



## Part 2A of Form ADV: Firm Brochure

March 28, 2018

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This brochure provides information about the qualifications and business practices of C.W. Henderson & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 312-222-1401 or [info@cwhenderson.com](mailto:info@cwhenderson.com). 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 C.W. Henderson & Associates, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm’s CRD number is 108213.

C.W. Henderson & Associates, Inc. is a registered investment adviser with the SEC. Registration does not imply a certain level of skill or training.

## Item 2                    Material Changes

There have been no material changes since the last filing of the ADV Part 2A in March 2017.

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## Item 4      Advisory Business

C.W. Henderson & Associates, Inc. (“CW Henderson & Associates” or the “Firm”) is a registered investment adviser specializing in the active management of municipal bond portfolios. At the request of clients, and when the ratio of municipal to U.S. Treasury securities yields warrants, the Firm also manages U.S. Treasury and Agency securities as a component of a municipal bond portfolio or as a separate portfolio.

The Firm was founded by Craig Henderson, the Firm’s President, in 1990 and began investing client assets in March 1991. The Firm is closely held with Mr. Henderson currently owning 79.2% of the outstanding shares. Thomas Mallman, Senior Managing Director, owns 10.4% of the outstanding shares.

C.W. Henderson & Associates offers investment advice only in regard to municipal and U.S. Treasury and Agency securities. Two primary types of municipal bond portfolio products are offered to clients: intermediate and short-term portfolios. Intermediate portfolios typically have effective average maturities (taking relevant call features into account) of about four to six years. The neutral effective duration of these portfolios (a measure of a portfolio’s sensitivity to interest rate changes) is typically about 4.10. (This measure implies that a one percent change in interest rates – up or down - should cause the principal value of the portfolio to change by approximately 4.10 %.) Portfolio durations are adjusted to reflect the Firm’s interest rate outlook, and generally do not vary by more than 20% from the neutral level. Short-term portfolios typically have effective average maturities of about one year and typical effective durations of less than one year. The intermediate product is designed for clients making relatively long-term asset allocations to the municipal market. The short-term product is designed for clients seeking exposure to the municipal bond market in a product that should provide limited principal volatility as interest rates fluctuate, and that also has the potential to provide total returns that exceed money market fund returns. Clients with liquidity needs over a short-term time horizon should consider use of the short-term product. All portfolios are constructed to provide credit, sector and geographic diversification. Only securities with strong credit and liquidity characteristics are considered for use in client portfolios. Intermediate portfolio durations are adjusted moderately in accord with the Firm’s interest rate outlook.

Portfolios are managed with the objective of maximizing after-tax returns while controlling credit and interest rate sensitivity risk. Clients’ applicable state taxes, realized and unrealized capital gains and losses and alternative minimum tax treatment are factors that are monitored on a client-by-client basis when making investment decisions. All accounts are managed separately and assets are held in the client’s name at a qualified custodian of the client’s choice. In addition, the Firm manages accounts with tailored constructions that meet specialized needs of some clients. Reasonable client-imposed restrictions can be incorporated into the Firm’s security selection and portfolio construction processes.

C.W. Henderson & Associates manages portfolios for clients that engage the Firm directly and also acts as a sub-advisor to banks and other investment advisors and in wrap fee programs.

There is no distinction between the management of direct and sub-advisory client portfolios or in the Firm's investment management process. In some sub-advisory arrangements C.W. Henderson & Associates deducts fees from client accounts. In others, the bank or investment manager program sponsor collects fees from clients and pays a portion of those fees to C.W. Henderson & Associates for the Firm's sub-advisory investment management services.

C.W. Henderson & Associates only manages client assets on a discretionary basis. As of December 31, 2017, the Firm managed \$3.15 billion in client assets and had 14 employees.

## Item 5 Fees and Compensation

C.W. Henderson & Associates charges fees based on a percentage of a client's assets under management. The following fee schedule is applicable to direct (non-subadvised) client accounts:

<u>Annual Fee</u>	<u>Account Size</u>
½ of 1%	\$1,000,000 to \$4,999,999
3/8 of 1%	\$5,000,000 to \$14,999,999
3/10 of 1%	\$15,000,000 to \$99,999,999
¼ of 1%	\$100,000,000 and larger

Fees are billed quarterly, payable at the end of each calendar quarter for the preceding quarter, except in certain sub-advisory relationships where fees are collected at the beginning of each quarter. In most instances fees are calculated based on account assets under management on the last business day of the quarter. Fee adjustments are made for contributions to or withdrawals from accounts during a quarter of ten percent or greater. In such instances fees are prorated to adjust for these asset flows.

In most instances fees are deducted from direct (non-subadvised) client accounts. If a client prefers, they can be billed for the Firm's investment management services. In addition to the investment management fees detailed above, clients also pay custodial charges to their custodians and bid/ask spreads (the difference between the prices at which municipal securities dealers buy and sell bonds) as well as any other transaction fees to brokers and dealers. To the extent client assets are held in money market funds or other mutual funds, clients pay investment advisory and other related fund fees on those fund assets in addition to the advisory fee paid to C.W. Henderson & Associates.

The C.W. Henderson & Associates investment management agreement provides for termination of the investment management relationship between C.W. Henderson & Associates and the client upon receipt of seven days advance notice by either party.

Where C.W. Henderson & Associates acts as a sub-advisor, discretionary accounts with assets of \$500,000 or larger are accepted. C.W. Henderson & Associates is compensated for investment management services in these relationships at an annual rate of typically three tenths of one percent (3/10 of 1%). Fees are charged quarterly and are based on the fair market value of the assets managed. In instances where total assets managed by C.W. Henderson & Associates substantially exceed \$100 million in a program where the Firm acts as a sub-advisor, the annual fee charged by C.W. Henderson & Associates declines to one quarter of one percent (1/4 of 1%).

In programs where C.W. Henderson & Associates acts as a sub-advisor, and where fees are billed at the beginning of the quarter, accounts that are terminated or withdraw significant assets prior to the end of the quarter, those clients are reimbursed a pro-rata portion of their fees. These arrangements are described in the client's agreement with the program sponsor client agreements.

C.W. Henderson & Associates rarely negotiates fees.

#### **Item 6 Performance Based Fees**

C.W. Henderson & Associates does not engage in performance based fee arrangements.

#### **Item 7 Types of Clients**

Products offered by C.W. Henderson & Associates provide income that is exempt from federal taxation. Clients utilizing these products are typically in income tax brackets that cause them to benefit from tax advantaged investments. Therefore, most of the Firm's clients are high net worth individuals, family offices and investment consultants. C.W. Henderson & Associates also manages assets for corporations and has managed components of commercial bank investment portfolios.

Clients either have direct relationships with C.W. Henderson & Associates or are clients of other advisors where C.W. Henderson & Associates acts as a sub-advisor. The minimum account size for direct relationships is typically \$1 million. In sub-advisory relationships the Firm will generally manage accounts with assets of \$500,000 or larger.

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

C.W. Henderson & Associates seeks to maximize tax-exempt income in client accounts while seeking to limit credit and principal volatility risk. Assessing the credit quality of securities selected for client accounts and analyzing anticipated trends in interest rates are central components of the Firm's analytical process.

Domestic and international economic developments that might impact interest rates are closely monitored. These include factors such as levels of economic activity, Federal Reserve policy,

expected inflation rates, unemployment levels, commodity prices, currency exchange rates, etc. Comparisons of prime municipal yields to U.S. Treasury rate levels are monitored to assess the relative attractiveness of the tax-exempt municipal market. Potential changes to the federal tax code that could alter the attractiveness of tax-exempt investments are also assessed. Individual state income tax policies are monitored to assure that accounts of clients who are residents of states with high state income tax rates are diversified appropriately.

The credit quality of individual municipal entities that issue securities considered for use in client portfolios are evaluated on a scheduled basis. For securities backed by municipalities' general obligation pledges, the Firm focuses on various factors including assessed valuations, population trends, median income levels, total debt outstanding, debt per capita, the existence of any major corporate tax payers and tax collection histories. Pension fund and post-employment health care funding are reviewed along with any derivatives exposures that a municipality may have in place.

Revenue backed obligations (water and sewer systems, electric power generation facilities, toll roads, university facilities, etc.) are analyzed to evaluate the strength of the enterprises issuing the securities. The Firm's evaluations review user bases, consistency of revenue collections, interest and debt service coverage ratios, levels of reserve funds, additional bonds tests, etc.

In addition to the above factors, bonds considered for purchase are evaluated in regard to any applicable call features and sinking funds, premium or discount pricing, whether income is subject to the alternative minimum tax, potential for price appreciation in a declining interest rate environment and the likelihood of price deterioration in a rising interest rate environment. Offering prices of individual bonds are compared to securities with similar credit and structural characteristics to determine relative value among potential purchases.

Rating agency analyses and ratings are monitored. In addition, C.W. Henderson & Associates reviews issuers' published financial information detailed in new issue official statements and in financial databases. In some instances corporate trustees and municipal finance officials are contacted to gain additional insight.

Two major types of risk are present in municipal securities: credit risk and volatility risk. Credit risk involves the potential impairment of the timely payment of bond principal and interest when due. Declining tax receipts or user fee collections or rising expenses could impair a municipal entity's ability to make debt service payments to bond holders. Ratings downgrades could result and, in extreme cases, an issuer could default. C.W. Henderson & Associates' credit selection process focuses on general obligation securities issued by municipalities with strong credit characteristics and revenue backed bonds supported by well-established municipal enterprises that provide essential public services. This approach mitigates but does not eliminate credit risk.

Volatility risk is the potential for bond principal values to fluctuate as interest rates change. In general, prices of bonds with longer maturities and lower coupons are more sensitive to

interest rate changes. The intermediate product portfolios that the Firm manages generally have large exposures to securities with effective maturities of two years or less that have limited volatility sensitivity. Exposure to high coupon bonds with four to five year calls have higher, but still limited, volatility risk. Bonds with ten to fifteen year maturities complement the shorter maturity components of these portfolios. These longer-term securities take advantage of the typical steepness of the municipal yield curve and provide the potential for increased returns. These longer-term bonds are subject to increased volatility risk. Portfolio exposure to long bonds is adjusted as the Firm's interest rate outlook changes with the goal of reducing portfolio principal volatility in rising rate environments and increasing volatility exposure during periods of declining rates (i.e. adjusting portfolio durations). Volatility risk cannot be eliminated and some price erosion will be experienced during periods of rapid interest rate increases. Volatility risk is lessened significantly, but not eliminated, in the short-term portfolios that C.W. Henderson & Associates manages.

In addition to the above defined risks, portfolios can also be adversely affected by unexpected calls, reinvestment during low interest rate periods, purchasing power erosion as inflation increases, etc. Cash additions to portfolios in low interest rate environments or withdrawals requiring security liquidations when rates are high can negatively affect individual portfolio performance.

The implementation of certain strategies employed by C.W. Henderson & Associates involves active securities trading by the Firm. Commissions are not charged in municipal securities transactions, but bid/ask spreads (the difference between the prices at which municipal securities dealers buy and sell bonds) represent a cost that clients incur. C.W. Henderson & Associates attempts to trade as efficiently as possible and minimize this cost, but transaction costs are inherent in municipal securities transactions.

U.S. Treasury securities are generally considered to not be subject to credit risk since they are backed by the full faith and credit of the U.S. Government. U.S. Government Agency securities fall into three primary categories. Issuers backed by the U.S. Government's full faith and credit or have a U.S. Treasury guarantee, those supported by a discretionary line of credit from the U.S. Treasury and agencies having no direct federal backing. Investments by the Firm in U.S. Government Agency securities focus on those agencies with support from the federal government. Credit risk is diminished, but not eliminated, in securities issued by agencies without direct federal government support. Investments in U.S. Treasury and Agency securities are subject to volatility risk. Investors can incur principal declines during periods of rising interest rates.

Investment advisors that manage money market funds seek to maintain reasonably stable net asset values by structuring portfolios that adhere to Securities & Exchange Commission credit, maturity and liquidity rules. These investment vehicles tend to function in their desired manner, but there is no guarantee that the credit quality and liquidity of these funds will always be maintained.



## **Item 9      Disciplinary Information**

Neither the Firm nor any employees are subject to any legal or disciplinary proceedings.

## **Item 10      Other Financial Industry Activities and Affiliations**

No managerial persons employed at C.W. Henderson & Associates are registered representatives of a broker-dealer nor are they registered as a futures commission merchant, commodity pool operator or a commodity trading advisor or an associated person with any such entities. No conflicting relationships exist between C.W. Henderson & Associates and any other financial entity or person. C.W. Henderson & Associates does not select or recommend other financial advisors for its clients.

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

C.W. Henderson & Associates has a Code of Ethics in place to which all employees are subject. All employees are required at the start of their employment with the Firm, and annually thereafter, to acknowledge in writing that they have reviewed and understand the requirements of the Code of Ethics and the Firm's Policy and Procedures Manual. The objective of the Code of Ethics is to assure that employees do not engage in insider trading or purchase or sell securities in their personal accounts that would in any way conflict with transactions executed on behalf of the Firm's clients. All employees are required to submit copies of brokerage and any other investment accounts in which they have a beneficial interest on a quarterly basis for review by the Firm's Chief Compliance Officer. All municipal securities transactions must be reviewed by Thomas Mallman, Senior Managing Director, Craig Henderson, President or Clare Retrum, Chief Compliance Officer to assure that appropriate priority and consideration has been given to client accounts and that no conflict exists in regard to employee personal investments.

A copy of the Firm's Code of Ethics will be provided to any client or prospective client upon request.

## **Item 12      Brokerage Practices**

C.W. Henderson & Associates seeks best execution in all securities transactions executed through the network of municipal brokers and dealers with which the Firm has relationships. Generally the price at which a security is purchased or sold and the charges associated with transactions are indicative, but not determinative, of best execution. A broker or dealer that offers the lowest cost securities is not necessarily the broker or dealer that provides best execution. C.W. Henderson & Associates seeks to execute securities transactions for clients in such a manner that clients' total cost in each transaction is most favorable and, in selecting brokers or dealers, considers the factors it deems relevant including:

- Availability of suitable securities.
- The nature and character of the security or instrument being traded and the existing and expected activity in the markets in which the security or instrument is purchased or sold.
- The desired timing of the transaction.
- The Firm's knowledge of market levels of comparable securities and prevailing bid/ask spreads.
- A broker's or dealer's capital strength and stability, its execution, clearance and settlement capabilities, and the reasonableness of the prices offered for specific securities.
- The quality and extent of the research services provided by the broker or dealer.
- A broker's or dealer's responsiveness and the full range of services provided are also factors considered in selecting transaction counterparties.

C.W. Henderson & Associates does not engage in soft dollar arrangements (i.e. using commissions or markups as payment for investment related products).

C.W. Henderson & Associates does not engage in any arrangements where commissions or any transaction related charges are used to compensate brokers or dealers or any other entities for client referrals.

C.W. Henderson & Associates generally does not accept accounts requiring directed brokerage arrangements. The disparate nature of the municipal market requires that the Firm have the flexibility to utilize any broker or dealer that offers securities suitable for use in client accounts and the ability to seek to attain most favorable pricing when securities are purchased or sold. In the event a client directs the use of a particular broker-dealer, there can be no assurance that the desired securities will be available or the most favorable price or execution will be achieved.

Newly purchased securities are allocated at the Firm's discretion among accounts with the objective of attaining equitable allocations on an overall basis. Individual portfolio characteristics such as duration relative to target level, representation in strategies utilized by the Firm, existing holdings of an issuer's securities and state and alternative minimum tax considerations are considered when making allocations. If a portion of a block of bonds held in several accounts is sold, accounts chosen to participate in the sale will be based on account portfolio structures relative to target levels, capital gains considerations and state tax implications.

In certain situations the Firm may swap securities between accounts managed by the Firm. These situations typically occur when a client seeks to liquidate securities from their account to withdraw cash, to implement a requested portfolio restructuring and, in certain rising rate environments, when opportunities arise to capture tax losses for clients without substantially changing structures. Portfolio swap transactions must be beneficial to both the liquidating and acquiring accounts. Valuations of traded securities are typically determined by obtaining bid prices from several securities dealers. The account liquidating the security receives the highest bid price. A small markup compensates the dealer facilitating the security trade between accounts and establishes the purchase price for the acquiring account. In rare instances where the highest bid price is not considered to be reflective of an appropriate price evaluation for the security to be traded, the evaluation provided by ICE Data, LP is used to establish an appropriate transaction price. In these instances the dealer spread will be subtracted from the ICE Data, LP evaluation to establish the price received by the selling account. The ICE Data, LP evaluation is the price paid by the acquiring account. C.W. Henderson & Associates receives no compensation in regard to these trades other than the investment management fees that are based on the assets managed in each account.

### **Item 13      Review of Accounts**

All accounts are reviewed twice a year by a member of the Portfolio Management team, on a holding by holding basis to assure that portfolios are adequately diversified and structured in accord with the Firm's duration targets for the accounts. Separate quarterly reviews assess each account in regard to maturity and duration positioning, coupon structures, state and sector diversification and credit ratings. Any issues raised in these reviews are discussed with and reviewed by Craig W. Henderson, President.

Additional reviews can occur if the Firm's credit staff feels that holdings of a specific issuer should be reduced or eliminated. In such instances, accounts holding the applicable bond will be reviewed.

All clients are queried at least annually regarding account beneficiaries' state of residence, whether they are subject to the alternative minimum tax and whether long and short-term capital gains and losses have been realized in other components of their overall portfolios that might influence the Firm's trading strategies.

C.W. Henderson & Associates sends clients quarterly reports that provide listings of assets managed at quarter end, realized and unrealized capital gains and losses, investment performance and investment management fees charged.

## **Item 14 Client Referrals and Other Compensation**

In certain instances C.W. Henderson & Associates pays third parties a portion of the fee received from clients as compensation for the third party's referral of the client to the Firm. In all such instances such payments are fully disclosed and approved by the client. The expense of this referral fee is borne entirely by C.W. Henderson & Associates.

## **Item 15 Custody**

C.W. Henderson & Associates does not custody client assets. Clients may custody at any approved bank, broker or other qualified custodian. Selected custodians must send reports at least quarterly directly to clients listing account holdings and transactions executed. Clients should carefully review these reports. Reports provided by C.W. Henderson & Associates include a statement urging clients to compare the Firm's reports with those provided by their custodians.

## **Item 16 Investment Discretion**

Accounts are only accepted on a discretionary basis on behalf of clients. Authority to act on clients' behalf is granted through the Firm's investment advisory agreement or, in instances where C.W. Henderson & Associates acts as a sub-advisor, through the sponsor's agreement that the client signs. Reasonable client restrictions regarding credit quality, liquidity parameters or types of securities can be incorporated into the Firm's investment process.

## **Item 17 Voting Client Securities**

Proxies are not applicable to securities issued by municipal entities or by the U.S. government or its agencies. Therefore, the Firm does not vote proxies and does not have a proxy voting policy.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. C.W. Henderson & Associates has not been the subject of a bankruptcy petition at any time during the past ten years.



## Part 2B of Form ADV: Brochure Supplement

March 28, 2018

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This brochure supplement provides information about Craig W. Henderson, Thomas L. Mallman, David Beck, Monika Bhasin, Matt Andrews, Daniel Thorpe and Clare Retrum that supplements the attached C.W. Henderson & Associates, Inc. Brochure.

Please contact Craig W. Henderson, President, if you have any questions about the contents of this supplement.

# Craig W. Henderson

## Educational Background and Business Experience

Craig W. Henderson, President, was born July 21, 1953. He earned a BBA in Accounting from Western Michigan University in 1975. He passed the CPA Exam in May 1975 but never practiced accounting. From 1975 to 1989 Mr. Henderson worked for the First Boston Corporation. Following a comprehensive six month training program in New York City that covered all aspects of the securities industry, he traded municipal securities for approximately one and one half years. He was then transferred to First Boston's Chicago office where he worked as an institutional salesman in the Tax-Exempt Securities Sales Division from 1977 to 1989.

Mr. Henderson was elected President of the Municipal Bond Club of Chicago, an organization of professionals in the Tax-Exempt Securities Industry in 1989, a position he held for one year. During his thirteen years as an institutional salesman he was involved in transactions totaling in excess of \$20 billion. Mr. Henderson resigned from the First Boston Corporation in 1989 and, after a short sabbatical, has focused his attention on the affairs and growth of C.W. Henderson & Associates.

## Disciplinary Information

Mr. Henderson is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Mr. Henderson is not engaged in other investment related businesses or occupations.

## Additional Compensation

Mr. Henderson receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## Supervision of Investment Professionals

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.

# Thomas L. Mallman

## Educational Background and Business Experience

Thomas L. Mallman, Senior Managing Director, was born October 1, 1940. He received a Bachelor of Science degree from the University of Wisconsin where he majored in Mechanical Engineering and a Master of Business Administration from the University of Chicago Graduate School of Business with a concentration in Finance. He is a Chartered Financial Analyst (CFA). Attainment of the CFA designation requires the demonstration of proficiency in financial accounting, financial analysis, portfolio management and ethical standards that are judged in examinations administered by the CFA Institute. He is also a member of the CFA Society of Chicago, the Association of Investment Management and Research and the Society of Municipal Analysts where he served as President in 2001 and 2002.

Mr. Mallman retired from the Naval Air Reserves in 1984 with the rank of Captain. While on active duty from 1962 to 1966 he was assigned to Fighter Squadron 114 as a Naval Flight Officer embarked aboard the USS Kitty Hawk. In 1965 and 1966 he was engaged in combat operations in South East Asia and flew 157 combat missions. His awards include twelve Air Medals and the Navy Commendation Medal with Combat V.

Mr. Mallman joined C.W. Henderson & Associates in March 2000 as a Senior Managing Director and is involved in product development, marketing, client relations, investment strategy development and administration of the Firm. He retired early from The Northern Trust Company where he was a Senior Vice President. His last position, from 1997 to 2000, was as Chief Administrative Officer of Northern Trust Global Investments responsible for financial reporting, technology development, compliance and investment reporting. From 1990 to 1997 he was the Director of Short Duration Fixed Income Management where he oversaw all short duration fiduciary investments and focused on investment strategy development, portfolio construction, marketing and client relations. Products included common and collective funds, mutual funds, securities lending collateral pools and individual accounts. From 1985 to 1990 he was the Personal Financial Services Fixed Income Director. He managed the Bank's municipal and taxable fixed income common trust funds and oversaw other client fixed income investments. During his earlier years at The Northern Trust he was engaged in various investment research and portfolio management activities.

## Disciplinary Information

Mr. Mallman is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Mr. Mallman is not engaged in other investment related businesses or occupations.

## **Additional Compensation**

Mr. Mallman receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## **Supervision of Investment Professionals**

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.



# David A. Beck

## Educational Background and Business Experience

David A. Beck, Managing Director – Portfolio Management, was born August 18, 1961. He received his Bachelor of Arts with a major in Finance from Loyola University of Chicago. Prior to joining C.W. Henderson & Associates in July 2008, he was employed by Bear Stearns & Company for over twenty-three years and was the head municipal securities trader in the Midwest. In addition, he oversaw new issue underwriting, secondary trading and marketing of tax free fixed income products in over thirty states. Mr. Beck started his career at Van Kampen Merritt Inc. where his assignments included municipal research and pricing of mutual fund holdings.

Mr. Beck's primary functions include interacting with over forty institutional brokers, analysis of credit and structural characteristics of individual securities, securities trading and the implementation of the Firm's investment strategies.

## Disciplinary Information

Mr. Beck is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Mr. Beck is not engaged in other investment related businesses or occupations.

## Additional Compensation

Mr. Beck receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## Supervision of Investment Professionals

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.

# Monika Bhasin

## Educational Background and Business Experience

Monika Bhasin, Vice President – Portfolio Management, born March 27, 1972, is a 1994 graduate of Vanderbilt University with a BA degree in History. She completed her MBA studies at Loyola University in Chicago in 2002. Prior to joining C.W. Henderson & Associates in 1996 Ms. Bhasin supported two financial advisors at Smith Barney and prior to that position was a paralegal in the litigation department at McDermott, Will & Emery in Chicago.

Ms. Bhasin's responsibilities include securities sales and purchases, implementing the Firm's short-term investment strategies, allocating securities among accounts and assuring that client portfolio structures are aligned appropriately. She also assesses the credit and structural characteristics of securities considered for purchase.

## Disciplinary Information

Ms. Bhasin is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Ms. Bhasin is not engaged in other investment related businesses or occupations.

## Additional Compensation

Ms. Bhasin receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## Supervision of Investment Professionals

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.

# Matthew Andrews

## Educational Background and Business Experience

Matthew Andrews, Managing Director, was born October 26, 1978. He is a 2001 graduate of the University of Michigan with a BA degree in Economics. He received an MBA from the DePaul University Kellstadt Graduate School of Business in November 2007. Prior to joining C.W. Henderson & Associates in 2003, Mr. Andrews worked as an Investment Advisor Representative at Zacks Investment Management in Chicago and prior to that as a Financial Advisor at Morgan Stanley in Dearborn, MI.

Mr. Andrews' primary functions include monitoring client portfolio structures to assure consistency regarding risk profiles and total return potential. In addition, he provides wealth managers with portfolio analyses that indicate opportunities to control risk, improve total return potential and minimize taxation. He is also involved in securities trading, security analysis and client relations.

## Disciplinary Information

Mr. Andrews is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Mr. Andrews is not engaged in other investment related businesses or occupations.

## Additional Compensation

Mr. Andrews receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## Supervision of Investment Professionals

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.

# Daniel Thorpe

## Educational Background and Business Experience

Daniel Thorpe, Vice President of Credit Research- was born May 8, 1981. He is a 2003 graduate of Boston College with a BA degree in Economics. He received an MBA from the Indiana University Kelly School of Business in 2010. Prior to joining C.W. Henderson & Associates in 2010, Mr. Thorpe worked as a Municipal Bond Trader & Analyst at Gannett Welsh & Kotler, LLC in Boston. He was also a trade settlement specialist and operations specialist with the company.

Mr. Thorpe's primary functions include analyzing prospective, inherited, and existing holdings to ensure proper underlying credit fundamentals consistent with C.W. Henderson's credit risk standards.

## Disciplinary Information

Mr. Thorpe is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Mr. Thorpe is not engaged in other investment related businesses or occupations.

## Additional Compensation

Mr. Thorpe receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## Supervision of Investment Professionals

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.

# Clare Retrum

## Educational Background and Business Experience

Clare Retrum, Chief Compliance Office & Vice President, Operations- was born December 16, 1977. She is a 2000 graduate of University of Illinois with a BA degree in Economics. Ms. Retrum joined C. W. Henderson in 2001. She received an MBA from the DePaul University Kellstadt Graduate School of Business in 2008.

Ms. Retrum is responsible for the compliance and regulatory affairs for the company. She is also responsible for the day to day operations of the firm including servicing client accounts, managing trading platforms and back office operations.

## Disciplinary Information

Ms. Retrum is not a party to any legal action or subject to any regulatory proceedings.

## Other Business Activities

Ms. Retrum is not engaged in other investment related businesses or occupations.

## Additional Compensation

Ms. Retrum receives no additional compensation for providing advisory services beyond that provided by C.W. Henderson & Associates, Inc.

## Supervision of Investment Professionals

All investment professionals are supervised by Craig W. Henderson, the Firm's President. Mr. Henderson determines the advice that is provided to clients and instructs the investment professionals accordingly. He also monitors employee compliance with the Firm's Policies & Procedures, Code of Ethics and Privacy Policy. Mr. Henderson may be reached at 312-222-1401.