

HGK Asset Management, Inc.

Form CRS – Client Relationship Summary

March 2021

HGK Asset Management, Inc. is an investment adviser registered with the Securities and Exchange Commission. Services and fees of investment advisers and broker-dealers differ, and it is important to understand those differences. Simple tools for researching firms and financial professionals are freely available at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Relationship and Services

What investment services and advice can you provide me?

HGK provides investment advisory services, including financial planning and portfolio management, to retail investors, including individuals, family foundations and trusts. HGK also participates as the sub-adviser to several wrap fee programs by providing portfolio management services to institutions.

While HGK's advice is holistic, broadly covering each client's financial situation, our investment recommendations most often involve stocks, bonds, mutual funds, and exchange traded funds. HGK's standard services include monitoring and advising on clients' investment portfolios on a continuous basis.

Our clients typically grant us ongoing discretionary authority to manage their accounts, which means that we can buy and sell investments on behalf of our clients without seeking client permission on a trade by trade basis.

HGK accepts clients with a minimum of \$50,000 of investible assets. Assets of family members may be aggregated for purposes of meeting this minimum.

More detailed information about HGK's services is available on Part 2 of our Form ADV, which is available at hgk.com/FormADV2.

Conversation Starters:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

HGK charges clients an investment management fee that is based on the value of each client's assets under management. Fees are negotiable and range between .50 % and 1.0 % annually, depending on the size and complexity of each client's accounts. Fees are charged quarterly in arrears, based on account values at the end of each quarter. HGK's fees generally increase as client accounts grow, so we have an incentive to encourage our clients to increase the amount of assets in the accounts that are under our management. Additional information about HGK's fees are included in Item 5 of Part 2 of Form ADV, available at hgk.com/FormADV2.

In addition to HGK's investment management fee, clients bear transaction fees when HGK buys or sells investments. Clients also pay fees to the broker-dealer or bank that maintains each account (called "custody" fees). HGK may select purchases of mutual funds and exchange traded funds for a portion of clients' portfolios. Such investment vehicles pay their own management, transaction, and administrative fees and expenses, and those fees and expenses are indirectly borne by the investors in those vehicles, including HGK's clients.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

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

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:

- We manage accounts for multiple clients, and we allocate our time based on each client’s needs. HGK earns more as we expand our client base and grow our assets under management, and we seek to balance our staffing with the individualized needs of each client.
- A portion of the commissions that our clients pay broker-dealers may be allocated to pay for research provided by such broker-dealers. These “soft dollar” arrangements help HGK make investment decisions, but they can have the effect of increasing clients’ transaction costs.

More detailed information about conflicts of interest between HGK and its clients is available on Part 2 of our Form ADV, which is available at hgk.com/FormADV2.

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

How do your financial professionals make money?

HGK’s financial professionals receive a salary and may receive a discretionary bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals. Compensation is based on a variety of factors, including the number, value and complexity of accounts under management, the performance of those accounts, and client satisfaction and retention.

Disciplinary History

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

No. Neither HGK, nor its financial professionals, has legal or disciplinary events to disclose. You can research HGK and our financial professionals using the free and simple search tool available at www.investor.gov/CRS.

Conversation Starter: As a financial professional, do you have any disciplinary history? For what type of conduct?

Additional Information

Updated copies of this form, and additional information about HGK, can be found at www.hgk.com. You can also request an up-to-date version of this Relationship Summary, or the more detailed Part 2 of Form ADV, by calling 201-659-3700.

Conversation Starter: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?