Item 1 Cover Page

Halpern Financial, Inc.

SEC File Number: 801 – 57444

ADV Part 2A, Brochure

Dated: March 22, 2021

Contact: Melissa Sotudeh, Chief Compliance Officer

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Ashburn, Virginia 20147

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This Brochure provides information about the qualifications and business practices of Halpern Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (240) 268-1000 or MSotudeh@HalpernFinancial.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.

Additional information about Halpern Financial, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Halpern Financial, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes to this ADV Part 2A, Brochure since the March 2, 2020 annual update filing.

ANY QUESTIONS: Halpern Financial Inc.'s Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions about this Brochure.

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Item 4 Advisory Business

A. Halpern Financial, Inc. ("Halpern Financial") is a Maryland corporation formed on June 24, 1998, which became registered as an investment adviser in May 2000. Halpern Financial is owned by Ted S. Halpern, who is Halpern Financial's principal owner, President, and Director.

B. As discussed below, Halpern Financial offers investment advisory services to its clients, who are generally: individuals, high net worth individuals, trusts, estates, pensions and profit sharing plans. Although Halpern Financial may provide limited financial planning services upon request as part of the investment advisory process described below, it **does not** hold itself out as providing comprehensive financial planning services on a stand-alone, separate fee basis.

INVESTMENT ADVISORY SERVICES

The client can engage Halpern Financial to provide discretionary investment advisory services on a fee-only basis. Halpern Financial's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under management or advisement. As part of the investment advisory process, clients may choose to engage Halpern Financial to provide analysis and advice on various financial planning topics or financial consultative services at no additional charge, subject to the limitations below. Before engaging Halpern Financial to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Halpern Financial setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

As described in Item 5 below, clients will incur a "Client Establishment Fee," which is an initial and one-time fee which covers the Wealth Profile (information gathering process) and preparation of a Review and Recommendation Report. This report includes an assessment of client's current financial situation, general guidelines, and specific recommendations from client data collected. Based on this information, Halpern Financial will conduct a cash flow analysis, a debt management analysis, a review of all current accounts, a cost basis analysis, income planning, risk parameters examination, exposure to any potential estate tax liabilities and other distribution issues and a review of major financial concerns and financial priorities. The Client Establishment Fee also compensates for all account documentation, account transfers, reviews of security cost basis and client information loading into Halpern Financial's systems, online access to Halpern Financial's website and Halpern Financial's meetings with other advisers of the client.

After presenting the Review and Recommendation Report, Halpern Financial will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Halpern Financial primarily allocates client investment assets on a discretionary basis among various mutual funds, exchange traded funds ("ETFs"), and individual securities under special circumstances, in accordance with the client's designated investment objectives. Once allocated, Halpern Financial provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and financial needs, and may periodically execute account transactions based upon those reviews or other triggering events.

Retirement Plan Services

Halpern Financial provides services to assist plan sponsors, trustees, and administrators to meet fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 ("ERISA"), which may include the following:

- Participant Education – Halpern Financial may provide group meetings and individual participant meetings to help participants achieve better financial understanding.
- Monitoring – Halpern Financial may establish and manage a process to select, de-select, and monitor investments offered to plan participants. Halpern Financial will then evaluate the plan's current offering by benchmarking the investment return, risk, and expenses to its peers and relative indices, by providing an assessment of asset class overlap or gaps, and by evaluating overall investment offering to the plan.
- Trustee and Investment Committee Meetings – Halpern Financial may meet with the plan's sponsor or administrator to document the performance of the plan's investments and to make any recommendations that may be appropriate for changes.
- Discretionary Model Management – Halpern Financial may develop and manage portfolios designed to meet specific risk and return characteristics. These models will be comprised mainly of investments offered to plan participants. Halpern Financial may also serve as the advisor on these models in an advisory arrangement under ERISA § 3(21) and ERISA § 3(38) as described below.

Retirement Plan Consulting Services Under ERISA § 3(21)

Halpern Financial provides retirement plan consulting services under ERISA §3(21). In this capacity, Halpern Financial assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives from which plan participants choose in self-directing the investments for their individual plan retirement accounts. The plan sponsor or administrator ultimately decides whether and how to implement these recommendations. In addition, to the extent requested by the plan sponsor, Halpern Financial will also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The plan participants are responsible for any individual investment selections made under the plan. When providing services under ERISA §3(21), Halpern Financial does not exercise discretionary authority or control of plan assets or administration of the plan.

Retirement Plan Investment Management Services Under ERISA § 3(38)

For the purposes of ERISA §3(38), Halpern Financial may serve as the "investment manager" that exercises discretionary authority to select, monitor, and replace the investment options in the plan platform, and provides model portfolios it develops and manages for the plan, from which the plan participants can self-direct. For non-self-directed retirement plans, Halpern Financial may also have discretion to purchase and sell securities within the plan's portfolio without having to obtain the plan sponsor or administrator's permission to execute transactions.

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Limitations of Consulting/Implementation Services. Although Halpern Financial does not hold itself out as providing financial planning services, it may choose to provide limited consultation services to its investment advisory clients about investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. that are generally ancillary to the investment advisory process. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis. Halpern Financial may seek to charge a fee for such consulting services according to the terms and conditions of a separate Limited Consulting Agreement that would be executed by the client and Halpern Financial. Neither Halpern Financial, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of Halpern Financial's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Halpern Financial does not prepare estate planning documents, tax returns or sell insurance products. Unless specifically agreed in writing, neither Halpern Financial nor its representatives are responsible to implement any financial plans or financial consulting advice; provide ongoing consulting services; or provide ongoing monitoring of financial plans or consulting advice. The client retains absolute discretion over all financial planning, consulting, and related implementation decisions, and is free to accept or reject any recommendation from Halpern Financial and its representatives. To the extent requested by a client, Halpern Financial may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are under no obligation to engage the services of any recommended professional, who shall be solely responsible for the quality and competency of the services they provide. If the client engages any recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived.

Client Obligations. In performing its services, Halpern Financial shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Clients are responsible to promptly notify Halpern Financial if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Halpern Financial's previous recommendations and/or services.

Portfolio Trading Activity/Inactivity. As part of its investment advisory services, Halpern Financial will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Halpern Financial determines that trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

eMoney Advisor Platform. Halpern Financial may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that Halpern Financial does not manage (the "Excluded Assets"). Halpern Financial does not provide investment management, monitoring, or implementation services for the Excluded Assets.

Therefore, Halpern Financial shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisors that maintain management authority for the Excluded Assets, and not Halpern Financial, shall be exclusively responsible for such investment performance. The client may choose to engage Halpern Financial to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Halpern Financial and the client. The eMoney platform also provides access to other financial planning-related information that should not be construed as services, advice, or recommendations provided by Halpern Financial. Halpern Financial shall not be held responsible for any adverse results a client may experience by engaging in financial planning or other functions available on the eMoney platform without Halpern Financial's assistance or oversight.

Use of Mutual Funds and ETFs. While Halpern Financial may recommend allocating investment assets to mutual funds and ETFs that are not available directly to the public, Halpern Financial may also recommend that clients allocate investment assets to publicly-available mutual funds and ETFs that the client could obtain without engaging Halpern Financial as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds without engaging Halpern Financial as an investment advisor, they would not receive the benefit of Halpern Financial's initial and ongoing investment advisory services.

Disclosure Statement. A copy of Halpern Financial's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client before, or contemporaneously with, the execution of the applicable form of client agreement.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). As a fiduciary, Halpern Financial will review the overall implications of transferring an inactive retirement plan to an IRA under Halpern Financial's management. The evaluation criteria covers access to advice, investments and a comparison of costs including investment, administrative and advisory fee costs. A client has the choice of whether or not to accept Halpern Financial's recommendation. If Halpern Financial recommends that a client roll over their retirement plan assets into an account to be managed by Halpern Financial, such a recommendation creates a conflict of interest if Halpern Financial will earn a new (or increase its current) advisory fee as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Halpern Financial. Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions about the conflict of interest presented by such a rollover recommendation.

Cash Positions. Halpern Financial may maintain cash and cash equivalent positions (such as money market funds) for strategic and liquidity purposes depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur). All such cash positions will be addressed as part of the investment strategy and objectives of the client and included in the "Portfolio Development Report" presented to clients at the beginning of the investment advisory engagement. All such cash positions are included for purposes of calculating Halpern Financial's advisory fee unless otherwise agreed to in writing.

Trade Error Policy. Halpern Financial shall reimburse accounts for losses resulting from Halpern Financial's trade errors, however, if errors result in market gains, the net gains will be sent to a registered charity. The gains and losses are reconciled within Halpern Financial's custodial firm account.

Margin / Securities Based Loans. Upon client request, Halpern Financial may recommend that a client establish a margin loan or a securities-based loan (collectively, "SBLs") with the client's broker-dealer/custodian or their affiliated banks (each, an "SBL Lender") to access cash flow. Unlike a traditional real estate-backed loan, an SBL has the potential benefit of enabling borrowers to access funds in a shorter period of time, providing greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of borrowing money on margin should consult with an accountant or tax advisor. The terms and conditions of each SBL are contained in a separate agreement between the client and the SBL Lender selected by the client, which terms and conditions may vary from client to client. Borrowing funds on margin is not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the SBL if the SBL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the SBL; the risk that the SBL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the SBL Lender may terminate the SBL at any time. Before agreeing to participate in an SBL program, clients should carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts. As a fiduciary, Halpern Financial will consider the client's benefits over their own, such as tax impact and long term growth opportunity costs. If Halpern Financial recommends that a client apply for an SBL instead of selling securities that Halpern Financial manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access an SBL) would reduce the amount of assets to which Halpern Financial's investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by Halpern Financial. Likewise, the same ongoing conflict of interest is present if a client determines to apply for an SBL on their own initiative. These ongoing conflicts of interest would persist as long as Halpern Financial has an economic disincentive to recommend that the client terminate the use of SBLs. Clients are therefore reminded that they are not under any obligation to employ the use of SBLs, and are solely responsible for determining when to use, reduce, and terminate the use of SBLs. Although Halpern Financial seeks to disclose all conflicts of interest related to its recommended use of SBLs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable SBL agreement and all risk disclosures provided by the SBL Lender as applicable, and contact Halpern Financial's Chief Compliance Officer with any questions regarding the use of SBLs.

Cybersecurity Risk. The information technology systems and networks that Halpern Financial and its third-party service providers use to provide services to Halpern Financial's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Halpern Financial's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Halpern Financial are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Halpern Financial has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Halpern Financial does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

C. Halpern Financial shall provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Halpern Financial shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Halpern Financial's services.

D. Halpern Financial does not participate in a wrap fee program.

E. As of December 31, 2020, Halpern Financial had $686,838,840 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

INVESTMENT ADVISORY SERVICES AND RETIREMENT PLAN SERVICES

If a client determines to engage Halpern Financial to provide discretionary investment advisory services or retirement plan services on a fee-only basis, Halpern Financial's negotiable annual investment advisory fee will generally be based upon a percentage (%) of the market value and type of assets placed under Halpern Financial's management or advisement. The annual investment advisory fee will generally range between 0.20% and 1.20% subject to the terms and conditions of the applicable form of agreement between the client and Halpern Financial.

The minimum size for beginning an investment advisory relationship is $2 million, except for existing clients and their families. Halpern Financial will assess accounts accepted for management that are under $1 million a 1.2% per annum fee. Accounts above $1 million will be assessed according to the standard fee schedule which ranges between 0.20% and 1.00%.

At the outset of the client relationship, there will also be a Client Establishment Fee ("CEF"). The CEF is a one-time fee assessed within 30 days of becoming a client and assets transferring over to the new accounts. As discussed in Item 4 above, the CEF covers the preliminary work done during the initial stages of the client relationship. The CEF may be debited from the client's account or paid separately. The CEF will range between $1,500 and $6,000.

In its sole discretion, Halpern Financial may charge a lesser investment advisory fee or CEF based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). As a result, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for different fees. <u>Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions about advisory fees</u>.

In Halpern Financial's sole discretion, Halpern Financial may provide investment advisory and/or limited financial planning or consulting services on an hourly rate basis. Halpern Financial's hourly rate is negotiable, but will generally be $425 per hour.

B. Clients may elect to have Halpern Financial's advisory fees deducted from their custodial account. Both Halpern Financial's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Halpern Financial's investment advisory fee and to directly remit that management fee to Halpern Financial in compliance with regulatory procedures. In the limited event that Halpern Financial bills the client directly, payment is due upon receipt of Halpern Financial's invoice. Halpern Financial shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter. In any partial calendar quarter, the advisory fee will be pro-rated based on the number of days that the account was managed during the quarter.

C. Unless the client directs otherwise or an individual client's circumstances require, Halpern Financial generally recommends National Financial Services LLC / Fidelity Clearing and Custody Solutions, an SEC-registered and FINRA member broker dealer and its affiliates ("Fidelity") for brokerage and custodial services. Broker-dealers charge transaction fees for executing certain securities transactions according to their fee schedule, and they or their affiliated custodians also impose additional charges for custodial services / fees associated with maintaining the client's account. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. The fees charged by the applicable broker-dealer/custodian, and the charges imposed by mutual funds and ETFs, are separate from and in addition to Halpern Financial's advisory fee referenced in this Item 5. Halpern Financial does not share in any portion of those fees or expenses.

D. Halpern Financial's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. As discussed above, Halpern Financial generally requires a minimum asset level of $2 million in advisory assets. Halpern Financial, in its sole discretion, may waive its minimum asset requirement and/or charge a lesser investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The Investment Advisory Agreement between Halpern Financial and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Upon termination, a pro-rated portion of the earned but unpaid advanced advisory fee shall be due.

E. Neither Halpern Financial, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Halpern Financial nor any supervised person of Halpern Financial accepts performance-based fees.

Item 7 Types of Clients

Halpern Financial's clients generally include individuals, high net worth individuals, trusts, estates and pension and profit sharing plans. As discussed above, Halpern Financial generally requires a minimum asset level of $2 million in advisory assets, except for existing clients and their families. Halpern Financial in its sole discretion may waive its minimum asset level or charge a lesser investment advisory fee or CEF based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Halpern Financial will assess accounts accepted for management that are under $1 million a 1.2% per annum fee. Accounts above $1 million will be assessed according to the standard fee schedule which ranges between 0.20% and 1.00%. As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. <u>Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding advisory fees.</u>

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

A. Halpern Financial may utilize the following methods of security analysis:

- <u>Fundamental</u> **-** (analysis performed on historical and present data, with the goal of making financial forecasts)
- <u>Technical</u> – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Halpern Financial may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)

Investment Risk in General. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, including the loss of principal investment, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Halpern Financial) will be profitable or equal any specific performance levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss. It is therefore important that clients understand investment risks, diversification strategies, and ask Halpern Financial any questions they may have before making any investment decisions.

B. Halpern Financial's investment strategies and analysis aim to increase diversification, to limit or eliminate concentrated, significant or unusual risks. As part of this, Halpern Financial must have access to current market information. Naturally the firm is dependent on the rate of market information available to them so their analysis is compiled on the most up-to-date information they have access to. Remember that past performance is not an indicator of future results. While past returns may be used and other factors to help determine a strategy to take advantage of the direction of future market values, Halpern Financial cannot assure that this will materialize into the most profitable investment strategy.

Halpern Financial's primary investment strategy - Long Term Purchases – is a fundamental investment strategy. This investment strategy aims to maximize returns within a specific level of risk. However, every investment strategy has its own inherent risks and limitations. As part of the development of their investment strategy, Halpern Financial considers the risks involved with longer term strategies compared to shorter term, the time period involved for a strategy to potentially develop, tax implications of portfolio turnover, costs involved and many other factors.

C. Currently, Halpern Financial primarily allocates client investment assets among various mutual funds, bond funds and ETFs on a discretionary basis in accordance with the client's designated investment objectives. Each type of security has its own unique set of risks associated with it, and it would not be possible to describe the specific risks of every type of investment. However, the following provides a short description of the risks associated with investing in these types of securities:

Market Risk. The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a fund's specific investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

Interest Rate Risk. Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Mutual Funds. Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objectives. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks are as generally described above, but can be significantly increased if the fund is concentrated in a particular sector of the market. Funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. Investors should carefully assess their tolerance for risk before they decide which fund is suitable for their account.

Exchange Traded Funds. ETFs trade on securities exchanges and are subject to all the risks discussed above with respect to the underlying assets they hold. However, they are also subject to the additional risk that their traded values can diverge from the underlying values of the securities that they hold. Therefore, potential losses can be increased when an ETF is purchased at a price that is higher than its underlying value or sold at a price that is lower than its underlying value. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Item 9 Disciplinary Information

Halpern Financial has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

A. Neither Halpern Financial, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Halpern Financial, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. Halpern Financial does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.

D. Halpern Financial does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients

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

A. Halpern Financial maintains an investment policy relative to personal securities transactions. This investment policy is part of Halpern Financial's overall Code of Ethics, which serves to establish a standard of business conduct for all of Halpern Financial's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Halpern Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Halpern Financial or any person associated with Halpern Financial.

B. Neither Halpern Financial nor any related person of Halpern Financial recommends, buys, or sells for client accounts, securities in which Halpern Financial or any related person of Halpern Financial has a material financial interest.

C. Halpern Financial and/or representatives of Halpern Financial may buy or sell securities that are also recommended to clients. This practice may create a situation where Halpern Financial and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a <u>conflict of interest</u>. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Halpern Financial did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of Halpern Financial's clients) and other potentially abusive practices.

Halpern Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Halpern Financial's "Access Persons". Halpern Financial's securities transaction policy requires that an Access Person of Halpern Financial must provide the Chief Compliance Officer or their designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief

Compliance Officer or their designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Halpern Financial selects; provided, however that at any time that Halpern Financial has only one Access Person, they will not be required to submit any securities report described above.

D. Halpern Financial and/or representatives of Halpern Financial may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Halpern Financial and/or representatives of Halpern Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation presents a conflict of interest. As indicated above in Item 11.C, Halpern Financial has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Halpern Financial's Access Persons. In addition, Halpern Financial's recommendation or allocation of client assets to mutual funds and ETFs will generally avoid a trading practice conflict of interest.

Item 12 Brokerage Practices

A. In the event that the client requests that Halpern Financial recommend a custodian for execution and/or custodial services (exclusive of those clients that may direct Halpern Financial to use a specific custodian), Halpern Financial generally recommends that investment advisory accounts be maintained at Fidelity. Before engaging Halpern Financial to provide investment advisory services, the client will be required to enter into a formal Investment Advisory Agreement with Halpern Financial setting forth the terms and conditions under which Halpern Financial will manage the client's assets, and a separate custodial/clearing agreement with each designated custodian. Depending on which custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing.

Factors that Halpern Financial considers in recommending Fidelity (or any other custodian to clients) include historical relationship with Halpern Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Halpern Financial's clients conform to Halpern Financial's duty to seek best execution, a client may pay a commission that is higher than another qualified custodian might charge to execute the same transaction where Halpern Financial determines, in good faith, that the commission/transaction fee is reasonable (no portion of which shall be received by Halpern Financial). 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 custodian's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Halpern Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The transaction fees charged by the designated custodian are exclusive of, and in addition to, Halpern Financial's investment advisory fee.

1. <u>Non-Soft Dollar Research and Additional Benefits</u>
Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, Halpern Financial can receive

from Fidelity (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or product/fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Halpern Financial to better monitor and service client accounts maintained at such institutions. The support services that Halpern Financial can obtain may include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis travel attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware or software, and/or other products used by Halpern Financial in furtherance of its investment advisory business operations.

As referenced above, certain of the support services and/or products that Halpern Financial can receive may assist Halpern Financial in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Halpern Financial to manage and further develop its business enterprise. The receipt of these support services and products presents a <u>conflict of interest</u>, because Halpern Financial has the incentive to recommend that clients utilize Fidelity as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. However, Halpern Financial's clients do not pay more for investment transactions executed and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by Halpern Financial to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. Halpern Financial does not receive referrals from broker-dealers.

3. <u>Directed Brokerage</u>. Halpern Financial does not generally accept directed brokerage arrangements. If a client requires that account transactions are executed through a specific broker-dealer/custodian, the client will negotiate terms and arrangements for their account with that broker-dealer, and Halpern Financial will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers/custodians with orders for other accounts managed by Halpern Financial. As a result, clients may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

   If the client directs Halpern Financial to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Halpern Financial. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. <u>Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding the above arrangements and conflict of interest presented</u>.

B. To the extent that Halpern Financial provides investment advisory services to its clients, the transactions for each client account generally will be executed independently, unless Halpern Financial decides to purchase or sell the same securities for several clients at approximately the same time. Halpern Financial may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates, or to equitably allocate differences in prices and commissions or other transaction costs among Halpern Financial's clients, which might have been obtained if the orders were placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Halpern Financial will not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

A. For those clients to whom Halpern Financial provides investment supervisory services, account reviews are conducted on an ongoing basis by Halpern Financial's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Halpern Financial of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Halpern Financial on at least an annual basis or as needed.

B. Halpern Financial may conduct account reviews on non-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.

C. Clients have 24 hour access to their accounts and transaction confirmations are sent immediately (either electronic access or postal service). Fidelity provides monthly account statements. In addition, Halpern Financial provides a quarterly performance report for client accounts.

Item 14 Client Referrals and Other Compensation

A. As referenced in Item 12.A.1 above, Halpern Financial receives economic benefits from Fidelity including support services and/or products without cost (and/or at a discount). However, Halpern Financial's clients do not pay more for investment transactions executed and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by Halpern Financial to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. <u>Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding the above arrangement</u>.

B. Neither Halpern Financial nor its Representatives compensate non-supervised persons for client referrals.

Item 15 Custody

Halpern Financial will have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Halpern Financial provides investment supervisory services also receive a quarterly report from Halpern Financial summarizing account activity and performance.

Halpern Financial provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit Fidelity to rely upon instructions from Halpern Financial to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

To the extent that Halpern Financial provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Halpern Financial with the account statements received from the account custodian. Further, the account custodian does not verify the accuracy of Halpern Financial's advisory fee calculation.

Item 16 Investment Discretion

Clients can engage Halpern Financial to provide investment advisory services on a discretionary basis. Before Halpern Financial assumes discretionary authority over a client's account, the client is required to execute Investment Advisory Agreement, naming Halpern Financial as client's attorney and agent in fact, granting Halpern Financial full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account in accordance with the client's investment objective(s).

Clients who engage Halpern Financial on a discretionary basis may, at any time, impose restrictions, in writing, on Halpern Financial's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Halpern Financial's use of margin, etc.).

Item 17 Voting Client Securities

A. Halpern Financial does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Halpern Financial to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

A. Halpern Financial does not solicit fees of more than $1,200, per client, six months or more in advance.

B. Halpern Financial 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.

C. Halpern Financial has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions about the above disclosures and arrangements.