



**WIPFLI HEWINS INVESTMENT ADVISORS, LLC**  
SEC File Number: 801 – 57782

**Firm Brochure  
(Part 2A of Form ADV)**

**March 30, 2012**

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This brochure provides information about the qualifications and business practices of Wipfli Hewins Investment Advisors, LLC ("Wipfli Hewins"). If you have any questions about the contents of this brochure, please contact us at (888) 520-3040 or [dkvelvie@hewinsfinancial.com](mailto:dkvelvie@hewinsfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. SEC registration does not carry with it requirements regarding skill or training. Additional information about Wipfli Hewins Investment Advisors, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 2: MATERIAL CHANGES**

There have been no material changes in Wipfli Hewins Investment Advisors LLC's operations or services since the last annual March 30, 2011 update of this brochure.

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**Item 4:      ADVISORY BUSINESS**

Wipfli Hewins Investment Advisors, LLC (“Wipfli Hewins”) is a limited liability company formed in 2000 in the state of Delaware and registered as an SEC Investment Advisor in that same year. Wipfli Hewins is fifty percent (50%) owned by Hewins Financial Advisors, LLC and 50% owned by Wipfli Financial, LLC (a wholly owned subsidiary of Wipfli LLP).

As discussed below, Wipfli Hewins offers to its clients (individuals, families, business entities, pension and profit sharing plans, trusts, estates and charitable organizations) investment advisory and financial planning services. Clients may choose one service without any obligation to engage Wipfli Hewins for the other.

**Investment Advisory Services**

Clients can engage Wipfli Hewins to provide ongoing investment advisory services on a discretionary or a non-discretionary fee-only basis in accordance with the client’s investment objectives. Our services are fully described in the written Investment Advisory Agreement, provided to and signed by the client. Once determined, the client’s investment objectives are then set forth in a written Investment Policy Statement (“IPS”) prepared by Wipfli Hewins which is also signed by the client.

Wipfli Hewins provides investment advisory services specific to the needs of each client. These services are provided to the client by a dedicated registered Wipfli Hewins Investment Advisor. The Advisor ascertains, in consultation with the client, the client’s financial situation, risk tolerance, and investment objectives as well as other pertinent information. From this information, Wipfli Hewins prepares a written IPS for the client’s approval. Thereafter, Wipfli Hewins shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. The investment objectives contained in the IPS may be modified at any time should those objectives change. In order to implement the client’s IPS, Wipfli Hewins generally recommends that its clients allocate their investment assets among various mutual funds, and/or separate accounts using Independent Managers where appropriate, in accordance with the investment objectives of the client. Wipfli Hewins does not recommend individual stocks or bonds. In certain circumstances, clients may impose reasonable restrictions regarding their investments.

As part of its investment advisory services, Wipfli Hewins makes available to its clients certain investment benefits that may not otherwise be available to a retail investor. Such benefits include:

- Access to professionally developed model portfolios suitable for investors with a wide range of risk tolerances;
- Access to institutional share classes (i.e. lower cost share classes) of certain fund families;
- Access to certain fund families whose substantial minimums would normally preclude retail client investment;

- Access to certain highly regarded and low-cost fund families made available only to a select group of registered investment advisors; and
- Access to sophisticated investment research not available to the public.

In conjunction with its investment advisory services, Wipfli Hewins provides financial planning services. We make use of Wipfli Hewins' Visual Interactive Planning™ tool to develop a thorough understanding of our clients and their financial lives. The use of this tool provides clients with immediate feedback of the financial results from making different assumptions and choices. This knowledge is then used to help the client establish their investment objectives and risk tolerances.

In general, Wipfli Hewins' client accounts are implemented via the custody platform at Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (hereinafter referred to as "Schwab"). As a condition of having Wipfli Hewins provide investment advisory services via the Schwab Advisor Services platform, clients enter into written account agreements with Schwab. For fees associated with Schwab custodial services, please refer to Item 5 below.

### **Independent Managers**

Wipfli Hewins may recommend that the client allocate a portion of his investment assets among unaffiliated independent investment managers to address the client's designated investment objectives. In such situations, the client will enter into a separate agreement with the Independent Manager and will likely incur a separate fee for these services. The Independent Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. Factors which Wipfli Hewins shall consider in recommending an Independent Manager include the client's designated investment objectives, the Independent Manager's management style, performance, reputation, financial strength, pricing, and investment process. Wipfli Hewins shall continue to render investment advisory services to the client relative to the assets placed with these Independent Managers including the ongoing monitoring and review of account performance, asset allocation and compliance with the client's investment objectives. If a client chooses to invest with Independent Managers, the assets with the Independent Manager shall be included for purposes of calculating Wipfli Hewins' investment advisory fees.

Wipfli Hewins does not receive any referral fee for any recommended investment with an Independent Manager.

### **Private Investment Funds**

Wipfli Hewins may provide investment advice regarding Private Investment Funds. Wipfli Hewins' role relative to the Private Investment Funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the assets in the fund(s) shall be included for purposes of calculating Wipfli Hewins' investment advisory fees.

Wipfli Hewins does not receive any referral fee for any recommended investment with a Private

Investment Fund.

**SUBSTANTIAL RISK:**

- A. **Liquidity.** Private Investment Funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided by the fund to each client, in advance, for review and consideration. Unlike other liquid investments that a client may maintain, Private Investment Funds generally do not allow for withdrawals or termination without long delays, financial penalties or both; in other words, they generally are known as an illiquid investment. Each prospective client investor will be required to complete a Subscription Agreement and/or other subscription documentation, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts in writing the various risk factors that are associated with such an investment.
- B. **Valuation.** Private Investment Funds generally do not provide daily pricing. In the event that Wipfli Hewins references Private Investment Funds owned by the client on any supplemental account reports prepared by Wipfli Hewins, the values for all such Private Investment Funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. **If the valuation reflects the initial purchase price and/or a value as of a previous date, the current values, to the extent ascertainable, could be significantly more or less than the original purchase price.**

**Financial Planning and Consulting Services**

Clients who do not have an Investment Advisory relationship with Wipfli Hewins may enter into a Financial Planning Agreement. This Agreement sets forth the terms and conditions of the engagement describing the scope of the services to be provided, including access to the Visual Interactive Planning™ tool and the fees to be charged.

On occasion, Wipfli Hewins will provide consulting services on various issues such as non-investment related matters, estate planning, insurance planning, tax planning, etc., on a stand-alone separate fee basis. Here again, the client will sign a separate agreement describing the scope of services and the fees to be charged.

Neither Wipfli Hewins nor any of its employees serve Wipfli Hewins' clients as an accountant, attorney or licensed insurance agent, and no portion of Wipfli Hewins' services should be considered as such service.

**Family Office Services**

Upon a client's request, Wipfli Hewins may provide a variety of other services to assist its clients,

such as organizing and conducting family meetings, working with clients' children to provide them with financial education and other family financial planning coordination. Working with its affiliate, Wipfli LLP, Wipfli Hewins can also provide clients with the maintenance of partnership books, preparation of financial statements, income and gift tax returns, and bill paying services. All such Family Office Services and the fees for these services shall be rendered pursuant to a written agreement describing the scope of services to be rendered and the fees to be charged, and must be signed by the parties.

### **Third Party Professionals**

To the extent requested by a client, Wipfli Hewins may recommend the services of other professionals for certain non-investment purposes (e.g., attorneys, accountants, insurance agents, etc.). The recommendations can include suggesting the use of representatives of Wipfli LLP, a certified public accounting firm, and an indirect owner of Wipfli Hewins (see Item 10 below). On occasion, with the client's advance knowledge and written permission, Wipfli Hewins on its own may engage and pay for the services of a professional to assist with certain client issues. The client retains absolute discretion over the use of such professionals and is free to accept or reject any recommendation. Wipfli Hewins receives no fee or other benefit for these referrals, including any referrals to Wipfli LLP.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

### **Client Obligations and Responsibilities**

Wipfli Hewins offers its clients a selection of services. Clients who engage Wipfli Hewins for one of the services it provides are under no obligation to engage Wipfli Hewins for any of the other services.

Wipfli Hewins shall not be required to verify any information received from the client or from the client's other professionals, and the Investment Advisory Agreement expressly authorizes Wipfli Hewins to rely on information provided to it.

It remains the client's responsibility to promptly notify Wipfli Hewins if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing, evaluating and/or revising Wipfli Hewins' previous recommendations and/or services.

### **Disclosure Statement**

New clients will receive a copy of this Wipfli Hewins' Form ADV, the Part 2A Brochure, and a Brochure Supplement known as Part 2B. Part 2B Brochures describe the background and experience of each Wipfli Hewins' employee who serves on its Investment Committee and/or provides the client with direct investment advice. If there are material changes, by April of each

year all clients will receive either: (1) an updated Brochure that includes a summary of material changes; (2) an updated Brochure that is accompanied by a summary of material changes; or (3) a summary of material changes that includes an offer to provide a copy of the updated Brochure and information on how to obtain that updated Brochure. Interim amendments to the Brochure will not be distributed to clients unless the amendment relates to disciplinary information found in Item 9. Clients will also receive an updated Brochure Supplement if there is a material change to the disciplinary history for the individual. In addition, as a fiduciary, Wipfli Hewins has an ongoing responsibility to inform its clients of any material information that could affect the advisory relationship. For those clients whose Investment Advisory Agreement allows for the electronic delivery of documents, the Brochures may be delivered electronically.

### **Courtesy Accounts**

As an accommodation for clients and others, from time to time Wipfli Hewins may allow clients to establish an account (“Courtesy Account”) under Wipfli Hewins’ courtesy Master Account at Schwab. Before Wipfli Hewins agrees to such an account, the account holder must sign a Courtesy Account Agreement which sets forth the terms and conditions under which the Courtesy Account must operate. These conditions include but are not limited to the following:

- (i) Wipfli Hewins will not have any fiduciary or other responsibility with respect to assets held in any such Courtesy Account;
- (ii) Wipfli Hewins has no responsibility to monitor, trade, or report on assets held in the Courtesy Account; and
- (iii) Assets held in the Courtesy Account will not be included in Wipfli Hewins’ Investment Advisory fee calculations.

### **Wrap Fee Program**

Wipfli Hewins does not participate in a wrap fee program.

### **Assets Under Management**

As of December 31, 2011, Wipfli Hewins had \$ 830,814,532 in assets under management on a discretionary basis and \$ 486,981,279 in assets under management on a non-discretionary basis.

## **Item 5: FEES AND COMPENSATION**

### **Investment Advisory Services**

Wipfli Hewins provides investment advisory services on a “fee-only” basis. Fee-only advisors are compensated directly by clients and do not collect commissions, referral fees or other forms of compensation paid by others in conjunction with a client’s implementation of the advisor’s recommendations or use of recommended service providers. Neither Wipfli Hewins nor its

employees<sup>1</sup> receive compensation from the sale of any security, other investment products or products of any kind.

Wipfli Hewins' annual investment advisory fee is tiered, based upon a percentage (%) of the market value of the assets under Wipfli Hewins' management.

For advisory services, generally the standard fee is as follows:

<b><u>ASSET BREAKPOINTS</u></b>	<b><u>ANNUAL FEE</u></b>
<b>First</b> \$2,000,000	1.00%
<b>Next</b> \$3,000,000	0.85%
<b>Next</b> \$5,000,000	0.40%
<b>Above</b> \$10,000,000	0.30%

For discretionary defined contribution plans, generally the standard fee is as follows:

<b><u>ASSET BREAKPOINTS</u></b>	<b><u>ANNUAL FEE</u></b>
<b>First</b> \$2,000,000	0.60%
<b>Next</b> \$3,000,000	0.50%
<b>Next</b> \$5,000,000	0.30%
<b>Above</b> \$10,000,000	0.20%

There is a minimum quarterly fee of \$1,000 or seventy five basis points (0.75%) of the Assets, whichever is less. Wipfli Hewins, in its sole discretion, may reduce its investment advisory fee, and/or waive or reduce its quarterly fee minimum. Such reductions will be based upon certain criteria (e.g. anticipated future earning capacity, anticipated future additional assets, amount of assets to be managed, related accounts, account composition, negotiations with client, etc.) (see Items 7 and 14 below).

Wipfli Hewins' investment advisory fee shall include only its investment advisory services, and those services may include financial planning. If a client requires specific consulting services, those services require a separate agreement and incur a separate fee as described below in this Item 5. Wipfli Hewins in its sole discretion may determine when incidental financial planning services become sufficiently extensive to require a separate agreement and fee.

Wipfli Hewins' annual investment advisory fee is paid quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter. The initial quarterly fee is prorated as of the date of the agreement; except however, for ERISA governed plans, the initial quarterly fee is prorated as of the date the assets are transferred. Generally, clients elect to have Wipfli Hewins' advisory fees deducted from their custodial account. The custodial agreement signed by the client authorizes the custodian to debit the account for the amount of Wipfli Hewins'

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<sup>1</sup> For purposes of this Brochure, "employees" refers to both employees of Wipfli Hewins and its members.



investment advisory fee and to directly remit the fee to Wipfli Hewins in compliance with procedures accepted by the SEC. In those limited circumstances in which the client has requested to be billed directly, payment is due upon receipt of Wipfli Hewins' invoice.

The Investment Advisory Agreement between Wipfli Hewins and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Agreement. Upon termination, Wipfli Hewins shall refund on a prorated basis, any unearned portion of the advisory fee which has been paid in advance. The prorated calculation shall be based upon the number of days remaining in the billing quarter after expiration of the 30 day termination notice period as stated in the Investment Advisory Agreement. Any refund due will be paid within five weeks of notice of termination.

### **Financial Planning and Consulting Services**

Wipfli Hewins' financial planning and consulting fees are negotiable, but generally range from \$1,000 to \$5,000 on a fixed fee basis, or \$150 to \$300 per hour, depending upon the level and scope of the services required and the professionals rendering the services. Fees for financial planning and consulting services are typically billed at the end of the project, except in cases of projects of extended length, where interim billing may take place. Such fees are not deducted from client accounts; instead they are paid directly by the client. Wipfli Hewins may request an initial deposit.

### **Family Office Fees**

Fees for Family Office Services are typically negotiated and will vary depending on the extent and complexity of the services to be rendered. Where applicable, Wipfli Hewins will pay Wipfli LLP any share of these fees it may have earned in conjunction with rendering Family Office Services. Wipfli Hewins will not receive any financial benefit from Wipfli LLP as a result of Wipfli LLP performing these services for Wipfli Hewins' clients.

### **Custodial Fees**

Wipfli Hewins generally recommends that Schwab serve as the custodian for its clients' advisory assets. Custodian's fees may be transaction fees for effecting certain securities transactions or asset based pricing fees. Asset based pricing fees are assessed on the value of the portfolio rather than on individual transactions, which with appropriate accounts may result in lower custodial expenses. The fees charged by Schwab may be higher or lower than those charged by other custodians.

For clients using other custodians, fees will vary according to the custodian selected. All custodial fees are in addition to and separate from the investment advisory fees charged by Wipfli Hewins. For further information on Wipfli Hewins' custody/brokerage practices, see Item 12.

### **Independent Manager/Mutual Fund Fees**

Independent Manager and Mutual Fund fees are in addition to and separate from the advisory fee charged by Wipfli Hewins. Fees charged will vary among the Independent Managers and Mutual Funds. Generally, Wipfli Hewins recommends “no-load” mutual funds.

The custodian will provide each client with a fund prospectus for each Mutual Fund in which the client invests. The prospectus is not provided by or through Wipfli Hewins. The prospectus discloses the mutual fund’s management and fee structure. The Independent Manager’s fee will be outlined in a separate agreement between the Independent Manager and the client.

#### **Item 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Neither Wipfli Hewins nor any employee of Wipfli Hewins accepts performance-based fees, and as a result Wipfli Hewins does not engage in side-by-side management.

#### **Item 7: TYPES OF CLIENTS**

Wipfli Hewins’ clients include individuals, families, business entities, pension and profit sharing plans, trusts, estates and charitable organizations located throughout the United States. Wipfli Hewins does not generally require a minimum asset level for investment advisory services. However, Wipfli Hewins charges a minimum quarterly fee, as described in Item 5 above.

#### **Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

##### **Basic Strategy**

Wipfli Hewins uses a long-term investment strategy based on helping a client determine an appropriate asset allocation given the client’s objectives and risk tolerance, then implementing that allocation in a broadly diversified portfolio through the use of mutual funds, separate accounts and other vehicles as appropriate. Interim fluctuations in market value and rates of return may be experienced in order to achieve long-term objectives. Wipfli Hewins employs no tactical or market timing element within its overall strategy. However, individual funds and managers used may employ different strategies with different associated risks.

##### **Investment Strategy Relationship**

To augment its base of financial information and for the purposes of additional sophisticated market analysis, Wipfli Hewins has engaged Callan Associates Inc. (“Callan”). Wipfli Hewins, through its affiliate Hewins Financial Advisors, LLC, is a member of the Callan Independent Advisor Group (“IAG”), an organization of approximately 30 Registered Investment Advisor firms. Callan is one of the largest investment advisory firms in the country and provides research, education, decision support and advice to a broad array of institutional investors. Through its membership in Callan’s IAG, Wipfli Hewins makes available to its clients resources normally only available to the

largest investors. This membership gives Wipfli Hewins access to substantial Callan resources, including:

- Capital Markets Projections related to risk, return and correlations of Asset Classes;
- Asset allocation software;
- A select list of investment management organizations and products (in the form of mutual fund and separate account vehicles) based on their objective and in-depth qualitative and quantitative due diligence. Many of these money managers provide their services to IAG member clients at reduced minimums and discounted fees;
- A comprehensive database of mutual funds and separate account managers;
- Performance measurement reports; and
- Research on various investment topics.

### **Capital Market Expectations**

In determining an appropriate asset allocation for a client, Wipfli Hewins performs an asset allocation analysis based on forward-looking capital markets expectations and correlations among the various asset classes. These expectations are by nature imprecise; it is not possible to predict future performance. There can be no assurance that future returns will approximate the long-term rates of return experienced for each asset class. A potential range of returns for a given asset mix is generated by simulation and is most useful for understanding the trade-off between investment risk and return when comparing various asset mixes; these analyses are not for predicting future results. There is no assurance that future performance of an asset mix will fall within the simulated range of returns or that the modeled return will be achieved.

### **Rebalancing and Tax Loss Harvesting**

Based upon the client's prior written agreement to do so, Wipfli Hewins will, without further approval, have the authorization to rebalance the client's portfolio and/or perform tax loss harvesting in accordance with the client's approved asset allocation.

Over time, the value of different asset and sub-asset classes of a client's portfolio may rise or fall so that their percentages fall outside the asset allocation range defined in the client's Investment Policy Statement. Periodic rebalancing occurs for the purpose of reallocating the account in accordance with the client-approved strategic asset allocations. Client accounts are reviewed at least quarterly to determine if rebalancing is advisable. Cash inflows/outflows will also be deployed in a manner consistent with a client's strategic asset allocation.

Tax loss harvesting is the process of selling selected securities at a loss to offset a capital gains tax liability; it is typically used to limit the recognition of short-term capital gains, which are normally taxed at higher federal income tax rates than long-term capital gains. In order to take advantage of such tax losses, the Wipfli Hewins' Investment Advisory Agreement states that Wipfli Hewins may, without further client approval, sell investments and replace those investments with other investments within the same asset class. In general, after the required time lapse, Wipfli Hewins

will return the client's investments back to the original investments, if it is advisable from a tax perspective.

### **Investment Risk**

Different types of investments involve varying degrees of risk, and no client should assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Wipfli Hewins) will be profitable or equal any specific performance levels. All investments represent some level of risk and an investor should understand that losses can and do occur. Significant losses of invested capital are possible.

Except as noted above with Private Investment Funds, (Item 4), Wipfli Hewins' methods of analysis and investment strategies do not present any unusual risks. Nonetheless, diversification does not protect a portfolio from loss, and it should not be assumed that the broad diversification that is part of Wipfli Hewins' investment strategy will produce profitable results. Individual funds that comprise clients' portfolios may employ different strategies with different associated risks.

If a client's account has a margin feature, Wipfli Hewins may use margin for the limited purposes of either raising cash for an immediate disbursement or to facilitate investment changes so that the client remains invested in the market. Occasionally the client may also make use of the margin feature if more funds are withdrawn than there is cash available. The custodian charges interest on the margined amount at a rate starting at 8.5% for amounts up to \$24,999 (Schwab rates as of March 2012) and decreasing in a tiered fashion as the amount borrowed increases. The margin feature is not available unless the margined securities have been held in the account for at least 30 days.

### **Item 9: DISCIPLINARY INFORMATION**

Wipfli Hewins has not been the subject of any disciplinary actions.

### **Item 10: OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS**

Neither Wipfli Hewins nor its representatives are registered or have applications pending to register as a broker-dealer or as registered representatives of a broker-dealer.

Neither Wipfli Hewins nor its representatives are registered or have applications pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or as representatives of the foregoing.

### **Affiliated Investment Advisor**

Hewins Financial Advisors, LLC ("Hewins") (SEC Filing Number 801-56865, CRD# 109983), one of Wipfli Hewins' two members (owners), is an SEC-registered Investment Advisor. Hewins provides

investment consulting services to Wipfli Hewins pursuant to the terms and conditions of a written sub-advisory arrangement between Wipfli Hewins and Hewins. Certain members of Wipfli Hewins' senior management are also part of the senior management of Hewins. Both firms share the same principal offices in San Mateo, CA, as well as an office in Missouri.

### **Other Affiliations**

The other member of Wipfli Hewins is Wipfli Financial, LLC, whose sole member is Wipfli LLP, a certified public accounting firm headquartered in Milwaukee, Wisconsin. Clients of Wipfli Hewins may also be clients of Wipfli LLP and vice versa. Wipfli Hewins also maintains several branch offices in Wisconsin, Minnesota and Illinois which are shared with Wipfli LLP.

To the extent that Wipfli Hewins' clients specifically request accounting, tax preparation, retirement plan third party administration, bill paying or other services offered by Wipfli LLP, Wipfli Hewins may recommend the services of its affiliate (see Family Office Services above in Item 4). Similarly, to the extent that a client of Wipfli LLP requests investment advisory services, Wipfli LLP may recommend the services of Wipfli Hewins. Generally any such services will be rendered pursuant to a separate agreement between the client and each firm. However, if requested by a client, the Wipfli Hewins Agreement may include certain services that are to be rendered by Wipfli LLP. In such instances, the client will be informed in writing of this practice. In such cases, Wipfli Hewins will bill the client and then remit to Wipfli LLP that portion of the client's fee earned by it for the services it performed.

No client is under any obligation to engage the services of Wipfli LLP or any other individual or entity recommended by Wipfli Hewins. For any referrals between Wipfli Hewins and Wipfli LLP, clients will pay only the standard fee for the services rendered by each firm. With the singular exception noted above, neither firm receives any portion of the fees charged by the other for shared or referred clients.

### **Conflict of Interest**

As an indirect owner of Wipfli Hewins, Wipfli LLP receives a share of the profits of Wipfli Hewins which may provide an incentive to partners of Wipfli LLP to refer investment advisory/financial planning work to Wipfli Hewins. The recommendation by Wipfli Hewins that a client engage any of the services offered by Wipfli LLP could present a conflict of interest regardless of the fact that no referral fees are paid or received. Wipfli Hewins employees are personally familiar with some of Wipfli LLP's employees as well as with the quality of the services performed by Wipfli LLP and will have a natural predisposition to recommend this known firm.

As mentioned above, certain members of the Wipfli Hewins' senior management team also serve as members of Hewins management team. Another member of Wipfli Hewins senior management is a partner of Wipfli LLP. These dual relationships could present a conflict of interest should there be choices which could benefit one firm at the expense of another or should there be a dispute between the two firms. Both firms will have to rely on their management teams to resolve any

such conflicts.

With regard to the conflicts described above, clients are reminded that they are under no obligation to engage the services of any individual or entity recommended by either Wipfli Hewins or Wipfli LLP.

#### **Item 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Wipfli Hewins maintains a policy relative to personal securities transactions among its employees. This policy is part of Wipfli Hewins' overall Code of Ethics, which serves to establish a standard of business conduct for all of Wipfli Hewins' employees and is based upon fundamental principles of openness, integrity, honesty and trust. A copy of Wipfli Hewins' Code of Ethics is available upon request.

In accordance with Section 204A of the Investment Advisors Act of 1940, Wipfli Hewins also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Wipfli Hewins or its employees.

Neither Wipfli Hewins nor any of its employees recommends, buys or sells for client accounts securities in which Wipfli Hewins, any employee or any related entity of Wipfli Hewins has a material financial interest. Wipfli Hewins does not recommend for its clients the purchase of individual securities; therefore there is very little potential for conflict related to personal trading.

Despite the small potential for conflict of interest, Wipfli Hewins has implemented a Personal Securities Monitoring Policy to review and monitor the personal securities transactions and securities holdings of Wipfli Hewins' employees. Each quarter, all Wipfli Hewins employees must submit a record of their personal securities transactions to the Chief Compliance Officer for review. In addition, Wipfli Hewins' Securities Monitoring Policy requires that all employees provide the Chief Compliance Officer with a written report of their current securities holdings within ten (10) days after becoming a Member or an employee and at least annually thereafter.

#### **Item 12: BROKERAGE PRACTICES**

While Wipfli Hewins investment advisory clients are ultimately responsible for selecting the custodian for their investment advisory account(s), Wipfli Hewins generally recommends that they utilize Schwab. Wipfli Hewins is not affiliated with Schwab Advisor Services, but has entered into an agreement whereby Schwab provides Wipfli Hewins with access to its institutional trading and operations services which typically are not available to Schwab's retail customers.

Factors that Wipfli Hewins considers in recommending Schwab (or any other custodian to clients) include historical relationship with Wipfli Hewins, financial strength, reputation, execution and settlement capabilities, mutual fund and technology platform, pricing, and service. However, in certain situations, a client may pay fees that are higher than another qualified custodian might

charge to effect the same transaction. In seeking best execution, the determinative factor for Wipfli Hewins is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the factors listed above. In other words, is the fee reasonable in relation to the value of the services received? Accordingly, although Wipfli Hewins will seek competitive rates, it may not necessarily obtain the lowest possible cost for client account transactions. The transaction fees charged by the designated custodian are exclusive of, and in addition to, Wipfli Hewins' investment advisory fee.

Wipfli Hewins recommends mutual fund vehicles and Independent Managers to implement its investment strategies. Mutual funds do not trade like individual securities--they trade at a set price (Net Asset Value) at market close, so no one broker or custodian is able to achieve a better price than any other in a mutual fund trade.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, Wipfli Hewins may receive from Schwab (or another custodian) without cost (or at a discount) various support services which assist Wipfli Hewins to better monitor and service client accounts maintained at such institutions. Wipfli Hewins may also receive other services and benefits intended to help Wipfli Hewins further develop its business. Included within the support services that may be obtained by Wipfli Hewins could be pricing information, market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, consulting services, attendance (but not travel or lodging) at conferences, meetings, and other educational and/or social events, ability to have investment advisory fees deducted directly from clients' accounts and marketing support. Schwab may make available, arrange and/or pay third-party vendors for various types of services rendered to Wipfli Hewins. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Wipfli Hewins. In evaluating whether to recommend that Wipfli Hewins' clients custody their assets at Schwab, Wipfli Hewins may take into account the availability of some of the forgoing products, services and other arrangements as part of the total mix of factors it considers in addition to the nature, cost or quality of the custody and brokerage services provided by Schwab. This consideration creates a conflict of interest.

To address this, Wipfli Hewins has adopted certain policies and procedures. For example, as part of Wipfli Hewins' fiduciary duty to clients, Wipfli Hewins and its representatives will at all times endeavor to put the interests of clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interest of clients. In addition, Wipfli Hewins periodically evaluates the transaction costs and services provided by Schwab with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative custodian(s). Importantly, the conflict presented by recommending Schwab is disclosed to clients at the time of entering into an advisory agreement by delivery of this ADV Part 2A.

Wipfli Hewins' clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment by Wipfli Hewins to Schwab 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.

### **Directed Brokerage**

If a client requires that account transactions be effected through a specific broker-dealer, the client will negotiate terms and arrangements for their account with that broker-dealer, and Wipfli Hewins will not seek better execution services or prices from other broker-dealers. As a result, the client 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.

### **Trade Errors**

In all circumstances involving trade errors caused by Wipfli Hewins, clients are “made whole”. If the correction of the trade error by the firm results in a loss, Wipfli Hewins is responsible for that loss. If the correction of the trade error by the firm results in a gain, the gain is retained by the client.

In instances where multiple trades are corrected at the same time for the same client, the firm will net the results of each correction against each other. Gains received during these corrections may be used to offset losses resulting from the other corrections within the total trade error correction.

### **Trade Aggregation and IPOs**

Wipfli Hewins generally recommends mutual fund vehicles and Independent Managers to implement its investment strategies. We do not recommend investments in or trade individual securities as part of our investment strategy. As a result, we do not:

- Practice block trading
- Purchase or allocate IPOs.

## **Item 13: REVIEW OF ACCOUNTS**

For those clients for whom Wipfli Hewins provides investment advisory services, account reviews are conducted regularly. The client’s advisor reviews client account holdings monthly and performance is reviewed quarterly. Quarterly reviews include evaluation of the client’s strategic target allocation. All clients (in person or via telephone) are encouraged to review with their Wipfli Hewins advisor financial planning issues (to the extent applicable), investment objectives, account performance, and any personal or financial changes on at least an annual basis.

Wipfli Hewins may conduct account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, mutual fund management changes and client requests.



The custodian provides detailed account statements to clients on at least a quarterly basis. These statements include all transactions for the period including details of the investment advisory fees charged by Wipfli Hewins. Wipfli Hewins also provides a quarterly performance report to each client. This report contains detailed information on holdings, including current asset allocation percentages and current and historical performance data. Clients are encouraged to compare the quarterly performance reports from Wipfli Hewins with the account statements received from the custodian. Should there be any material discrepancy the custodian's report should be relied upon.

#### **Item 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Wipfli Hewins does not provide any economic benefit or other direct or indirect compensation in return for client referrals, nor does it employ solicitors for this purpose.

#### **Item 15: CUSTODY**

Wipfli Hewins does not have physical custody of its client's Assets.

According to SEC regulations, Wipfli Hewins is deemed to have custody because for certain clients, Hewins or its affiliates:

- i) Acts as Trustee;
- ii) Writes checks; and/or
- iii) Accesses the account with the ability to change the address.

These regulations require that firms that have custody for the reasons listed above are subject to annual surprise audits. Wipfli Hewins has complied with the requirements concerning such surprise audits.

Wipfli Hewins is also deemed to have technical custody over those client accounts where it is able to deduct its advisory fees directly from that account. As long as Wipfli Hewins complies with certain regulatory requirements, this technical custody does not mandate that Wipfli Hewins undergoes a surprise audit for those accounts.

Wipfli Hewins' clients receive monthly account statements directly from the qualified custodian. Wipfli Hewins also sends its clients its own quarterly reports that it has prepared. The Wipfli Hewins' reports urge the client to compare that report with the account statements received from the qualified custodian. Wipfli Hewins' reports also notify the client that it is their responsibility to verify the accuracy of the Wipfli Hewins' fee and that the custodian does not perform this function. Wipfli Hewins performs periodic testing to ensure that its fees are charged in accordance with the client's Agreement.

#### **Item 16: INVESTMENT DISCRETION**

##### **Discretionary and Non-Discretionary Management**

As discussed above in Item 4, Wipfli Hewins' clients may choose to engage Wipfli Hewins on a discretionary or non-discretionary basis. In either case, the client will sign an Investment Advisory Agreement which specifies which kind of service that Wipfli Hewins will render. For both types of clients, Wipfli Hewins may rebalance a client's portfolio and perform tax-loss harvesting without specific client approval. Please see Item 8 for an explanation of Rebalancing and Tax Loss Harvesting.

For those clients who retain Wipfli Hewins on a discretionary basis, the Investment Advisory Agreement grants Wipfli Hewins full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name, including but not limited to the authority to make sub asset allocation and specific investment adjustments without seeking client approval.

With respect to its non-discretionary advisory services, Wipfli Hewins generally maintains ongoing responsibility to make recommendations based upon the needs of the client. If such recommendations are accepted by the client, Wipfli Hewins is responsible for arranging or effecting the purchase or sale. For non-discretionary clients, Wipfli Hewins may not change either the client's asset allocation or specific investments without prior approval from the client, except for tax loss harvesting as described in Item 8 above.

**Non-Discretionary Service Limitations:** Clients that determine to engage Wipfli Hewins on a non-discretionary investment advisory basis must be willing to accept that Wipfli Hewins cannot effect any account transactions without obtaining prior consent to any such transactions from the client. Thus, in the event that Wipfli Hewins desires to make a change during a time when the client is unavailable, Wipfli Hewins will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's consent.

## **Item 17 VOTING CLIENT SECURITIES**

Wipfli Hewins does not vote client proxies nor act upon any other shareholder communications for any client.

For clients who have hired an independent money manager to manage their assets on a discretionary basis, the Independent Managers will generally vote proxies.

Those clients or accounts that are ERISA Governed Plans should refer to the Plan/Trust Agreement to determine Proxy Voting responsibilities.

## **Item 18: FINANCIAL INFORMATION**

Wipfli Hewins does not solicit fees of more than \$1,200 per client six months or more in advance.

Wipfli Hewins 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.

Wipfli Hewins has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Wipfli Hewins' Chief Compliance Officer, Diane Kelvie, remains available to address any questions that a client or prospective client may have regarding the above disclosures, conflicts of interest and other arrangements.**