HUDSON & ASSOCIATES WEALTH MANAGEMENT LLC

FORM ADV PART 2A

BROCHURE

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of Hudson & Associates Wealth Management LLC. If you have any questions regarding the contents of this brochure, please do not hesitate to contact our Chief Compliance Officer, Joshua Jones by telephone at 513-744-3196 or by email at joshua.jones@dinsmorecomplianceservices.com. 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.

Hudson & Associates Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. Additional information about Hudson & Associates Wealth Management is available on the SEC's website at www.adviserinfo.sec.gov.

July 31, 2026

Item 2 – Material Changes

Form ADV Part 2A requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure since the last annual update of the disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Hudson & Associates Wealth Management is a newly registered investment adviser and this brochure was initially filed as part of that registration. Accordingly, there are no material changes to report.

Item 3 - Table of Contents

Item 4 - Advisory Business

A. Description of the Advisory Firm

Hudson & Associates Wealth Management LLC ("Hudson & Associates" or the "Firm") is a corporation organized in the State of Oklahoma. Hudson & Associates is an investment advisory firm registered with the United States Securities and Exchange Commission ("SEC"). Hudson & Associates is owned by John Hudson.

B. Types of Advisory Services

Hudson & Associates provides discretionary and non-discretionary investment management services to individuals, high net worth individuals, trusts, estates, other types of business entities and qualified retirement plans.

Investment Management Services
Hudson & Associates offers investment management services on a discretionary basis and non-discretionary basis. All investment advice provided is customized to each client's investment objectives and financial needs. The information provided by the client, together with any other information relating to the client's overall financial circumstances, will be used by Hudson & Associates to determine the appropriate portfolio asset allocation and investment strategy for the client. Hudson & Associates provides investment management services to clients through a wrap fee program (the "Hudson & Associates Wrap Fee Program"). See Hudson & Associates' Form ADV Part 2A, Appendix 1 for additional information regarding the Hudson & Associates Wrap Fee Program.

The securities utilized by Hudson & Associates in the Hudson & Associates Wrap Fee Program client accounts consist of registered mutual funds, exchange traded funds (ETFs), equity securities, corporate bonds, fee based annuities when appropriate, and private funds/alternative investments, if we determine such investments fit within a client's objectives and are in the best interest of our clients.

Hudson & Associates may further recommend to clients that all or a portion of their Hudson & Associates Wrap Fee Program investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms ("External Managers"). The client may be required to enter into a separate agreement with the External Manager(s), which will set forth the terms and conditions of the client's engagement of the External Manager. Hudson & Associates generally renders services to the client relative to the discretionary selection of External Managers. Hudson & Associates also assists in establishing the client's investment objectives for the assets managed by External Managers, monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Managers are exclusive of, and in addition to, the annual investment management services fee charged by Hudson & Associates. For External Managers made available through the B/D Custodian Schwab, custody and securities transactions commissions are included within the Hudson & Associates Wrap Fee Program fee. If an External Manager is utilized that engages in brokerage transactions and/or custody services with a broker-dealer/custodian other than Schwab, the fees charged by that broker-dealer/custodian will be exclusive of, and in addition to, the annual Hudson & Associates Wrap Program fee.

Hudson & Associates works with a third-party service provider Envestnet, Inc. (“Envestnet”) to help support the operational needs of managing and servicing Hudson & Associates Wrap Fee Program investment management services accounts. Envestnet performs various operational functions. In addition, through the Envestnet platform Hudson & Associates gains access to various Third Party Managers, as well as portfolio allocation and rebalance functionality. Additional services are also available through Envestnet at a client’s request. These services include, but are not limited to, tax overlay and impact overlay. See Item 5 regarding the fees and expenses relating to Hudson & Associates’ utilization of Envestnet.

Hudson & Associates cannot provide any guarantees or promises that a client’s financial goals and objectives will be met.

<u>Investment Management Services to Retirement Plans</u>

Hudson & Associates offers discretionary and non-discretionary advisory services to qualified plans, including 401k plans. These services include, depending upon the needs of the plan client, recommending, or for discretionary clients selecting, investment options for plans to offer to participants, ongoing monitoring of a plan’s investment options, assisting plan fiduciaries in creating and/or updating the plan’s written investment policy statements, working with plan service providers, and providing general investment education to plan participants.

Note Regarding Tax or Legal Advice: In providing services, Hudson & Associates does not offer or otherwise provide tax or legal advice. Hudson & Associates will, at a client’s direction and approval, work with a client’s existing tax or legal professionals to assist in the provision of the services. Fees charged by any tax, legal or other third-party professionals are the responsibility of the client. Hudson & Associates may refer professionals; however, there is no compensation to Hudson & Associates for these referrals, and clients are under no obligation to use the referred service providers.

C. Client-Tailored Advisory Services

Clients may impose reasonable restrictions on the management of their accounts if Hudson & Associates determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Hudson & Associates’ management efforts.

D. Information Received From Clients

Hudson & Associates will not assume any responsibility for the accuracy of the information provided by clients. Hudson & Associates is not obligated to verify any information received from a client or other professionals (e.g., attorney, accountant) designated by a client, and Hudson & Associates is expressly authorized by the client to rely on such information provided. Under all circumstances, clients are responsible for promptly notifying Hudson & Associates in writing of any material changes to the client’s financial situation, investment objectives, time horizon, or risk tolerance.

E. Assets Under Management

Hudson & Associates is a newly registered adviser. Therefore, as of the date of filing this Brochure, Hudson & Associates did not have assets under management.

Item 5 - Fees and Compensation

Hudson & Associates charges fees based on a percentage of assets under management or a fixed fee. The specific fees charged by Hudson & Associates for services provided will be set forth in each client's agreement.

A. Investment Management Services

Fees for Investment Management Services
In providing investment management services pursuant to the Hudson & Associates Wrap Fee Program, Hudson & Associates charges an annual investment management services fee that is agreed upon with each client and set forth in an agreement executed by Hudson & Associates and the client. The Hudson & Associates Wrap Fee Program investment management services fee for the initial month shall be paid, on a pro rata basis, in arrears, based on the value of the net billable assets under management at the end of such initial month. For subsequent months, the Hudson & Associates Wrap Fee Program investment management services fee shall be paid, in advanced, based on the asset value of the client's accounts as of the last business day of the preceding month.

The asset value of a client's Hudson & Associates Wrap Fee Program account is determined as provided by third-party sources, such as pricing services, custodians, fund administrators, and client-provided sources. For purposes of fee calculation, the asset value of client accounts include cash and cash equivalents, as well as margined securities. Hudson & Associates may, in their sole discretion, exclude certain cash holdings maintained for anticipated purchases, withdrawals, other account activity. Hudson & Associates does not reduce investment management services fees for margin borrowing, regardless of whether the assets are in cash or other securities. Hudson & Associates has a financial incentive to recommend that clients borrow money for the purchase of additional securities for the client's account managed by Hudson & Associates or otherwise not liquidate some or all the assets Hudson & Associates manages. Hudson & Associates addresses this conflict of interest by this disclosure and working to ensure that any recommendation to a client regarding the use of margin is suitable for the client.

The annual Hudson & Associates Wrap Fee Program investment management services fee ranges up to 1.50%.

For Hudson & Associates Wrap Fee Program client accounts for which we utilize the Envestnet platform, Envestnet charges the following fees –

Envestnet Traded Managed Account:

Account Assets	Envestnet Platform Fee
First $1,000,000	0.10% per client account, per year
Next $1,000,000	0.09% per client account, per year
Next $3,000,000	0.08% per client account, per year
Over $5,000,000	0.07% per client account, per year

Hudson & Associates as Portfolio Manager:

0.03% on all assets subject to a minimum annual fee of $30 per client account.

Reporting Solution:

$10 per account, per year

The Envestnet platform and services fees are in addition to Hudson & Associates' Wrap Fee Program investment management services fee. In addition, any applicable custodial fees, transaction expenses and External Manager fees are not included within any of the Envestnet fees.

Notwithstanding the foregoing, Hudson & Associates and the client may choose to negotiate an annual investment management services fee that varies from the range set forth above. Factors upon which a different annual investment management services fee may be based include, but are not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The investment management services fee charged by the Firm will apply to all of the client's assets under management, unless specifically excluded in the client agreement. Although Hudson & Associates believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms.

The investment advisory agreement between Hudson & Associates and the client may be terminated at will by either Hudson & Associates or the client upon written notice. Hudson & Associates does not impose termination fees when the client terminates the investment advisory relationship, except when agreed upon in advance.

B. Payment of Fees

Hudson & Associates generally deducts its advisory fee from a client's investment account(s) held at the custodian. Upon engaging Hudson & Associates to manage such account(s), a client grants Hudson & Associates this limited authority through a written instruction to the custodian of his/her account(s). The client is responsible for verifying the accuracy of the calculation of the advisory fee; the custodian will not determine whether the fee is accurate or properly calculated. A client may utilize the same procedure for financial planning or consulting fees if the client has investment accounts held at a custodian.

Although clients generally are required to have their investment advisory fees deducted from their accounts, in some cases, Hudson & Associates will directly bill a client for investment advisory fees if it determines that such billing arrangement is appropriate given the circumstances.

The custodian of the client's accounts provides each client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the client's account(s), including any fees paid directly to Hudson & Associates.

Clients may make additions to, and withdrawals from, their account at any time, subject to Hudson & Associates' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets at any time on notice to Hudson & Associates, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Hudson & Associates may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g. contingent deferred sales charges) and/or tax ramifications.

C. Clients Responsible for Fees Charged by Financial Institutions and External Money Managers

The Hudson & Associates Wrap Fee Program fee covers Hudson & Associates' advisory services, custody and commissions for securities transactions effected through Schwab. The number of transactions made in clients' accounts, the size of the accounts, and the securities used to construct a portfolio, as well as the commissions charged for each transaction, determines the relative cost of the Hudson & Associates Wrap Fee Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Participants in the Hudson & Associates Wrap Fee Program may pay a higher or lower aggregate fee than if the investment management and brokerage services are purchased separately. Hudson & Associates does not charge its clients higher advisory fees based on their trading activity, but clients should be aware that Hudson & Associates may have an incentive to limit its trading activities in Hudson & Associates Wrap Fee Program client accounts because Hudson & Associates is charged for executed trades. Hudson & Associates addresses this conflict of interest through this disclosure and through its policies and procedures which work to ensure that Hudson & Associates Wrap Fee Program accounts are managed in accordance with clients' goals and objectives without consideration of trading costs incurred by Hudson & Associates. Transaction fees or "trade away" fees imposed for trades placed away from Schwab, are not covered by the Hudson & Associates Wrap Program Fee. Refer to Hudson & Associates' Form ADV Part 2A, Appendix 1 for additional information. In addition, for External Managers, clients should review each manager's Form ADV 2A disclosure brochure and any contract they sign with the External Manager (in a dual contract relationship). The client is responsible for all such fees and expenses, as well as trading and custody costs of a broker-dealer/custodian other than Schwab if utilized by that External Manager. Please see Item 12 of this brochure regarding brokerage practices. In addition, see above for information regarding the fees charged by Envestnet.

D. Prepayment of Fees

As noted in Item 5(B) above, Hudson & Associates' advisory fees generally are paid in advance. Therefore, upon the termination of a client's advisory relationship Hudson & Associates is required to issue a refund for advance billed fees. If there is any instance in which Hudson & Associates bills a client in advance, Hudson & Associates will issue a refund equal to any unearned management fee for the remainder of the month or otherwise agreed upon billing period. The client may specify how he/she would like such a refund issued (i.e., a check sent directly to the client or a check sent to the client's custodian for deposit into his/her account).

E. Outside Compensation for the Sale of Securities or Other Investment Products to Clients

Hudson & Associates does not buy or sell securities and does not receive any compensation for securities transactions in any client account, other than the investment advisory fees noted above. However, as further described in Item 10, certain personnel of Hudson & Associates, in their individual capacities, are registered representatives of the unaffiliated broker-dealer Simplicity Group ("Simplicity"), f/ka/ The Leaders Group, Inc. ("Leaders Group"). In this capacity these individuals will engage in various types of securities or investment products transactions and will receive separate and typical compensation for doing so. In addition, representatives of Hudson & Associates, in their individual capacities, are also licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients.

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

Hudson & Associates does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Hudson & Associates' fees are calculated as described in Item 5 above.

Item 7 - Types of Clients

Hudson & Associates offers investment advisory services to individuals, high net worth individuals, trusts, estates, other types of business entities and qualified retirement plans. Hudson & Associates does not impose a minimum portfolio size or a minimum initial investment to open an account. However, Hudson & Associates reserves the right to accept or decline a potential client for any reason in its sole discretion. See Item 5 above for information regarding the annual per account fee minimum charged by Envestnet for use of the Envestnet platform.

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

A. Methods of Analysis and Risk of Loss

Hudson & Associates primarily employs fundamental analysis methods in developing investment strategies for its clients. Research and analysis from Hudson & Associates is based on numerous sources, including third-party research materials and publicly available materials, such as company annual reports, prospectuses, and press releases.

Hudson & Associates generally employs a long-term investment strategy for its clients, as consistent with their financial goals, and is cognoscente that risk tolerances can evolve over time. As such, the Firm strives to adjust strategies as needed to meet their clients' long-term financial goals. At times, the Firm may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals of the security, sector or asset class.

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Hudson & Associates' investment recommendations.

Investing in securities involves a risk of loss. A client can lose all or a substantial portion of his/her investment. A client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

B. Material Risks Involved

Investing in securities involves a significant risk of loss which clients should be prepared to bear. Hudson & Associates' investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions will not always be profitable. Clients should be aware that there may be a loss or depreciation of the value of the client's account. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities. Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective. Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by Hudson & Associates include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security will decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.

- *Non-diversification risk*, which is the risk of focusing investments in a small number of issuers, industries or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks do not increase in price, not issue the anticipated stock dividends, or decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was misgauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company will go up or down, sometimes rapidly and unpredictably as compared to more widely held securities. Investments in smaller companies are subject to greater levels of credit, market and issuer risk.
- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- *Interest rate risk*, which is the chance that prices of fixed income securities decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- *Credit risk,* which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by Hudson & Associates may not produce the desired results and that legislative, regulatory, or tax developments, affect the investment techniques available to Hudson & Associates. There is no guarantee that a client's investment objectives will be achieved.
- *Investment Companies ("Mutual Funds") risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund's operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.

- *Cybersecurity risk,* which is the risk related to unauthorized access to the systems and networks of Hudson & Associates and its service providers. The computer systems, networks and devices used by Hudson & Associates and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Cybersecurity breaches can include unauthorized access to systems, networks or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. Cybersecurity breaches cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or other compliance costs; as well as the inadvertent release of confidential information. Similar adverse consequences could result from cybersecurity breaches affecting issues of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers and other financial institutions; and other parties. In addition, substantial costs may be incurred by those entities in order to prevent any cybersecurity breaches in the future.
- *Alternative Investments / Private Funds risk*, investing in alternative investments is speculative, not suitable for all clients, and intended for experienced and sophisticated investors who are willing to bear the high economic risks of the investment, which can include:
    - loss of all or a substantial portion of the investment due to leveraging, short-selling or other speculative investment practices;
    - lack of liquidity in that there may be no secondary market for the investment and none expected to develop;
    - volatility of returns;
    - restrictions on transferring interests in the investment;
    - potential lack of diversification and resulting higher risk due to concentration of trading authority when a single adviser is utilized;
    - absence of information regarding valuations and pricing;
    - delays in tax reporting;
    - less regulation and higher fees than mutual funds;
    - risks associated with the operations, personnel, and processes of the manager of the funds investing in alternative investments.

There also are risks surrounding various insurance products that are recommended to Hudson & Associates clients from time to time. Such risks include but are not limited to loss premiums. Prior to purchasing any insurance product, clients should carefully read the policy and applicable disclosure documents. Clients are not obligated to purchase insurance products from Hudson & Associates.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Hudson & Associates does not guarantee the future performance of a client's portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

Use of External Managers
Hudson & Associates may select certain External Managers to manage a portion of its clients' assets. In these situations, the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, Hudson & Associates generally may not have the ability to supervise the External Managers on a day-to-day basis.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the adviser and the integrity of the adviser's management. Hudson & Associates has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Insurance Agent Activities
As mentioned above in Item 5, advisory persons of Hudson & Associates are licensed as insurance professionals. Such persons earn commission-based compensation for selling insurance products to clients. Insurance commissions earned by advisory persons who are insurance professionals are separate from and in addition to Hudson & Associates' advisory fee. This practice presents a conflict of interest as an advisory person who is an insurance professional has an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on client needs. Hudson & Associates addresses this conflict through disclosure and strives to make recommendations which are in the best interests of its clients. Clients are under no obligation to purchase insurance products through any person affiliated with Hudson & Associates. Hudson & Associates clients should understand that lower fees and/or commissions for comparable services may be available from other insurance providers.

Registered Representative Activities
As mentioned above in Item 5, certain representatives of Hudson & Associates are also registered representatives with Simplicity. Simplicity is a registered broker-dealer and member of FINRA. In this capacity, such representatives of Hudson & Associates offer securities or alternative investments and receive normal and customary fees or commissions as a result of these transactions. In addition, these individuals receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. As a result of this relationship, Simplicity has access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients, even if a client does not establish an account through Simplicity. If you would like a copy of Simplicity's privacy policy, please contact Hudson & Associates as described on the cover page of this brochure.

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest and may affect the judgment of these individuals when making recommendations. Hudson & Associates and Simplicity are separate, nonaffiliated entities. Nevertheless, to the extent that a Hudson & Associates representative recommends the purchase of securities or other investment products where the representative receives commissions for doing so, a conflict of interest exists because the representative is incentivized to make recommendations based on the compensation received rather than on a client's needs. Hudson & Associates has adopted certain procedures designed to mitigate the effects of this conflict. As part of Hudson & Associates' fiduciary duty to clients, Hudson & Associates and its representatives endeavor at all times to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of clients. Additionally, the conflicts presented by this relationship are disclosed to clients through this brochure, client agreement and/or verbally prior to or at the time of entering into an Agreement. Clients are not obligated to implement recommended transactions through any Hudson & Associates representative or any particular broker-dealer. Clients have the option to purchase any recommended investment through broker-dealers other than Simplicity.

Hudson & Associates clients should understand that lower fees and/or commissions for comparable services may be available from other broker-dealers.

Recommendation of External Managers

Hudson & Associates may recommend that clients use External Managers based on clients' needs and suitability. Hudson & Associates does not receive separate compensation, directly or indirectly, from such External Managers for recommending that clients use their services. Hudson & Associates does not have any other business relationships with the recommended External Managers.

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

Hudson & Associates has a Code of Ethics (the "Code") which requires Hudson & Associates' employees ("supervised persons") to comply with their legal obligations and fulfill the fiduciary duties owed to the Firm's clients. Among other things, the Code of Ethics sets forth policies and procedures related to compliance with insider trading laws and policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present potential conflicts of interest with the price obtained in client securities transactions or the investment opportunity available to clients. The Code addresses these potential conflicts by prohibiting securities trades that would breach a fiduciary duty to a client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to Hudson & Associates for review by the Firm's Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

Hudson & Associates will provide a copy of the Code of Ethics to any client or prospective client upon request.

Item 12 – Brokerage Practices

A. Factors Used to Select Custodians and/or Broker-Dealers

Hudson & Associates generally recommends that its investment management clients utilize the custody and brokerage services of an unaffiliated broker/dealer custodians (a "BD/Custodian") with which Hudson & Associates has an institutional relationship. Currently, this includes Charles Schwab & Co., Inc.

("Schwab"), which is a "qualified custodian" as that term is described in Rule 206(4)-2 of the Advisers Act. Each BD/Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed on behalf of clients by Hudson & Associates. If your accounts are custodied at Schwab, Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to.

In recommending Schwab, Hudson & Associates will consider a number of judgmental factors, including, without limitation: 1) clearance and settlement capabilities; 2) quality of confirmations and account statements; 3) the ability of the BD/Custodian to settle the trade promptly and accurately; 4) the financial standing, reputation and integrity of the BD/Custodian; 5) the BD/Custodian's access to markets, research capabilities, market knowledge, and any "value added" characteristics; 6) Hudson & Associates' past experience with the BD/Custodian; and 7) Hudson & Associates' past experience with similar trades. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

In exchange for using the services of Schwab, Hudson & Associates may receive, without cost, computer software and related systems support that allows Hudson & Associates to monitor and service its clients' accounts maintained with Schwab. Schwab also makes available to the Firm products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist Hudson & Associates in managing and administering client accounts. They include investment research, both Schwab's own and that of third parties. Hudson & Associates may use this research to service all or some substantial number of client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide the Firm with other benefits such as occasional business entertainment of Firm personnel.

In addition, Hudson & Associates receives financial support from Schwab up to capped dollar amount to be used toward qualifying marketing, technology, consulting and/or research expenses incurred by Hudson

& Associates in registering and launching the operations of Hudson & Associates. This financial support is available to Hudson & Associates during the first 12 months from the start of Hudson & Associates clients having assets custodied at Schwab, and the ultimate amount payable by Schwab is dependent upon the amount of Hudson & Associates client assets custodied at Schwab. Furthermore, Schwab has agreed to reimburse account termination fees charged to Hudson & Associates clients by the former custodian of the clients' accounts up to a capped dollar amount. This reimbursement is available during an initial 12-month period.

The benefits received by Hudson & Associates through its participation in the Schwab custodial platform do not depend on the amount of brokerage transactions directed to Schwab. In addition, there is no corresponding commitment made by Hudson & Associates to Schwab to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of participation in the program. While as a fiduciary, we endeavor to act in our clients' best interests, our recommendation that clients maintain their assets in accounts at Schwab will be based in part on the benefit to Hudson & Associates of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab. The receipt of these benefits creates a potential conflict of interest and may indirectly influence Hudson & Associates' choice of Schwab for custody and brokerage services.

Hudson & Associates will periodically review its arrangements with the BD/Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its clients. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;
- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

Brokerage for Client Referrals

Hudson & Associates does not select or recommend BD/Custodians based solely on whether or not it may receive client referrals from a BD/Custodian or third party.

Client Directed Brokerage

Generally, for Hudson & Associates Wrap Fee Program clients the Firm does not accept instructions to custody a client account at a specific broker-dealer other than Schwab and/or direct some or all of his/her brokerage transactions to a specific broker-dealer other than Schwab. In such instances a client would be disadvantaged because the Hudson & Associates Wrap Fee Program fee does cover the cost of trades executed away from Schwab.

Trade Errors

Hudson & Associates' goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error occurs, Hudson & Associates endeavors to identify the error in a timely manner, correct the error so that the client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action(s) might be necessary to prevent a recurrence of similar errors in the future. Trade errors generally are corrected through the use of a "trade error" account or similar account at Schwab. Hudson & Associates works directly with Schwab to take corrective action. In all cases, Hudson & Associates will take the appropriate measures to return the client's account to its intended position.

B. Trade Aggregation

To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which the Firm's supervised persons may invest, the Firm will generally do so in a fair equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Firm.

Item 13 – Review of Accounts

A. Periodic Reviews

While Hudson & Associates Wrap Fee Program accounts are monitored on an ongoing basis, Hudson & Associates' investment adviser representatives seek to have at least one annual meeting with each client to conduct a formal review of the clients' accounts. Accounts are reviewed for consistency with the investment strategy and other parameters set forth for the account and to determine if any adjustments need to be made.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder's personal, tax or financial status. Other events that may trigger a review of an account are material changes in market conditions as well as macroeconomic and company- specific events. Clients are encouraged to notify Hudson & Associates of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

C. Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the qualified custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived.

Hudson & Associates may also determine to provide account statements and other reporting to clients on a periodic basis. Clients are urged to carefully review all custodial account statements and compare them to any statements and reports provided by Hudson & Associates. Hudson & Associates statements and reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 14 – Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients

Hudson & Associates does not receive benefits from third parties for providing investment advice to clients.

B. Compensation to Non-Supervised Persons for Client Referrals

Hudson & Associates does not enter into agreements with individuals or organizations for the referral of clients.

Item 15 – Custody

All clients must utilize a "qualified custodian" as detailed in Item 12. Clients are required to engage the custodian to retain their funds and securities and direct Hudson & Associates to utilize the custodian for the client's securities transactions. Hudson & Associates' agreement with clients and/or the clients' separate agreements with the B/D Custodian may authorize Hudson & Associates through such BD/Custodian to debit the clients' accounts for the amount of Hudson & Associates' fee and to directly remit that fee to Hudson & Associates in accordance with applicable custody rules.

The BD/Custodian recommended by Hudson & Associates has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Hudson & Associates. Hudson & Associates encourages clients to review the official statements provided by the custodian, and to compare such statements with any reports or other statements received from Hudson & Associates. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices."

Item 16 – Investment Discretion

Clients have the option of providing Hudson & Associates with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Hudson & Associates' client agreement. By granting Hudson & Associates investment discretion, a client authorizes Hudson & Associates to direct securities transactions and determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which the transactions will be effected. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Hudson & Associates if Hudson & Associates determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Hudson & Associates. See also Item 4(C), Client-Tailored Advisory Services.

Item 17 – Voting Client Securities

Hudson & Associates does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in client portfolios.

Item 18 – Financial Information

Hudson & Associates is not required to disclose any financial information pursuant to this item due to the following:

a) Hudson & Associates does not require or solicit the prepayment of more than $1,200 in fees six months or more in advance of rendering services;

b) Hudson & Associates is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts; and

c) Hudson & Associates has never been the subject of a bankruptcy petition.