

Item 1 – Cover Page

Bruce A. Kraig Associates

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www.KraigAssociates.com

November 18, 2015

This Brochure provides information about the qualifications and business practices of Bruce A. Kraig Associates (ADVISORY FIRM). If you have any questions about the contents of this Brochure, please contact us at 610-644-3468 and/or info@KraigInvestmentManagement.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.

BRUCE A. KRAIG ASSOCIATES is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about BRUCE A. KRAIG ASSOCIATES also is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 – Material Changes Since Last Annual Update

According to the United State Securities and Exchange Commission’s rules published as “Amendments to Form ADV,” this Item discusses specific material changes that were made to the last Brochure and will provide clients with a summary of such changes. We also reference the date of our last annual update of our brochure.

The material changes in this Brochure from the Brochure dated February 14, 2014, are that Bruce A. Kraig Associates no longer provides financial planning services and no longer withdraws advisory fees directly as an acceptable method of payment.

Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Tamara Kraig at 610-644-3468 or tkraig@kraiginvestmentmanagement.com. Our Brochure is also available on our web site www.kraiginvestmentmanagement.com, also free of charge.

Additional information about BRUCE A. KRAIG ASSOCIATES is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with BRUCE A. KRAIG ASSOCIATES who are registered, or are required to be registered, as investment adviser representatives of BRUCE A. KRAIG ASSOCIATES.

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Item 4 – Advisory Business

Bruce A. Kraig Associates (advisory firm) is a fee-based investment management firm that has been in business since 1991. Bruce A. Kraig Associates, is a Registered Investment Advisor (RIA), investing in stocks, bonds, and mutual funds. The advisory firm manages assets for individuals, businesses, and pension plans. The advisory firm may also be known as Kraig Investment Management.

The principals in the firm are Bruce A. Kraig and his partner Tamara L. Kraig. Bruce A. Kraig Associates provides investment management supervisory services to its clients. The assets under management are approximately \$50 million.

Client meetings and reviews for investment management advisory accounts:

Reviews are provided to clients by Bruce Kraig and Tamara Kraig. Reviews can include discussions and analysis of client portfolios, current positions, and returns, as well as the general economic climate. Also provided are recommendations for asset reallocation based on the client's goals, risk tolerance, and market conditions. Any questions the client may have are answered. Reviews occur at the client's request or are triggered by unusual or sudden changing market conditions that may impact on the client's portfolio asset allocation.

Reports:

Regular reports are sent to all clients quarterly. Each report specifies the client's position at the end of the quarter, gain or loss per quarter, gain or loss year to date, and gain or loss since inception. Reports also include written analysis of the portfolio's performance for the quarter, explanations of transactions made during the period, as well as discussion in general of market conditions. The reports sent at the end of the year include written analysis of the entire year.

Principals:

Bruce Arthur Kraig received a Bachelor of Arts degree from Williams College, Williamstown, MA, in 1967. He received a MBA in Finance from The Wharton School, University of Pennsylvania in 1972. Mr. Kraig was employed in Philadelphia at PNB Bank then Sun Company where he became Treasurer of the Sunoco Subsidiary. Mr. Kraig founded Bruce A. Kraig Associates in 1991. He earned his Certified Financial Planner designation from the International Board of Standard and Practices for Certified Financial planners in 1993.

Tamara Louise Kraig received in 1968 a Bachelor of Arts degree from Vassar College with a major in mathematics. She worked for Bell Laboratories in Holmdel, NJ, as a computer programmer. Then she worked for the University of Pennsylvania Medical School Computer Center as a Systems Analyst. Later Ms. Kraig worked at the Vanguard Group. She has worked for Bruce A. Kraig Associates since its inception in 1991. Ms. Kraig earned her Certified Financial Planner designation from the International Board of Standard and Practices for Certified Financial Planners in 1993.

Professional Designation: Certified Financial Planner ®

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas

include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 5 – Fees and Compensation

Investment Management Fees:

Fees are based on a percentage of assets under management. The fee schedule for new accounts is as follows:

Asset Management Fees

Average Value of Investment Portfolio	Fee
Up to \$125,000	_____ %
\$125,000 to \$250,000	_____ %
\$250,000 to \$375,000	_____ %
Over \$375,000	_____ %

There is neither a minimum annual fee nor a minimum investment.

All fees are negotiable. Fees are billed in arrears at the end of each quarter.

The specific manner in which fees are charged by Bruce A. Kraig Associates is established in a client's written agreement with Bruce A. Kraig Associates. The fees are calculated on the average value of the portfolio for the quarter just ending. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged for days under management. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The advisory firm bills its investment management fees in arrears on a quarterly basis. No fees are charged in advance.

Right of Termination

At the time of the signing of the contract, a current firm brochure will be given to the client as required by Pennsylvania Securities Commission Section 404.011 (b). In compliance with Section 404.011 (d) (2), the client has the right to terminate the contract/agreement without penalty within 5 business days after entering into the contract. Contracts terminated after 5 business days after entering into the contract can be terminated in writing by the client or Bruce A. Kraig Associates. There is no penalty for termination. Investment Management Accounts terminated during a calendar quarter will be billed in arrears for the prorated portion of the management provided.

Fees:

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

Item 12 further describes the factors that Bruce A. Kraig Associates considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Other Types of Fees:

Bruce A. Kraig Associates does not accept compensation for the sale of securities or other investment products. Bruce A. Kraig Associates does not receive commissions.

Item 6 – Performance-Based Fees and Side-By-Side Management

Bruce A. Kraig Associates does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Bruce A. Kraig Associates provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, trust estates, charitable institutions, foundations, and endowments.

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

As part of the investment management process, the principals analyze each client's financial situation. Factors considered are risk-tolerance, age, goals, and objectives. From this information, the principals structure individual portfolios. No two portfolios are alike. Dollars are not pooled, they remain with a custodian such as Vanguard or Fidelity. On an on-going basis, the principals carefully monitor market conditions. Depending on the economic outlook, investments will be purchased or sold to continue to meet the investment strategy for each client.

Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bruce A. Kraig Associates or the integrity of the advisory firm's management. Bruce A. Kraig Associates has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Bruce A. Kraig Associates is not actively engaged in a business other than giving investment management advice.

Item 11 – Code of Ethics

Bruce A. Kraig Associates has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Bruce A. Kraig Associates must acknowledge the terms of the Code of Ethics annually, or as amended.

Bruce A. Kraig Associates' employees and persons associated with the advisory firm are required to follow Bruce A. Kraig Associates' Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the advisory firm will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Bruce A. Kraig Associates and its clients. In addition, the principals and employees holding the Certified Financial Planner® certification must adhere to the Code of Ethics for Certified Financial Planners detailed in Item 4.

Bruce A. Kraig Associates does not manage affiliated accounts that trade in the same securities with client accounts on an aggregated basis.

Bruce A. Kraig Associate's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Bruce A. Kraig.

Item 12 – Brokerage Practices

Concerning investment management clients, Bruce A. Kraig Associates has the authority to determine without obtaining specific client consent which securities are to be bought or sold and the amounts. The advisory firm is limited by the direction and guidelines formulated by clients in pursuit of investment objectives outlined by each client.

Bruce A. Kraig Associates does not determine the broker or dealer to be used. This is determined by obtaining specific client consent. Bruce A. Kraig Associates may suggest a broker to clients for their approval. The broker suggested will be a discount broker that has a low commission rate compared to the industry. Bruce A. Kraig Associates does not accept commissions.

Item 13 – Review of Accounts

Reviews are provided to clients by Bruce Arthur Kraig (the applicant) and Tamara Louise Kraig (individual with substantially the same status). Reviews can include discussions and analysis of client portfolios, current positions, and returns, as well as the general economic climate. Also provided are recommendations for asset reallocation based on the client's goals, risk tolerance, and market conditions. Any questions the client may have are answered. Reviews occur at the client's request or are triggered by unusual or sudden changing market conditions that may impact on the client's portfolio asset allocation.

Item 14 – Client Referrals and Other Compensation

Bruce A. Kraig Associates does not have any arrangements, oral or in writing, where it directly or indirectly compensates any non-client person for client referrals.

Item 15 – Custody

Bruce A. Kraig Associates does not have custody of client funds or securities. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Bruce A. Kraig Associates urges you to carefully review such statements and compare such official custodial records to the account statements that

we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Bruce A. Kraig Associates usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Bruce A. Kraig Associates observes the investment policies, limitations and restrictions of the clients for which it advises.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Bruce A. Kraig Associates does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The advisory firm may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the advisory firm's financial condition. Bruce A. Kraig Associates has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisors

- A. The principal executive officers are Bruce A. Kraig, general partner and chief compliance officer, and Tamara L. Kraig, general partner and treasurer. See Item 4 for information describing their formal education and business background.
- B. Bruce A. Kraig Associates is not actively engaged in a business other than giving investment advice.
- C. Bruce A. Kraig Associates is not compensated for advisory services with performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).
- D. Bruce A. Kraig Associates nor any management person nor supervised person has been involved in any of legal or disciplinary events that would be material to your evaluation of Bruce A. Kraig Associates or the integrity of the advisory firm's management. Bruce A. Kraig Associates has no information applicable to this Item.
- E. Bruce A. Kraig Associates nor any management person nor any supervised person has a relationship or arrangement with any issuer of securities that is material to the firm's advisory business or to our clients.
- F. No supervised person is actively engaged in any investment-related business or occupation that creates a material conflict of interest with clients.
- G. No supervised person has additional compensation for providing advisory services.
- H. Bruce A. Kraig has written procedures concerning the supervision of Tamara L. Kraig and any other supervised persons. These procedures are designed to achieve compliance with the act and to detect and prevent violations described in 64 Pa. Code 305.011. Bruce A. Kraig reviews the opening of each new customer account. He reviews the recommendations, methods, and conclusions of projects Tamara L. Kraig presents to clients. Usually he is present with Ms. Kraig during client consultations and presentations. Investment decisions are discussed together.
- I. No supervised person has been the subject of a bankruptcy petition.