of one limited liability company that act as general partner to the International Equity Fund.
- Item 11 has been amended to clarify that HGK monitors and reviews the trading activities of its subadvisor, Trinity Asset Management LLP.
- Lastly, in Item 15, we have explained that HGK's ownership of the one limited liability general partnership result in HGK's related party being deemed to have custody. Neither HGK nor its related parties are acting as qualified custodians. Clients invested in the funds in question receive monthly statements from third party custodians.

We 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 free of charge by contacting Michael Sandler, Chief Compliance Officer, at 201-659-3700 or [msandler@hgk.com](mailto:msandler@hgk.com).

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Item 4 Advisory Business

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HGK is an independent registered investment advisor located in Jersey City, New Jersey. HGK was founded in 1983 and is 100% employee owned. HGK manages approximately \$4.7 billion for its clients worldwide. HGK devotes its resources primarily to the service of tax-exempt institutional investors. HGK provides equity, fixed income, alternatives, balanced and international equity investment strategies for variety of client accounts, including separately managed accounts, registered investment companies and unregistered private funds. HGK is geared to serve institutional clients and high net worth individuals.

HGK participates in several wrap fee programs by providing portfolio management services to institutions. The wrap fee programs are managed depending on the particular platform utilized and HGK receives a portion of the wrap fee for its services.

Principal Owner

HGK's principal owner is Jeffrey T. Harris (born 02/13/43). Mr. Harris graduated from New York University with a Bachelors of Science in Economics. He served as the President of HGK from its founding in 1983 -2004, as Chairman of HGK from 2004 to present, and as Chief Executive Officer of HGK from 2004 to 2012

The stock of HGK is owned 100% by its employees through an "employee stock ownership plan".

Types of Services

HGK provides investment supervisory services and gives investment and portfolio management advice to its clients based on the individual needs of each client, which may include, for example, the nature of other client assets and the client's personal obligations.

HGK also manages investment advisory accounts not involving investment advisory services to its clients. HGK acts as a subadvisor to certain broker-dealers whereby such broker-dealers use HGK's investment platform to manage their own client accounts.

As of December 31, 2013, the amount of client assets under management on a discretionary basis was \$4,712,344,747 and the amount of client assets under management on a non-discretionary basis was \$20,000,000.

## Item 5 Fees and Compensation

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In general, HGK charges asset management fees based on a fixed percentage of market value of a client's assets under management. The maximum annualized fee rates charged for HGK the various investment strategies offered by HGK are as follows:

- large cap value: 50 basis points ("bps");
- mid cap value: 75 bps;
- small cap value: 80 bps;
- all cap value, 65 bps;
- large cap core: 50 bps;
- large cap growth: 50 bps;
- enhanced: 20 bps;
- Fixed Income Core: 45 bps;
- Intermediate Fixed Income: 40 bps;
- Short-Term Fixed Income: 30 bps.
- International Equity: 100 bps; and
- Global Equity: 100 bps.

Fees will vary from client to client depending on the size and needs of the particular client and the amount of assets under management, but all fees for all clients are negotiable. Fees are generally computed after services have been rendered at the end of each calendar quarter and billed at that time.

Fees are often deducted directly from a client's investment account. However they may also be billed directly to the client. The specific manner in which fees are charged by HGK is established in a client's written agreement with HGK. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. There is no penalty for cancellation.

HGK may recommend or invest client's assets in exchange traded funds in order to minimize potential deviations in the market or to diversify investments. When buying or selling exchange traded funds, brokers will customarily charge the same commission they would charge on any other regular order.

HGK's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange traded funds may also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to HGK's fee, and HGK shall not receive any portion of such commissions, fees, and costs.

Item 12 (below) further describes the factors that HGK considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g.,

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commissions). HGK is not affiliated with any broker-dealers and clients have the option to purchase investment products that HGK recommends through other brokers or agents not recommended by HGK.

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

HGK may receive performance-based fees on certain of its client accounts. Such fees are based on a share of capital gains on or capital appreciation of the assets of the client. Fees quoted herein are usually the maximum and such fees vary depending on the circumstances, the client and the services performed by HGK for the client. The maximum performance fee HGK would charge would be 20% of the out-performance versus the assigned benchmark. Fees, however, are negotiable for all clients regardless of the amount of assets under management. If certain clients are in multiple strategies, there will be a separate contract with a separate fee arrangement for each strategy the client is invested in.

Performance-based fee arrangements may create an incentive for HGK to recommend investments that carry more risk or be more speculative than those that might be recommended under a different fee structure.

In limited instances in the international fund strategy, one client may be paying both an asset based fee (based on AUM) and a performance-based fee. For example, HGK has separate contracts for its investment advisor services clients and its pooled equity fund services clients. Each contract has different fee structures, and in some instances the same client may have more than one contract with HGK.

Client accounts with similar investment strategies may be subject to different compensation structures, including performance-based fee structures. If HGK is entitled to receive a higher fee from one client account other another, then HGK might be incented to favor, or allocate certain riskier or speculative investment to the client account subject to the higher fee. To mitigate against these potential conflicts of interest, HGK has adopted an investment allocation policy that is designed to ensure that its trading practices are fair to all clients and that, over time, no client or account is unduly favored or disadvantaged over any other. See Item 12 – Brokerage Practices.

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Item 7 Types of Clients

HGK provides supervisory services and gives investment and portfolio management advice to its clients worldwide including individuals, banks or thrift institutions, investment companies (in relation to wrap fee programs), private funds, pension and profit sharing plans (covered under ERISA), trusts, estates or charitable organizations, corporations or other business entities.

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

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HGK's investment strategy involves a fundamentally driven quantitative and qualitative security analysis, coupled with a risk-averse approach to portfolio construction, providing long-term results regardless of market conditions. Clients may impose restrictions on investing in certain securities or types of securities. HGK's long tenured investment team draws on its historical perspective to navigate through ever evolving securities markets.

HGK employs several investment strategies to implement investment advice given to clients.

Domestic Equity Investment

HGK's domestic equity investment philosophy has been employed in its current form since 1990. The equity team of employees screens for disciplined companies with improving cash flows selling below their discounted present value. Rigorous qualitative fundamental analysis is applied to make the final security selection. During this analysis, the equity team focuses on undervalued companies that operate from a position of competitive advantage and whose management team understands the principles of shareholder wealth creation.

In order to reduce portfolio volatility the strategy maintains exposure to all major industry sectors. Each fund strategy maintains guidelines that limit its sector allocations to between 50% and 150% of a designated market benchmark. Additionally, this process serves to reduce systematic risk and allows HGK's superior stock picking abilities to generate alpha for its clients.

HGK does not manage portfolios to a specific risk metric. Internal constraints on sector weighting and position size minimize portfolio risk. While risk statistics generally substantiate the Large Cap Value strategy's conservative portfolio management style, HGK does not manage the portfolios to meet specific quantitative benchmarks.

Constraints on sector weightings and position sizes are documented in our client guidelines. The order management and portfolio accounting systems maintain compliance with these restrictions.

International Equity Investment.

HGK's International Equity strategies employ a bottom-up, fundamental research driven and concentrated investment approach built on decades of global investing experience. A vast majority of the research for the International and Global strategies is created in house, based mainly from extensive company visits each year. The team typically invests in companies that are undergoing significant strategic transformations or in companies whose operational capabilities are undervalued by the market.

The portfolios are not index based and securities are generally in the mid to large capitalization range in major markets. Additionally, security weight is driven by the team's conviction in the name as well as the life cycle of the position.

Trinity Street Asset Management LLP ("TSAM"), a London-based investment adviser registered with the Financial Services Authority ("FSA") in the United Kingdom, as well as the SEC, provides sub-advisory services and manages HGK's clients' international equity strategies.

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Risk management is an integral part of our portfolio construction and management process. While the portfolio is never composed of more than 35 holdings, we don't want one single holding to have a disproportional amount of influence on the portfolio. As a result, individual positions tend to be 3-5% in weight and absolutely capped at 10%. Recognizing the similarities in small-cap and equities from less developed geographies (i.e. that liquidity can shrink during times of systematic market distress) we limit the aggregate weight of these two asset classes to 30% of the portfolio. Additionally, the portfolio will not maintain a 50% or greater position in one industry or country.

Domestic Fixed Income

HGK's fixed income investment process focuses on the active management of spread and credit risk in lieu of interest rate risk. By utilizing extensive credit research, economic models, security option-adjusted analysis, HGK is able to identify and capitalize on opportunities and pricing inefficiencies in the bond market.

Within the course of this active portfolio management, HGK employs balanced portfolio construction with exposure to all broad sectors (Treasury, Agency, Corporate, MBS, ABS) of the fixed income market as a means of reducing volatility of returns relative to portfolio benchmarks. Portfolio duration is maintained between 90% and 110% of the benchmark in order to limit the portion of relative performance tied to an interest rate forecast, leaving sector allocation and individual security selection as the primary drivers of relative performance.

Yield Curve Exposure

It is not HGK's fixed income portfolio management strategy to take drastic yield curve bets and maintains duration within +/- 10% of the index duration. Yield curve management accounts for 5% of added value and is used to analyze securities based on the "cheapness" to the curve to achieve maximum "roll-down". For example, we currently believe, based on the steepness of the curve, the 5-7 year is the most attractive.

Spread Exposure

It is HGK's portfolio strategy to structure portfolios to take credit and structure risk in lieu of interest rate risk. This leads to a current underweight to US Treasury securities and an overweight to corporate, agency, and some asset backed securities. This is moderated by the overall portfolio needs of limited volatility (which lend to a current holding of US Treasury securities in the short-end of the curve), duration mitigation, and return only on a risk-adjusted basis.

Industry/Sector.

HGK determines economic sector and industry weights are based on macroeconomic conditions and sector/industry intrinsic valuation dislocations. At any time the strategy will typically own no less than 0.5X and no greater than 1.5X the index.

HGK's Fixed Income style merges a broad macroeconomic strategy (top-down) with a bottom up individual security selection strategy. We feel the combination adds value by providing consistent outperformance and lower volatility to the benchmark over the long run.

The combination of the credit quality and individual issue selection compose the majority of our added value at approximately 70%. HGK seeks to invest in companies that demonstrate strong corporate operating performance at attractive valuations.

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Item 9 Disciplinary Information

HGK and its principals have not been the subject of any material legal proceeding required to be disclosed in response to this Item,

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Item 10      Other Financial Industry Activities and Affiliations

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HGK has a partial ownership interest in Bruce Nelson Cayman Limited, which serves as a holding company for TSAM. The agreement HGK has with TSAM is to offer global investment opportunities to existing HGK clients.

HGK is the sole member of one limited liability company: HGK Trinity Street International Equity Fund GP, LLC, the general partner of HGK Trinity Street International Equity Fund, LP, a commingled international equity fund.

Joseph Caretti, an HGK employee, is the sole member of Caretti Insurance Agency, a Michigan limited liability company. Joseph Caretti does not refer HGK clients to Caretti Insurance Agency and Caretti Insurance Agency does not refer its clients to HGK.

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

HGK has adopted a Code of Ethics (the “**Code**”) for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of cross-trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. HGK’s employees and persons associated with HGK are required to follow the Code and each of them must acknowledge the terms of the Code annually, or as amended.

HGK anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which HGK has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which HGK, its affiliates and/or clients, directly or indirectly, have a position of interest. Subject to satisfying the Code and applicable laws, officers, directors and employees of HGK and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for HGK’s clients.

The Code is designed to assure that the personal securities transactions, activities and interests of the employees of HGK 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 employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of HGK’s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code, to reasonably prevent conflicts of interest between HGK and its clients.

HGK’s internal procedures with respect to transactions in which HGK or a related person buys or sells securities that are also recommended to clients include: (i) the Chief Compliance Officer or a designated HGK officer must pre-clear the transaction before it is executed, (ii) all transactions in securities by HGK or a related person during any calendar quarter must be reported prior to the 5th day after the end of such calendar quarter; and (iii) all transactions in securities are reviewed quarterly by the Chief Compliance Officer or a designated HGK officer.

With respect to trades conducted by TSAM, HGK has no knowledge of TSAM’s investment decisions before such decisions are executed. However, HGK monitors and reviews the trading activity of TSAM and the personal securities transactions of TSAM’s employees to ensure there is no potential or actual conflict of interest according to HGK’s trading policies. HGK does not monitor the trading activity of TSAM’s other advisory clients.

HGK’s clients or prospective clients may request a copy of the Code by contacting Michael Sandler.

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Item 12      Brokerage Practices

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HGK has the authority to determine, without obtaining its client's consent, securities to be bought and sold including the type of security, the amount of security, the broker-dealer to be used and the commission rate to be paid. The broker-dealers used by HGK are not affiliated with HGK.

When selecting executing brokers for both institutional and individual clients, HGK evaluates execution capabilities for securities, overall prior service, the quality of research and the ability to provide constructive investment input.

With respect to fixed income, it is HGK's policy to receive quotes from three brokers before entering orders for our clients. HGK will not receive any portion of the brokerage commissions and/or transaction fees charged to clients. If a client so instructs, HGK will direct commission business from the client's account for services for which it has contracted. Clients who direct HGK to use designated executing brokers may receive less favorable prices or may pay commission rates that are less favorable than those that HGK can negotiate when it selects executing brokers to transact on behalf of its clients because HGK may not be able to aggregate orders to reduce transaction costs.

The brokerage commissions and/or transaction fees charged by executing brokers are exclusive of, and in addition to, HGK's investment management fee. Although the commissions paid by HGK's clients shall comply with HGK's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where HGK determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not necessarily the lowest possible cost but is instead whether the transaction represents the best qualitative execution taking into consideration the financial integrity and strength and stability of the broker, the full range of the broker-dealer's services (including the comprehensiveness, frequency, quality and value of research or other services provided), the broker's execution capability, commission rates, responsiveness and quality of service. Accordingly, although HGK will seek competitive rates, it may not necessarily obtain the lowest possible commission rates on any particular transaction.

Each client must have its own custodian. A client may utilize any custodian it desires. If a client does not already have a custodian and requests HGK's assistance in selecting a custodian, HGK may then offer a client advice in selecting a custodian. All firms recommended by HGK offer all HGK clients prime brokerage investment management accounts that do not have any custodial fees and permit trades to be executed with a non HGK approved broker. HGK receives no benefit of any kind from these firms, nor does it require any account be maintained at these firms.

In return for effecting securities transactions through executing broker-dealers, HGK may receive certain investment research products and/or services which assist HGK in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. Although the investment research products and/or services that may be obtained by HGK will generally be used to service all of HGK's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. These research products often include:

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- Market research products
- Equity valuation products
- Specific security information products
- Portfolio management tools

In order to guarantee fair execution and market participation, securities trades are randomized and executed according to the random order generated. Trade order is determined by separating institutional accounts according to trade type and then assigning such accounts to brokers. Trade types depend on whether the client has in its contract with HGK “commission recapture arrangements” (wherein a portion of the trading commission is rebated to the pension), “client mandated execution” (wherein the client has expressly dictated the trade) or “free trades” (wherein it is in HGK’s discretion to determine the trade. These institutional trade groups are listed with the platform trade groups and then randomized, which means the order in which a trade groups transaction is executed will vary with each transaction.

In the circumstance that an order has not been completed by the end of the day, HGK allocates a partial filling of the orders of each of the clients on a *pro rata* basis across accounts.

Also, some fixed income trades are conducted through brokers who act on an agency basis, in which the transaction price includes a mark-up or mark-down (or “commission”) that generates soft dollar credits. Such trades are executed only if the total transaction price, including the “commission” reflects the best price available for that security at the time of the trade.

HGK always aims for best execution and price on all trades, including any Fixed Income trades that generate soft dollars.

Cross Trading

Section 406(b)(2) of ERISA prohibits investment advisers and managers from engaging in the purchase and sale of a security between two managed accounts or funds managed by the same investment advisor or manager, absent an exemption, even when it is in the best interest of both clients. HGK will not engage in any agency cross transactions where HGK acts as agent or broker for a Client or any counter-party. Any cross transactions must be in the interests of both clients, and will be conducted through an independent broker at the prevailing market price. No cross transactions will be effected between a client and the pooled investment.

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Item 13      Review of Accounts

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At HGK, portfolio management is an ongoing process. Portfolio managers review and/or monitor all investments daily. Additionally, HGK holds quarterly investment committee meetings at which time longer term product performance and investment schemes are discussed.

Reviews for fixed income securities are conducted by: Jeffrey T. Harris, Chairman; Anthony P. Santoliquido, Portfolio Manager and Christopher Gerne, Portfolio Manager. Reviews for equity securities are conducted by: Michael Pendergast, CFA, Chief Investment Officer, Managing Director/Equity Investments and Chief Executive Officer; Paul B. Carlson, CFA, Portfolio Manager; Suzanne A. Malone, Portfolio Manager; Stevens C. Sheppard, CCM, Portfolio Manager; Andrew Rothstein, CFA, Portfolio Manager; and Eric Fuhrman, CFA, Portfolio Manager.

All institutional and individual accounts are managed at HGK's Jersey City office. All accounts are managed using a team approach, with investment decisions implemented across the account base.

HGK's institutional clients receive portfolio statements at least quarterly, and when requested, on a monthly basis, and personal meetings on a quarterly basis. HGK's individual clients receive portfolio statements on a monthly basis and personal meetings as requested by the client.

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Item 14 Client Referrals and Other Compensation

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HGK has relationships with individuals where those individuals are compensated for referring clients to HGK for investment management services. Each arrangement is unique and there is no one overriding compensation policy for referrals. The referral fees will be paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities laws or requirements. Any such referral fee shall be paid solely from HGK's investment management fee, and shall not result in any additional charge to the client.

HGK also has a limited number of relationships where HGK is paid referral fees for introducing clients to TSAM. HGK provides client services and back office functions to these clients.

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Item 15      Custody

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HGK generally does not have custody of Client's investment assets. Client investment assets are customarily held and maintained by a broker dealer, bank or other qualified custodian and the Client should receive quarterly statements from such custodian. HGK urges its clients to carefully review such statements and compare such official custodial records to the statements that HGK may provide. HGK's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

However, one of HGK's, investment products, HGK Trinity Street International Equity Fund, LP, has a general partner that is a wholly owned subsidiary (or "related party") of HGK. Because the general partner of a fund has the discretion to direct allocations of the assets of such fund, the general partner is deemed to have control over the funds' assets.

Because HGK is the sole member of the general partner, and because the general partner controls both such funds' assets, HGK is deemed to have custody of clients' investment assets. The assets of those Clients' invested with HGK Trinity Street International Equity Fund, LP are physically maintained by a broker dealer, bank or other qualified custodian, and such funds' clients should receive quarterly statements from the custodians to the funds. IN addition, the Fund prepares audited financial statements on an annual basis, and such audited financial statements are delivered to the investors in the Fund.

HGK urges its clients to carefully review such statements and compare such official custodial records to the statements that HGK may provide. HGK's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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Item 16      Investment Discretion

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HGK may receive discretionary authority (limited trading authority) from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, HGK observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, HGK's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. Investment guidelines and restrictions must be provided to HGK in writing.

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Item 17      Voting Client Securities

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Unless a client directs otherwise, HGK uses Broadridge Financial Solutions, Inc. to vote proxies on client securities, according to policies adopted pursuant to SEC Rule 206(4)-6 that are reasonably designed to ensure that proxies on client securities are voted in the best interest of our clients. HGK customarily follows the Glass Lewis & Co - Taft-Hartley guidelines when directing Broadridge how to vote.

While proxy voting issues are numerous and guidelines cannot be fashioned for all issues that may arise, HGK and Broadridge Financial Solutions, Inc. maintain a set of broad policies and procedures to deal with the most significant and frequent proxy issues such as proposals relating to participation on Boards of Directors; corporate governance issues; compensation, benefits and liabilities of officers and directors; capital-related and restructuring proposals; and other social and corporate issues.

HGK will report to any client who requests it how proxies were voted on their behalf. Clients may at any time also request a copy of HGK's proxy voting policies, by contacting their account executive or by calling HGK's office.

HGK handles the voting process for the international proxies in accordance with the guidelines provided to it by TSAM.

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Item 18 Financial Information

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HGK has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**Michael Pendergast, CFA**  
CEO, CIO, Managing Director, Portfolio Director—Large Cap Value

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This brochure provides information about the above named professional and supplements the HGK Asset Management, Inc. (“HGK”) brochure. You should have received a copy of that brochure. Please contact us at (201) 659-3700 if you did not receive HGK’s brochure or if you have any questions about the content of this supplement. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about the above named professional also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

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The qualifications for persons who will be involved in the investment advisory services will be examined for excellence in training, experience and professional reputation. While no set criteria exist for every individual to be employed, persons with account responsibilities will generally have graduate degrees in finance, business or related fields. Some persons involved in the investment field will hold certain professional designations.

Michael Pendergast began working at HGK Asset Management, Inc. at the firm's inception in June 1983. As one of the original members of the firm, Michael worked as an analyst until 1991 when he began managing the Large Cap Value strategy. Today, Michael is the Chief Executive Officer of HGK. He also continues to manage HGK's Large Cap Value and All Cap Value strategies, serves as the firm's Chief Investment Officer and is a member of the board of directors.

Michael earned a Bachelors of Business Administration in Economics and Finance from Bernard M. Baruch College where he graduated Magna Cum Laude. Michael completed the Chartered Financial Analyst program in 1988.

Michael is a member of the International Foundation of Employee Benefit Plans, the Educational Conference of Health, Welfare and Pension Plans, Inc., and the New York Society of Security Analyst. Michael is registered as an investment adviser representative in the State of New Jersey.

## Item 3 Disciplinary Information

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## Item 4 Other Business Activities

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Since December 2011, Michael has been a passive investor and minority owner in a certain real estate development business, NYX LLC, 426 West 56<sup>th</sup> Street, New York, NY 10019. He spends 0 hours per week/month dedicated to working on this business.

There are no other business activities to be reported for the aforementioned professional at this time.

## Item 5 Additional Compensation

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The aforementioned professional does not receive any additional compensation from non-clients for providing advisory services.

## Item 6      Supervision

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The aforementioned professional is supervised by the Management Committee. The Management Committee can be reached at (201) 659-3700.

**Paul B. Carlson, CFA**  
Senior Portfolio Manager—Mid Cap Value

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[www.hgk.com](http://www.hgk.com)

March 15, 2014

This brochure provides information about the above named professional and supplements the HGK Asset Management, Inc. (“HGK”) brochure. You should have received a copy of that brochure. Please contact us at (201) 659-3700 if you did not receive HGK’s brochure or if you have any questions about the content of this supplement. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about the above named professional also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2      Educational Background and Business Experience**

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The qualifications for persons who will be involved in the investment advisory services will be examined for excellence in training, experience and professional reputation. While no set criteria exist for every individual to be employed, persons with account responsibilities will generally have graduate degrees in finance, business or related fields. Some persons involved in the investment field will hold certain professional designations.

Paul Carlson joined HGK Asset Management, Inc. in 1991. Since joining HGK, Paul has assumed the roles of analyst and trader, and today he is the Mid Cap Value Equity portfolio manager, which strategy he has run since 2001. Paul also co-manages HGK's All Cap Value strategy. Prior to joining HGK, Paul worked at Dillon Read & Co. as an assistant trader on the government bond desk.

Paul earned a Bachelor of Arts degree from Western Michigan University, where he majored in Economics.

Paul completed the Chartered Financial Analyst Program in 1997 and is a member of the New York Society of Security Analysts.

## **Item 3      Disciplinary Information**

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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The aforementioned professional does not receive any additional compensation from non-clients for providing advisory services.

## **Item 6      Supervision**

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The aforementioned professional is supervised by the Management Committee. The Management Committee can be reached at (201) 659-3700.

**Eric Fuhrman, CFA**  
Portfolio Manager

Form ADV Part 2B

**HGK Asset Management, Inc.**  
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525 Washington Blvd.  
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March 15, 2014

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Eric Fuhrman first joined HGK Asset Management, Inc. in 2001. Eric began working at HGK with the equity team as an analyst on the Large Cap Value product. Eric also spent time as the head equity trader. Today, Eric is responsible for managing HGK's Small Cap Value strategy as well as co-managing HGK's All Cap Value and Quantitative strategies.

Eric earned a Bachelor of Science Degree in Business Administration with concentrations in Finance and Marketing from the Robins School of Business at the University of Richmond. Eric earned a Masters of Business Administration from New York University Stern School of Business in 2012.

Eric completed the Chartered Financial Analyst program in 2006 and is a member of the New York Society of Security Analysts.

## **Item 3      Disciplinary Information**

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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The aforementioned professional does not receive any additional compensation from non-clients for providing advisory services.

## **Item 6      Supervision**

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The aforementioned professional is supervised by the Management Committee. The Management Committee can be reached at (201) 659-3700.

**Andrew Rothstein, CFA**  
Portfolio Manager – Large Cap Value

Form ADV Part 2B

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Andrew Rothstein joined HGK in 2006 as an Equity Analyst. Andrew conducts equity research and is the assistant portfolio manager for the Large Cap Value product. Prior to HGK, Andrew worked as an auditor at a public accounting firm.

Andrew received his Bachelor of Science degree in Accounting from the Lehigh University College of Business and Economics. Andrew earned a Masters of Business Administration from New York University Stern School of Business in 2012.

Andrew completed the Chartered Financial Analyst program in 2008.

## **Item 3      Disciplinary Information**

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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The aforementioned professional does not receive any additional compensation from non-clients for providing advisory services.

## **Item 6      Supervision**

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The aforementioned professional is supervised by the Management Committee. The Management Committee can be reached at (201) 659-3700.

**Anthony P. Santoliquido**  
Portfolio Manager – Fixed Income

Form ADV Part 2B

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Anthony Santoliquido joined HGK Asset Management, Inc. in 1992. At HGK, Anthony is responsible for fixed income trading and portfolio management, as well as fixed income and economic analysis. Anthony came to HGK from Hilliard Farber & Company, where he was a registered account executive in the U.S. Treasury Securities area. Prior to that, Anthony gained experience in government and corporate bond trading at Morgan Stanley.

Anthony earned a Bachelor of Science Degree in Finance from the Villanova University School of Commerce and Finance.

Anthony is a member of the New York Society of Security Analysts and the Fixed Income Analysts Society.

## **Item 3      Disciplinary Information**

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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The aforementioned professional does not receive any additional compensation from non-clients for providing advisory services.

## **Item 6      Supervision**

---

The aforementioned professional is supervised by the Management Committee. The Management Committee can be reached at (201) 659-3700.

**Stevens C. Sheppard, CCM**  
Portfolio Manager

Form ADV Part 2B

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Stevens Sheppard joined HGK Asset Management, Inc. in 2000 after co-founding Pequot Investment Advisors, Inc. Today Steve is responsible for managing HGK's Large Cap Core strategy as well as equity investments for some of HGK's high net worth clients.

Steve began his Wall Street career in the early 1980's, starting at Euro Broker Harlow Ltd. and then working in PaineWebber's institutional Capital Markets division. Steve moved on as a Senior Associate in Barclays bank's international Capital Markets division directing the trading and sales of Preferred Stock. Steve was also a Vice President in Smith Barney's capital markets division. His experience has ranged from analyst, trader, institutional sales, and portfolio manager.

Steve earned a Bachelor of Arts degree from the University of Arizona where he majored in Political Science, and minored in Economics and History.

Steve is registered as an investment adviser representative with the State of New Jersey.

## **Item 3      Disciplinary Information**

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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The aforementioned professional does not receive any additional compensation from non-clients for providing advisory services.

## **Item 6      Supervision**

---

The aforementioned professional is supervised by the Management Committee. The Management Committee can be reached at (201) 659-3700.

**Suzanne A. Malone**  
Domestic Equity Team

Form ADV Part 2B

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Suzanne Malone joined HGK Asset Management, Inc. in 1991. Suzanne is responsible for managing portfolios for high net worth individuals. She also contributes to equity and economic research. Suzanne began her career at the U.S. Trust Company of New York where she was an assistant account advisor for balanced funds in the investment area of the Asset Management Division.

Suzanne has a Bachelor of Arts Degree in Economics from Denison University. She is a member of the New York Society of Security Analysts.

Suzanne is currently working toward obtaining her CFA charter and has completed Levels I & II.

## **Item 3      Disciplinary Information**

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There are no legal or disciplinary actions to report on the aforementioned professional at this time.

## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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## **Item 6      Supervision**

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**Christopher R. Gerne**  
Portfolio Manager – Fixed Income Investments

Form ADV Part 2B

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Chris Gerne joined HGK Asset Management, Inc. in 2002. Chris currently works as portfolio manager for the HGK 1-3 year strategy. He is also responsible for trading and research for the fixed income team. Chris came to HGK from Deutsche Bank, where he was an assistant trader in the Capital Markets division. Chris also has experience as an auditor at State Street Bank where he was responsible for Taft Hartley/Multi-Employer retirement plans.

Chris earned a B.B.A Degree in Finance from Radford University – College of Business and Economics.

He is a member of the Fixed Income Analysts Society and has successfully completed financial securities licenses series 7, 55 and 63.

## **Item 3      Disciplinary Information**

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## **Item 4      Other Business Activities**

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There are no other business activities to be reported for the aforementioned professional at this time.

## **Item 5      Additional Compensation**

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## **Item 6      Supervision**

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**Matt Kosara, CAIA, CFA**  
Portfolio Manager

Form ADV Part 2B

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Matthew Kosara joined HGK in 2006 to develop the firm's Alternative Investments Division and is the Portfolio Manager for HGK's Strategic Income Fund.

Matt holds a Bachelor of Science in Management with concentration in Finance and minor in Economics from Rensselaer Polytechnic Institute's Lally School of Management and Technology.

He is a member of the New York Society of Security Analysts and The Alliance of Alternative Asset Professionals, and is a charter holder of the CAIA designation and completed the Chartered Financial Analyst program in 2012.

## **Item 3      Disciplinary Information**

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## **Item 4      Other Business Activities**

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Proxy v61.56  
3/28/13

## Proxy Voting Policies and Procedures

### Background and Rationale

HGK, as a matter of policy and as a fiduciary to our Clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the Clients. Our firm utilizes an outside proxy voting service which maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting. HGK and the proxy voting service and make appropriate disclosures about those proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote Client proxies and disclose any potential conflicts of interest as well as making information available to Clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised.

Further, investment advisers registered with the SEC, and which exercise voting authority with respect to Client securities, are required by Rule 206(4)-6 of the Advisers Act to (a) adopt and implement written policies and procedures that are reasonably designed to ensure that Client securities are voted in the best interests of Clients, which must include how an adviser addresses material conflicts that may arise between an adviser's interests and those of its Clients; (b) to disclose to Clients how they may obtain information from HGK with respect to the voting of proxies for their securities; (c) to describe to Clients a summary of its proxy voting policies and procedures and, upon request, furnish a copy to its Clients; and (d) maintain certain records relating to HGK's proxy voting activities when HGK does have proxy voting authority.

### Policies and Procedures

#### Voting Procedures and Guidelines

HGK utilizes an outside proxy voting service, Broadridge Financial Solutions, Inc. ("Broadridge") which is instructed to vote proxies in the best interests of our Clients. (In the event HGK engages a different service in the future, these policies will apply regardless of the identity of the service.)

Broadridge vote proxies on behalf of our Clients according to detailed policies and procedures promulgated by Broadridge for that purpose. HGK maintains on file a complete set of the policies and procedures Broadridge employs to vote proxies on behalf of our Clients. In the absence of specific voting guidelines from the Client, Broadridge will vote proxies in the best interests of each particular Client. Broadridge's policy is to vote all proxies from a specific issuer the same way for each Client absent qualifying restrictions from a Client. Clients are permitted to place reasonable restrictions on HGK's voting authority in the same manner that they may place such restrictions on the actual selection of account securities.

#### HGK Asset Management

#### The Code of Ethics and The Policies and Procedures Manual

December 18, 2012 33

- Absent material conflicts, Broadridge will determine how it should vote the proxy in accordance with applicable voting guidelines, complete the proxy and vote the proxy in a timely and appropriate manner.*
- Clients may at any time direct that proxies on securities in their portfolios be voted in a particular manner.*
- Clients are advised quarterly of the votes on securities in their portfolios, and are informed that they may at any time request information on the policies utilized by the outside service to determine how proxies will be voted.*
- All employees will forward any proxy materials received on behalf of Clients to the employee designated by the Chief Compliance Officer to handle proxy voting matters.*

#### **Disclosures and Client Requests for Information**

- HGK will provide conspicuously displayed information in its Form ADV summarizing this proxy voting policy and procedures, including a statement that Clients may request information regarding how Broadridge voted their proxies, and that Clients may request a copy of the policies pertaining to proxy voting procedures.*
- The Chief Compliance Officer will also send a copy of this summary to all existing Clients who have previously received HGK's Form ADV, or the Chief Compliance Officer may send each Client the amended Form ADV.*
- All Client requests for information regarding proxy votes, or policies and procedures, received by any employee should be forwarded to the Chief Compliance Officer.*
- In response to any request the Chief Compliance Officer will prepare a written response to the Client with the information requested, and as applicable will include the name of the issuer, the proposal voted upon, and how HGK voted the Client's proxy with respect to each proposal about which Client inquired.*

#### **Conflicts of Interest**

- If it should appear that there are exists a material conflict of interest between the interests of Broadridge or HGK and a Client, the Chief Compliance Officer will determine whether it is appropriate to disclose the conflict to the affected Clients, to give the Clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation.*

*HGK will maintain a record of the voting resolution of any conflict of interest.*

**Recordkeeping**

*The Chief Compliance Officer shall retain the following proxy records in accordance with the SEC's five-year retention requirement:*

- these Policies and Procedures and any amendments;*

**HGK Asset Management**

***The Code of Ethics and The Policies and Procedures Manual***

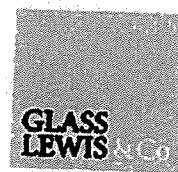
December 18, 2012 34

- each proxy statement that HGK receives;*
- a record of each vote that HGK casts;*
- any document HGK created that was material to making a decision how to vote proxies, or that memorializes that decision including period reports to the Chief Compliance Officer; and*
- a copy of each written request from a Client for information on how HGK voted such Client's proxies, and a copy of any written response.*

**Primary responsibility for compliance: the officer or employee designated by the Chief Compliance Officer as responsible for proxy voting procedures.**

**Responsibility for Monitoring and Review: the Chief Compliance Officer**

Proxy Guidelines  
12/21/10  
RMC



## TAFT-HARTLEY GUIDELINES

### AN ADDENDUM TO THE PROXY PAPER POLICY GUIDELINES 2010 PROXY SEASON

For more information about Glass Lewis' policies or our approach to proxy analysis, please visit [www.glasslewis.com](http://www.glasslewis.com) or contact our Chief Policy Officer, Robert McCormick at (415) 678-4228.

## PROTECTING YOUR PRIVACY

At **HGK** Asset Management, Inc. (“HGK”) maintaining the trust and confidence of our investors is of paramount importance. We are committed to safeguarding your personal information and providing you with facts and options about how this information may be shared. Please read this notice to learn more about our privacy policies and the options available to you.

This notice replaces all previous statements of our privacy policy, and may be amended at any time. We will provide you with annual reminders of our policies and with revised policies if there are any changes in how we handle your personal information. If you end your relationship with HGK, we will continue to adhere to the policies and practices described in this notice. If you have any questions about this privacy policy you may call us at 800-456-7850.

**Information That We Collect.** As part of providing you with our services we obtain nonpublic personal information about you which may include the following:

- Information we receive from you on applications or other forms including name, address, social security number, assets and income.
- Information about your transactions with us or others.

**Information That We Share.** We, along with our affiliates, use or share information in a limited and carefully controlled manner. We do not disclose any nonpublic information about our investors or former investors to anyone, except as permitted by law, unless authorized by you. Instances in which we may be required to share your information include:

- Disclosure to companies that provide services necessary to effect a transaction that you request or to service your account such as brokers, accountants, banks, attorneys or administrators.
- Disclosure to government agencies, courts, parties to lawsuits, or regulators in response to subpoenas. In such cases, we share only the information that we are required or authorized to share.

**Confidentiality and Security.** The security of your account information is important to us. Only those persons who need your information to perform their job have access to it. In addition, we maintain physical, electronic and procedural security measures that comply with U.S. regulations to protect your information. Our employees have limited access to your personal information based upon their responsibilities. All employees are instructed to protect the confidentiality of your personal information as described in these policies, which are strictly enforced.