



HEWINS FINANCIAL ADVISORS, LLC

SEC File Number: 801 – 56865

Firm Brochure (Part 2A of Form ADV)

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This Brochure provides information about the qualifications and business practices of Hewins Financial Advisors, LLC (“Hewins”). If you have any questions about the contents of this Brochure, please contact us at 888-520-3040 or complianceteam@hewinsfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“the SEC”) or by any state securities authority. Hewins is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. Additional information about Hewins is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: MATERIAL CHANGES

Each new client of Hewins will receive a copy of this Form ADV Part 2A Brochure (also known as the “Firm Brochure” or “Brochure”) and applicable Brochure Supplements (also known as ADV Part 2B). Brochure Supplements describe the background and experience of each employee who serves on Hewins’ Investment Committee or provides clients with direct investment advice.

If there are material changes to the Firm Brochure, all of Hewins’ clients will receive a summary of these material changes, which includes an offer to provide a copy of the updated Brochure and information on how to obtain that updated Brochure in September of every year. We will provide any client with a copy of the updated Brochure upon request at any time and at no cost. Interim amendments to the Firm 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. For those clients who have consented to the electronic delivery of documents, the Brochures will be delivered electronically.

The summary found below in this Item 2 is intended only as a notice of changes in this Brochure that Hewins believes its clients will find material. Clients are strongly encouraged to bring any questions or concerns about anything found throughout this Brochure to the attention of their regional advisor or to Hewins’ Chief Compliance Officer, who can be reached toll-free at 888-520-3040.

Our operations or services have experienced the following material changes since the last annual update of this Brochure, dated August 28, 2017:

- In Item 4 of this Brochure, under the section on Retirement Plan Services, we made changes that are in the spirit and in compliance with the United States Department of Labor’s (“DOL’s”) new Investment Fiduciary Rule. As a fiduciary to all our clients, we adhere to the impartial conduct standard when dealing with clients, including those clients who are qualified retirement plans subject to the Employee Retirement Income Security Act (“ERISA”). We would like to remind all clients that, as fiduciaries under the Investment Advisers Act of 1940, we have always strived to conduct our business with clients under these standards and in clients’ best interests.
- In Item 4, we expanded the disclosures concerning our affiliate, Wipfli LLP, particularly regarding instances when Hewins recommends services of Wipfli LLP to its clients.
- In Items 4 and 5, we added disclosures relating to a fee allowance that we are making available to certain high-net-worth clients who are joint clients of Hewins and Wipfli LLP.
- In Item 4, we updated the disclosures concerning recent changes in Hewins’ policy on Courtesy (Non-Managed) Accounts, including our protocols for opening such Courtesy Accounts and accommodating clients’ trade requests in them.
- In Item 11, we updated information to reflect Hewins’ revised Code of Ethics.
- In Item 17, we added information about our Proxy Voting policies and procedures, and how Hewins votes proxies on behalf of its clients.

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Item 4: ADVISORY BUSINESS

Hewins Financial Advisors, LLC (“Hewins,” “we,” “our” or “us”) is a limited liability company formed in 1999 in the state of Delaware and registered as an investment advisor with the United States Securities and Exchange Commission (the “SEC”) in that same year. Hewins is wholly owned by Wipfli Financial, LLC, a Wisconsin limited liability company, which, in turn, is owned by the accounting firm, Wipfli LLP (51% ownership), Roger Hewins (approximately 23% ownership) and several members of Hewins’ senior management (approximately 26%, in the aggregate). Wipfli Financial, LLC, is managed by a board of six elected managers (“WF Board”), three of whom are appointed by Roger Hewins, with the remaining three appointed by Wipfli LLP. The WF Board designated Roger Hewins as the President and CEO of Hewins. The WF Board is responsible for strategic decision-making, whereas Roger Hewins and other members of our senior management team oversee day-to-day operations of the firm. Wipfli LLP is an accounting and consulting firm with offices across the United States and India. Wipfli LLP is organized as a partnership with over 200 individual partners, where no single partner owns more than 2% of the company.

For additional information about Hewins’ ownership structure, please refer to Schedule A of our Form ADV Part 1A, which is available at no cost either online at www.sec.gov or by contacting the firm itself.

As discussed below, Hewins offers investment advisory and financial planning services to our clients (including individuals and couples, families, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations). Clients are free to choose one service without any obligation to engage us for any other. We reserve the right to refuse any engagement we deem as an improper fit for our services.

A. INVESTMENT ADVISORY SERVICES

We have three service lines for investment advisory services: our standard investment advisory services, Key Access Services® and Retirement Plan Services. Additionally, our Private Client Services typically include one or more of our investment advisory service lines within the scope of a broader suite of services. Each investment advisory service line is described below, and fees for each service line are discussed in Item 5.

a. Standard Investment Advisory Services

Our standard investment advisory services are available to individuals, couples, families, trusts and estates, business entities and charitable organizations. Clients can engage us to provide ongoing investment advisory services on a discretionary or nondiscretionary basis in accordance with the client’s investment objectives. Our services and all conditions to our services are fully described in the written Investment Advisory Agreement, provided to and signed by each client. Once determined, the client’s investment objectives are then set forth in a written Investment Policy Statement (“IPS”) prepared by us and signed by the client. We do not have a minimum account size (i.e., a required minimum amount of assets under our management (“AUM”)) for standard investment advisory services, but we do require a minimum of \$5,000 in annual fees. We typically aggregate client’s assets with assets of their immediate family members, who are also our clients, to allow all members of the family to achieve fee breakpoints and meet our \$5,000 annual

minimum fee requirement. Our fees and various additional discounts are discussed more fully in Item 5.

We provide investment advisory services specific to the needs of each client. These services are provided to the client by a dedicated Hewins Investment Advisor Representative (“IAR”). The IAR 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, the IAR prepares a written IPS for the client’s approval. The IPS can be modified at any time after a consultation between the client and the IAR. We generally recommend that clients allocate their investment assets among various mutual funds; however, depending on the client’s specific financial situation, objectives and risk tolerances, we sometimes recommend our Tax-Smart Indexing™ services, Independent Third-Party Asset Managers or Private Investment Funds where appropriate and as described below. All recommendations are made in accordance with the investment profile of the client and investment strategies set forth in the IPS. In certain circumstances, clients are permitted to impose reasonable restrictions regarding their investments — for example, through “socially responsible” investing.

As part of our investment advisory services, we make certain investment benefits available to our clients that are not otherwise available to retail investors. Such benefits include:

- Access to professionally-developed and monitored 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 mutual fund families, by nature of our business relationship with those fund families;
- Access to certain fund families whose substantial minimums would normally preclude retail client investment. We are able to offer funds from these fund families due to large volumes of assets that we invest on behalf of our clients; and
- Access to certain low-cost fund families made available only to a select group of registered investment advisors.

Clients are strongly encouraged to communicate to us any changes to their financial circumstances or any other material changes in their lives that could impact their investments.

As described in Item 8, portfolio rebalancing and tax-loss harvesting are part of the standard investment advisory services we provide for clients.

Although clients can engage us for financial planning services alone (as discussed in greater detail below), we provide financial planning services in conjunction with our standard investment advisory services. We make use of an interactive planning tool to develop a thorough understanding of our clients and their financial lives. The use of this tool provides clients with immediate visual feedback of the financial results stemming from different assumptions and choices. This information is used to help clients establish investment objectives and risk tolerances.

In general, our clients’ accounts are implemented via the custody platform at Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (hereinafter referred to as “Schwab”), or at TD Ameritrade Institutional (hereinafter referred to as “TD Ameritrade”). To receive our services, clients enter into written account agreements with the applicable custodian. For fees associated with custodial services, please refer to Item 5.

aa. Tax-Smart Indexing (“TSI”)™

Tax-Smart Indexing™ is an add-on discretionary service that we provide for an additional fee for clients who are seeking an indexing solution that incorporates the benefits of tax-loss harvesting at the individual stock level. This provides an expanded opportunity set for tax-loss harvesting beyond the mutual fund level. Clients who engage us for TSI™ services are provided with a separate account, in which equity securities are purchased and sold to track the S&P 500 or another index by utilizing our portfolio management processes with indexing software. TSI™ accounts are monitored for ongoing tax-loss harvesting opportunities and, when appropriate, tax-loss harvesting is conducted in the account. Tax-loss harvesting strategies are discussed in detail in Item 8 of this Brochure.

To receive Tax-Smart Indexing™ services, clients must place a minimum of \$500,000 of assets into our management, of which at least \$125,000 must be placed into an account specifically intended to receive TSI™ services. A written and signed addendum to the Investment Advisory Agreement is required for the client to obtain TSI™ services. Fees for TSI™ services are discussed in Item 5.

bb. Independent Managers

To address a client’s designated investment objectives, we sometimes recommend that the client allocate a portion of his or her investment assets to one or more unaffiliated independent investment managers. Factors that we consider before recommending an independent manager include but are not limited to the client’s investment objectives, the overall size of the client’s investment portfolio, the independent manager’s management style, investment team, performance history, reputation, financial strength, pricing and investment process. Some of these independent managers are not available to the general public.

To hire an independent manager, the client will enter into a separate agreement with the independent manager. The independent manager shall have day-to-day responsibility for the discretionary management of the allocated assets, and we will continue to render investment advisory services regarding the assets placed with the independent manager, including the ongoing monitoring and review of account performance and compliance with the client’s investment objectives.

If a client chooses to invest with independent managers, he or she will incur a separate fee from the independent manager for those services, and the value of the client’s assets invested with the manager will be included in the calculation of our investment advisory fees. We do not receive any referral fees for recommending any independent manager. We have the authority to hire and fire these independent managers should we become concerned about a manager’s performance, its ability to meet the client’s stated objectives or for any other reason that we deem appropriate for the client.

cc. Private Investment Funds

We provide some of our high-net-worth clients with investment advice regarding private investment funds. Our role relative to private investment funds shall be limited to initial and ongoing due diligence and investment monitoring services. If a client chooses to become a private fund investor, the client will enter into a separate agreement with the private investment fund(s) in question and will incur separate fees that vary based upon the specifics of the fund(s). Assets invested in the private fund(s) will be included in the calculation of our investment advisory fees.

We do not receive any referral fee for recommending any investment with a private investment fund.

Our private fund investment program is recommended only to clients that meet certain investor sophistication standards that are defined in the federal securities laws and regulations. Each fund manager will have a sophistication standard that a client must meet to invest in a fund, as set forth in a fund's governing documents. Given the illiquid and risky nature of private equity investing, clients who decide to invest into these funds must be willing to commit to a long-term investment and tolerate the high risk associated with investing in them. Additionally, many private funds have high minimum investment amounts (typically between \$250,000 and \$500,000); therefore, we recommend them to clients that have a level of assets that enables them to achieve appropriate diversification (by investment type and vintage year) within this segment.

Risks that are specific to investing in private funds are discussed in detail, among all other risks, in Item 8 of this Brochure.

b. Key Access Services® – Investment Advisory Services for the Emerging Investor

We are pleased to offer Key Access Services® (sometimes referred to as “Emerging Investor Services”), which are discretionary investment advisory services designed for individuals, couples and families who want to work with an investment advisor but wish to do so without the minimum \$5,000-annual fee we typically charge for standard investment advisory services.

Key Access Services® clients receive services similar to our standard investment advisory services:

- The services are specific to the needs of each client. These services are provided to the client by a Hewins IAR. The IAR 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, the IAR prepares a written IPS for the client's approval;
- Clients participating in Key Access Services® are able to select from among Hewins' diversified model portfolios, comprised of mutual funds we select. We have complete discretion over which model portfolios are available to Key Access Services® clients, and we strive to offer an assortment of model portfolios capable of meeting various risk tolerances and investment objectives;
- Key Access Services® clients will receive the rebalancing and tax-loss harvesting services described in Item 8;
- Key Access Services® clients will receive our standard reporting services;
- Through the model portfolios, we make certain investment benefits available to Key Access Services® clients that may not otherwise be available to retail investors. Such benefits may include:
 - Access to professionally-developed and monitored 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 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.

Key Access Services® differ from our standard investment advisory services in the following ways:

- As more fully set forth in Item 5 below, there are no minimum fees charged to Key Access Services® clients, and the fee schedule for Key Access Services® varies from the fee schedule for standard investment advisory services;
- We will invest a Key Access Services® client's assets in the Hewins-designed model selected by the client; we do not recommend independent investment managers or private investment funds to Key Access Services® clients. TSI™ services are not available to them;
- Key Access Services® include one in-person meeting with our IARs per year as part of the standard Key Access Services® pricing. Any additional meetings are generally billed hourly as more fully set forth in Item 5. Key Access Services® clients are encouraged to communicate changes in financial circumstances with their IAR via telephone, email or another medium at no additional charge; and
- Additional services or meetings, including financial planning services, will require additional agreements and fees. The fees for these services are more fully set forth in Item 5 below.

In general, Key Access Services® clients' accounts are implemented via the custody platform at Schwab or TD Ameritrade. To receive Key Access Services®, clients enter into written account agreements with the applicable custodian. For fees associated with custodial services, please refer to Item 5 below.

c. Retirement Plan Services – Investment Advisory Services for Employee Benefit Plans

Through our Retirement Plan Services business line, we provide investment advisory services to employee benefit plans, including but not limited to 401(k) plans, profit-sharing plans and pension plans. Each employee benefit plan client ("Plan") that engages us for Retirement Plan Services can generally do so either on an ERISA Section 3(38) fiduciary basis or an ERISA Section 3(21) fiduciary basis. When a Plan engages us for either ERISA 3(21) basis or ERISA 3(38) basis, we acknowledge our status as a fiduciary to the Plan, as defined in Sections 3(38) and 3(21) of ERISA, and we assume the duties, responsibilities and obligations of such a fiduciary.

Furthermore, Hewins acknowledges that it adheres to impartial conduct standards, whereby we provide investment advice that is in the best interest of the Plan; we receive compensation that is not in excess of reasonable compensation (within the meaning of ERISA); and we will not make any materially misleading statements to the Plan regarding the advisor's services and recommendations, fees and compensations, material conflicts of interest and any other matters relevant to the Plan's investment decisions.

We do not require a Plan to have a minimum account size to receive Retirement Plan Services; however, we often recommend that the Plan utilize one of three particular types of our Retirement Plan Services based upon the Plan's amount of AUM, the Plan's design needs or the number of participants. Notwithstanding our recommendations below, a Plan can engage us for any one of the following types of Retirement Plan Services. Based upon the type of Retirement Plan Services for which we are engaged, the exact scope of our services varies depending on whether we are

engaged on an ERISA 3(38) fiduciary basis or an ERISA 3(21) fiduciary basis. We reserve the right to refuse to be engaged on an ERISA 3(38) basis or an ERISA 3(21) basis, or for any particular type of Retirement Plan Services, in any particular engagement.

aa. First Step Retirement Plan Services

For a Plan that would engage us to manage less than \$1,000,000 in assets, we encourage the Plan to utilize our First Step Retirement Plan Services. As part of our First Step Retirement Plan Services, we provide the following services to the Plan regardless of whether we are engaged on an ERISA 3(38) basis or an ERISA 3(21) basis:

- We review the Plan's purpose and investment policies and guidelines with the Plan's sponsor;
- We work with the Plan sponsor to develop an IPS for the Plan;
- In accordance with the investment strategies in the Plan's IPS, we help design, implement and monitor investment options for the Plan's participants;
- We report to and meet with the Plan's sponsor(s) on a regular basis to review performance of the Plan's investment options and participant participation;
- Depending upon the scope of the arrangement with the Plan, we provide periodic enrollment meetings with the Plan's participants; and
- We provide education to the Plan's participants regarding the benefits of participating in the Plan and answer participants' questions regarding the Plan's investment options, both remotely and on-site periodically.

When a Plan engages us as an ERISA 3(38) manager for First Step Retirement Plan Services, we will manage the Plan's assets on a discretionary basis. When we are engaged as an ERISA 3(21) manager, assets can be managed on either a discretionary or nondiscretionary basis.

bb. Core Retirement Plan Services

As part of our Core Retirement Plan Services, we provide the following services to the Plan regardless of whether we are engaged on an ERISA 3(38) basis or an ERISA 3(21) basis:

- We review the Plan's investment policies and guidelines with the Plan's sponsor;
- We work with the Plan sponsor to develop an IPS for the Plan;
- In accordance with the investment strategies in the Plan's IPS, we help design, implement and monitor investment options for the Plan's participants;
- We report to and meet with the Plan's sponsor(s) on a regular basis to review performance of the Plan's investment options and participant participation;
- Depending upon the scope of the arrangement with the Plan, we provide periodic on-site enrollment meetings with the Plan's participants; and
- We provide education to the Plan's participants regarding the benefits of participating in the Plan and answer participants' questions regarding the Plan's investment options, both remotely and on-site periodically.

Typically, a Plan that engages us on an ERISA 3(38) basis for Core Retirement Plan Services does so on a discretionary basis, while a Plan that engages us on an ERISA 3(21) basis does so on a nondiscretionary basis.

We typically recommend our Core Retirement Plan Services for any Plan that has greater than \$1,000,000 but less than \$25 million in assets, and fewer than 1,000 participants.

For both the First Step and Core Retirement Plan Services, we recommend that the Plan appoints — under a separate engagement agreement — Wipfli LLP (“Wipfli”) as the Plan’s Third-Party Administrator (“TPA”) and the Plan’s Recordkeeper.

Conflicts of Interest Considerations

Wipfli is an accounting and consulting firm that is an affiliate of Hewins, as described in more detail in Item 4 of this Brochure. We believe Wipfli’s fees for their services to be reasonable and competitive, but we strongly encourage clients whom we refer to Wipfli to compare their fees with those of other reputable providers in the industry. While we do not receive any portion of the fees charged by Wipfli, or any referral fees from Wipfli, our recommendation of Wipfli to clients creates a conflict of interest that clients should be aware of. As affiliates, the profitability of Hewins and Wipfli affects the compensation of owners and employees of both firms, and, because of shared ownership, Hewins professionals have an incentive to recommend Wipfli to provide these services. To mitigate this conflict, Hewins only recommends Wipfli when it is in the client’s best interest to do so.

No client is ever required to use Wipfli for any of their services (including TPA and/or Recordkeeping services to Plans), and we will do our best to accommodate our services to work with the clients’ providers of choice. The inability of another TPA or Recordkeeper’s system to work with our own could, however, limit our ability to provide Retirement Plan Services to certain Plans. We will discuss any such limitations with the Plan prior to entering into a written Investment Advisory Agreement with the client.

Details regarding our fees for the First Step and Core Retirement Plan Services are discussed in detail in Item 5 of this Brochure. The key difference between the two is that there is no minimum fee required for the First Step services.

cc. Large Plan Retirement Plan Services

Our Large Plan Retirement Plan Services are for Plans that have more than \$25 million in assets or more than 1,000 participants. The services we offer Plans utilizing our Large Plan Retirement Services, irrespective of whether we are engaged on an ERISA 3(38) or 3(21) basis, include:

- We review the Plan’s purpose and investment policies and guidelines with the Plan’s sponsor;
- We work with the Plan sponsor to develop an IPS for the Plan;

- In accordance with the investment strategies in the Plan's IPS, we help design, implement and monitor investment options for the Plan's participants;
- We report to and meet with the Plan's sponsor(s) on a regular basis to review performance of the Plan's investment options and participant participation; and
- We provide written educational materials to the Plan's participants regarding the benefits of participating in the Plan and/or about the Plan's investment options.

Typically, a Plan that engages us on an ERISA 3(38) basis for Large Plan Retirement Plan Services does so on a discretionary basis, while a Plan that engages us on an ERISA 3(21) basis does so on a nondiscretionary basis. For our Large Plan Retirement Plan Services, we work with a variety of TPA and Recordkeeping service providers that specialize in large plan solutions, including but not limited to Vanguard, Fidelity, Schwab, Great West or Wipfli. Except for Wipfli, as described above, we are unaffiliated with any of these providers and are not compensated by the providers for any referrals we make to them. In the case of Wipfli, consider those conflicts of interest presented in the text box on page 10. The Plan will pay fees directly to the TPA and/or Recordkeeper, as well as our fee for investment advisory services, discussed in Item 5.

B. OTHER SERVICES

a. Financial Planning and Consulting Services

Clients who do not have an investment advisory relationship with us can elect to receive financial planning services pursuant to the terms of a written Financial Planning Agreement. The financial planning agreement describes the scope of the services to be provided and the fees to be charged.

On a stand-alone, separate-fee basis, we can provide consulting services on various noninvestment financial issues. For these consulting services, the client will sign a separate agreement describing the scope of the services and the fees to be charged. We can, in our sole discretion, waive any or all fees for consulting services.

Neither we, nor any of our employees, serve our clients as an accountant or attorney, and no portion of our services should be viewed as a substitute for such services.

b. Business Exit Planning Services

Hewins offers Business Exit Planning Services ("BEP Services") to closely-held business owners. The creation of a Business Exit Plan ("BEP") is intended to help business owners build a plan for the successful transition of their business. BEP Services is a separate and distinct service line from our investment advisory or financial planning services, and clients engage us for BEP Services under a separate written agreement. Hewins charges a fee for the creation of a BEP, as well as a separate fee to manage the implementation of the delivered plan. These fees are separate from other services we provide and are described in detail in Item 5 (Fees and Compensation) of this Brochure.

Our fees do not include fees charged by other advisors who participate in the execution of recommendations made during the planning process. Hewins will not act as a business broker, valuation accountant or an investment banker in the process of creation or implementation of a BEP. While Hewins can, and often does, recommend accountants, investment bankers, attorneys

and other professional services providers to BEP Services clients to implement parts of a plan, clients should understand that it is their responsibility to hire such professionals and pay their fees.

If Hewins recommends accounting, tax, valuation or any other services of its affiliate, Wipfli, such recommendation will create a conflict of interest, which clients should know about. As affiliates, the profitability of Hewins and Wipfli affects the compensation of owners and employees of both firms, and, because of shared ownership, Hewins professionals have an incentive to recommend Wipfli to provide these services. To mitigate this conflict, Hewins only recommends Wipfli when it is in the client's best interest to do so. Hewins does not receive any referral fees from Wipfli. Similar services could be available from other accounting firms, and clients are not required to use Wipfli. Moreover, clients should always compare Wipfli's fees with those of other service providers, as other providers' fees can be lower.

c. Other Services

We strongly believe that by collaborating with our clients' other professional advisors — such as accountants, attorneys and consultants — we add value for clients, encourage teamwork and collaboration, and increase planning opportunities. This is particularly true when it comes to our high-net-worth clients with multigenerational family enterprises. We take pride in our affiliation with the accounting and consulting firm, Wipfli, and often collaborate with Wipfli on client servicing considerations, particularly for higher-net-worth families. Among such services that Hewins provides are bill paying, estate planning, tax planning from the investment management perspective and facilitation of tax payments. Wipfli provides estate planning services, preparation of income and gift tax returns, tax consulting services, maintenance of family enterprises' books and records, and bill-paying services. Wipfli's services are provided pursuant to a separate engagement letter, for a separate fee negotiated in advance.

Clients are not required to use Wipfli for any of these services, and the services are generally available from other professional providers, often at lower cost. We do, however, recommend Wipfli's services to our high-net-worth clients from time to time. We do not receive any referral fees from Wipfli for these recommendations, but a referral to Wipfli creates a conflict of interest that clients should be aware of. Please refer to the text box on page 10 for additional considerations relating to this conflict.

d. Third-Party Professionals/Wipfli LLP

To the extent requested by a client, we can recommend the services of other professionals for certain noninvestment purposes (e.g., attorneys, accountants, insurance agents, etc.). The recommendations can include engaging representatives of Wipfli, an accounting and consulting firm that is an affiliate of Hewins, as described in detail earlier in this section of the Brochure. Any tax, accounting, consulting or other services provided by Wipfli will be provided by their professionals under a separate engagement and in their separate licensed capacities, as discussed below (see Item 10).

Clients are not required to use Wipfli and retain absolute discretion over which professional services provider they use. Other providers' fees can be higher or lower than those of Wipfli. There are no referral arrangements between Hewins and Wipfli, and Hewins does not receive any referral fees from Wipfli for recommending Wipfli services to clients. Clients are free to accept or reject any such recommendation.

A small number of Wipfli associates are registered IARs of Hewins, who dedicate a portion of their time to servicing Hewins' investment advisory clients. When these Wipfli professionals provide services to Hewins clients, they do so under Hewins' supervision and in accordance with Hewins' policies and procedures, including but not limited to all investment guidelines from Hewins' Investment Committee. For more information about these Wipfli professionals and methods of their compensation, please refer to Item 10 of this Brochure. Clients are also strongly encouraged to review Hewins' registered IARs' Supplemental Form ADV Part 2B, where they can find information about each representative's qualifications, form of compensation and disciplinary history.

In order to add value to our high-net-worth clients who are also Wipfli tax clients, encourage teamwork and collaboration with our affiliate and strategic partner, and increase planning opportunities for joint clients, Hewins is pleased to offer fee allowances to our joint, qualifying high-net-worth clients, effective in 2018. To be eligible for this allowance in 2018 (the first year when this program is in effect), clients need to be both an investment advisory client of Hewins and a personal tax client of Wipfli; have at least \$2,000,000 in billed AUM with Hewins as of 12/31/2017; and be on Hewins' standard fee schedule. Exceptions to this could be made on a case-by-case basis, as approved by Hewins' management. In the event some form of a fee allowance was provided in the past, that allowance amount will be considered for a one-year period to be solely approved by management. Specific amounts of allowances are discussed in detail below in Item 5 of this Brochure.

C. ADDITIONAL OBLIGATIONS AND DISCLOSURES REGARDING OUR SERVICES

a. Client Obligations and Responsibilities

We offer our clients a selection of services; clients who engage us for one of the services we provide are under no obligation to engage us for any of the other services.

We are not required to verify any information we receive from the client or from the client's other professionals, and the Investment Advisory Agreement expressly authorizes us to rely on information provided to us.

It remains the client's responsibility to promptly notify us if there is ever any change to his or her financial situation or investment objectives so that our recommendations continue to be appropriate for their needs.

b. Courtesy (Non-Managed) Accounts

As a matter of accommodation and convenience to existing Hewins clients who have other managed assets with us, we allow clients to establish courtesy accounts ("Courtesy Accounts") at Schwab or TD Ameritrade. Such Courtesy Accounts can only be established after the client signs a Courtesy Account Agreement. Hewins does not assume the responsibility to monitor, trade or report on these accounts, or any securities that they may hold. Clients are strongly encouraged to effectuate their own trading in these Courtesy Accounts. Hewins makes the best effort to accommodate non-solicited trade requests from clients, but only upon clients' explicit written instructions, and only after review and approval by a member of Hewins' management team. Hewins cannot guarantee timely execution of any such trades and reserves the right to reject any trade. Clients who wish to establish a Courtesy Account should

review the Courtesy Account Agreement carefully prior to signing it. Hewins will not charge any fees on Courtesy Accounts.

c. Wrap Fee Program

We do not participate in a wrap fee program.

d. Assets Under Management

As of December 31, 2017, we had \$3,196,675,096 in AUM on a discretionary basis, and \$1,666,857,852 in AUM on a nondiscretionary basis.

Item 5: FEES AND COMPENSATION

A. INVESTMENT ADVISORY SERVICES

Our fees for all three of our investment advisory service lines (standard investment advisory services, Key Access Services® and Retirement Plan Services) are set forth immediately below. In each instance, our annual fees for investment advisory services are paid quarterly in advance, based upon the market value of the AUM on the last business day of the previous quarter. The initial quarterly fee is based on funding dates or the date(s) assets are transferred. Generally, clients elect to have our advisory fees deducted from their custodial accounts. The custodial agreement signed by the client typically authorizes the custodian to debit the account for the amount of our fees and to directly remit the fees to us in compliance with procedures accepted by the SEC. In those circumstances in which the client has requested to be billed directly, payment is due upon receipt of our invoice.

Our Investment Advisory Agreements with our clients continue in effect until terminated by either us or by the client(s) through written notice. After termination, we will provide a prorated refund on any unearned portion of the advisory fee that was paid in advance, in accordance with the terms of the Investment Advisory Agreement. Any refund due will be paid within five weeks of notice of termination.

a. Standard Investment Advisory Services

Our annual fee for standard investment advisory services is tiered, based upon a percentage (%) of the market value of the AUM as follows:

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

There is a minimum quarterly fee of \$1,250, or 75 basis points (0.75%) of the assets — whichever is less. Clients can negotiate discounts from the above quoted fees. Any fee discounts must be approved by a member of our senior management (typically the Chief Financial Officer) and documented. The fees above are for standard investment advisory services, as detailed in each applicable Investment Advisory Agreement, and include basic financial planning services. If a client

requires specific consulting services, those services require a separate agreement and incur a separate fee.

As described in Item 4 of this Brochure, certain joint clients of Hewins and our affiliated accounting firm, Wipfli — specifically those who have at least \$2,000,000 in billed AUM with Hewins — are offered fee allowances. In 2018, the amounts of these allowances are set forth as follows:

- \$2,000,000 to \$3,499,999 of billed AUM – allowance of \$750
- \$3,500,000 to \$4,999,999 of billed AUM – allowance of \$1,250
- \$5,000,000 to \$9,999,999 of billed AUM – allowance of \$1,750
- \$10,000,000+ of billed AUM – a negotiable allowance of at least \$2,000, not to exceed \$5,000

aa. Tax-Smart Indexing (“TSI”)™

The additional fee for TSI™ services is tiered and based upon a percentage (%) of the market value of the assets receiving TSI™ services, as follows:

<u>ASSET BREAKPOINTS</u>	<u>ANNUAL FEE</u>
First \$500,000	0.35%
Above \$500,000	0.25%

An addendum to the Investment Advisory Agreement for TSI™ services, which outlines the services and the fees, must be signed by the client to receive TSI™ services.

bb. Independent Managers and Private Investment Funds

Independent manager and private investment fund fees are in addition to and separate from the advisory fees we charge. Fees charged will vary among the independent managers and private investment funds.

The independent manager’s fee will be outlined in a separate agreement between the independent manager and the client. The fee for private investment funds will be outlined in the offering documents provided by the fund.

b. Key Access Services®

For Key Access Services®, the annual investment advisory fee is tiered and based upon a percentage (%) of the market value of the AUM, as follows:

<u>ASSET BREAKPOINTS</u>	<u>ANNUAL FEE</u>
First \$500,000	1.25%
Next \$1,500,000	1.00%
Next \$3,000,000	0.85%
Next \$5,000,000	0.40%
Above \$10,000,000	0.30%

aa. Other Key Access Services® Fees

Key Access Services® do not have minimum quarterly fees. Key Access Services® clients may be charged hourly fees for in-person meetings with our IARs if the client requests more than one in-

person meeting a year. The hourly fee for additional in-person meetings ranges from \$125 to \$350 per hour, depending on the billing rate of the particular IAR. We retain the discretion to waive or reduce any hourly fees.

c. Retirement Plan Services

aa. First Step Retirement Plan Services

The annual fee for First Step Retirement Plan Clients, regardless of whether we are engaged as an ERISA 3(38) fiduciary or a 3(21) fiduciary, is tiered and based on a percentage (%) of the market value of the assets of the Plan under management, as follows:

<u>ASSET BREAKPOINTS</u>	<u>ANNUAL FEE</u>
First \$500,000	0.75%
Next \$1,500,000	0.50%
Next \$3,000,000	0.40%
Next \$5,000,000	0.25%
Next \$5,000,000	0.20%
Above \$15,000,000	0.10%

There are no minimum fees for services provided to First Step Retirement Plan clients.

bb. Core Retirement Plan Services and Large Plan Retirement Plan Services

The annual fee for Core Retirement Plan Services and for Large Plan Retirement Plan Services, regardless of whether we are engaged as an ERISA 3(38) fiduciary or a 3(21) fiduciary, is tiered and based on a percentage (%) of the market value of the assets of the Plan under management, as follows:

<u>ASSET BREAKPOINTS</u>	<u>ANNUAL FEE</u>
First \$500,000	0.75%
Next \$1,500,000	0.50%
Next \$3,000,000	0.40%
Next \$5,000,000	0.25%
Next \$5,000,000	0.20%
Above \$15,000,000	0.10%

There is a minimum quarterly fee of \$500, or 75 basis points (0.75%) of the market value of the assets — whichever is less. Clients can negotiate discounts from the above quoted fees. Any fee discounts must be approved by a member of our senior management (typically the Chief Financial Officer) and documented.

B. OTHER SERVICES

a. Financial Planning and Consulting Services

Our financial planning and consulting fees are negotiable and dependent upon the level and scope of the services required as well as the IAR(s) rendering the services. Fees typically range from \$1,000 to \$5,000 on a fixed-fee basis, or \$150 to \$300 per hour. Fees for financial planning and consulting services are typically billed at the end of the project, except in cases of projects with extended length, where interim billing could take place. These fees are not deducted from client accounts; instead, they are paid directly by the client. We reserve the right to request an initial deposit.

b. Business Exit Planning Services

Our Business Exit Planning Services (“BEP Services”) fees are negotiable and dependent upon the level and scope of the services provided, as well as personnel involved in rendering the services. Such level and scope of services vary greatly depending on the specific engagement; therefore, fees range from \$10,000 to \$100,000 per engagement. An engagement that falls on the lower side of this range typically produces a plan that provides general business exit guidance to smaller companies, whereby the owners need help with the continuity of the business; this typically includes buy-sell agreement reviews, employee incentive programs and shareholder planning. Engagements on the mid- to high-end of the fee range typically provide business exit planning guidance to larger, more profitable companies, where the owners require a comprehensive exit plan and assistance with the execution of the plan. Hewins’ role in such engagements is to design the Business Exit Plan (“BEP”) and facilitate and coordinate activities of other professional services providers — such as attorneys, accountants, investment bankers, etc. — to reach a successful exit.

These fees are not deducted from client accounts, should the client have an investment account with Hewins; instead, they are billed and paid directly by the client, typically in several installments throughout the planning process, as determined in the customized engagement agreement. We reserve the right to request an initial deposit, and we could charge an ongoing maintenance fee. All terms of a BEP Services engagement — including fees, installments, initial deposits and any maintenance fees — are always spelled out clearly in a separate written agreement.

As part of the implementation of a BEP, we can, and often do, recommend the use of third-party professional services providers (e.g., attorneys, accountants, investment bankers, valuers, etc.). In some instances, we can recommend the use of tax, accounting and consulting services of our affiliate and strategic partner, Wipfli. Any services provided by third parties will be provided under a separate engagement and for a separate, distinct fee. We do not have referral arrangements with these providers, and we do not receive referral fees for recommending them to clients. There is, however, a conflict of interest when we recommend Wipfli because, by nature of our affiliation with them, we are incentivized to recommend them. Clients retain absolute discretion in accepting or rejecting any recommendations of third-party service providers, including Wipfli.

c. Fees for Other Services

Fees for other related services range widely and depend on the complexity and scope of the services to be rendered. Fees will be negotiated in advance and documented as an Addendum to the client’s Investment Advisory Agreement, to be agreed to in writing by both Hewins and the client. Where applicable, we will pay appropriate third parties any share of these fees that have

been earned in conjunction with rendering other services to our clients. We will not receive any financial benefit from these third parties as a result of the performance of these services.

C. OTHER FEES

Below is a description of some, but possibly not all, of the fees clients are expected to pay to third parties, in addition to our fees but in relation to the services we perform.

a. Custodial Fees

We generally recommend that either Schwab or TD Ameritrade serve as the custodian for our clients' advisory assets. Fees charged by the custodian are separate from and in addition to the fees clients pay to us.

There are two different arrangements for custodial fees at both Schwab and TD Ameritrade: Asset-Based Pricing ("ABP") and Transaction-Based Pricing ("TBP"). The ABP method assesses fees based on the value of the portfolio, rather than on individual transactions, and TBP charges a fee per each trade placed in the account. Hewins recommends ABP or TBP custodial pricing for our clients after conducting a thorough analysis of each specific client's portfolio. Among factors analyzed are the amount of assets in the account, the number and amounts of withdrawals and contributions anticipated from the account per year, and other specific needs for the account. The fees charged by the custodian are set forth by Schwab and TD Ameritrade and are subject to change. While Hewins negotiates these fees from time to time with both custodians to benefit our clients, there is no guarantee that we will be able to negotiate any specific fees or fee ranges. Schwab and TD Ameritrade's custodial fees can be higher or lower than those charged by other custodians.

For clients using other custodians, fees will vary according to the custodian selected. For further information on our custody/brokerage practices, see Item 12.

b. Mutual Fund Fees

Mutual fund fees are in addition to and separate from the advisory fee we charge. Many different types of mutual fund fees exist in the funds universe. All mutual funds have an internal expense ratio, which is the annual percentage of the funds' assets that the fund managers (not Hewins or the account custodian) charge to manage the funds. That expense ratio often includes separately disclosed "12b-1 fees," which are annual marketing or distribution fees. When selecting funds for our model portfolios, we focus on funds with low expense ratios. Some funds have "loads," which are sales charges assessed on the amount that the client invests into the fund. Loads can be front-end (assessed at the time of purchase) or back-end (assessed at redemption). Generally, we recommend "no-load" mutual funds. Furthermore, whenever possible, Hewins strives to select institutional share classes of those mutual funds that we recommend to clients. Institutional shares do not charge any loads and tend to have significantly lower expense ratios.

The custodian will provide each client with a fund prospectus for each mutual fund in which the client invests. The prospectus discloses, among other important information, the mutual fund's management and fee structure. We do not provide the prospectus; however, clients are strongly encouraged to review prospectuses and to speak with their Hewins advisory representative in case there are any questions, specifically about funds' fees.

D. FEE CONFLICTS

a. Compensation for the Sale of Securities or Other Investment Products

As described in Item 10 below, some of our principals and IARs are also registered representatives of broker-dealers (affiliate and third-party) and licensed to sell certain insurance and securities products. Our principals and IARs who sell such products earn commissions on each sale they broker. Although our employees and principals who earn commissions are obligated to assign their commissions to our affiliate, Hewins Brokerage Services, LLC (“HBS”), certain principals and IARs of the firm are eligible to earn discretionary incentive compensation based on the sale of certain insurance products.

Moreover, from time to time, HBS will make profit distributions to its parent company pursuant to the LLC’s operating agreement. The receipt of commissions or other incentive compensation by our principals and IARs from the sale of a product can create a compensatory incentive to sell products not in the best interests of our client, and thus create a conflict of interest between us and our client. In order to mitigate this conflict of interest, all prospective clients for commission-based products are presented with a Disclosure and Authorization form prior to engaging Hewins or purchasing any products or services. This document describes the potential for conflicts of interest and outlines the fees that Hewins or its affiliates receive.

Our clients have the option to purchase securities and insurance products from any broker or registered representative of their choice, whether affiliated with us or not.

b. Additional Disclosure Regarding Employee Accounts

As an added benefit that is available only to Hewins’ employees, principals and immediate members of their families — which include spouses and children under age 21 (collectively, “Employees”) — Hewins will allow Employees to open accounts for their own benefit at Schwab and invest the assets in these accounts into one of Hewins’ model portfolios. This benefit is provided to Employees at no cost, but Employees bear all costs associated with trading and holding the mutual funds in the accounts. Employees will not be receiving any additional services from Hewins — such as financial planning, preparation of an IPS or personalized investment advice — and Hewins’ involvement in the accounts is limited to rebalancing the accounts according to Hewins’ Investment Committee’s recommendation. Employees are not permitted to place their own trades in these accounts.

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

Neither Hewins, nor any of our supervised persons, accepts performance-based fees. We do not engage in side-by-side management.

Item 7: TYPES OF CLIENTS

Our clients include individuals, couples, families, business entities, pension and profit-sharing plans, trusts, estates and charitable organizations located throughout the United States. Our minimum annual fee for standard investment advisory services is generally \$5,000, regardless of the value of the assets. However, our Key Access Services® offering does not have any requisite minimum

annual fee or minimum asset level, and Retirement Plan Services have varying or no minimum fees. Fees for other services are set forth in Item 5 above.

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

A. BASIC STRATEGY

The foundation of our investment philosophy is to be highly disciplined, mitigate risks through asset class diversification and invest for the long term. Our Investment Committee (the “IC”) incorporates research and due diligence into our approach to asset allocation, fund recommendations and portfolio monitoring. The IC develops model portfolios based on Modern Portfolio Theory (“MPT”). The primary focus of MPT is to make investment decisions based on stated objectives and risk, evaluate investment performance at the portfolio level, eliminate risks attributable to specific securities through broad diversification and hold assets that are not highly correlated. MPT tells us that a portfolio can be constructed by combining asset classes in an optimal way so as to produce the highest return for a stated level of risk.

Regardless of the amount a specific client has to invest, we help him or her determine an appropriate asset allocation, given their objectives and risk tolerance. We then implement that allocation in a broadly diversified portfolio. Depending on the size of the client’s investment portfolio, among other factors, we will use mutual funds, separately managed accounts and other vehicles, including private investment funds, if appropriate. Interim fluctuations in market value and rates of return may be experienced in order to achieve long-term objectives. We employ no tactical or market-timing elements within our overall strategy. However, individual funds and managers that we recommend, or those used by the client, may employ different strategies with different associated risks at times.

B. INVESTMENT STRATEGY RELATIONSHIP

To augment our base of financial- and investment-related information and for the purposes of additional sophisticated analysis, we have engaged Callan Associates Inc. (“Callan”). We are also a member of the Callan Independent Adviser Group (“IAG”), an organization of approximately 31 registered investment advisor firms. Callan is one of the largest investment consulting firms in the country, and provides research, education, decision-making support and advice to a broad array of institutional investors. Through our membership in Callan’s IAG, we have access to resources normally only available to the largest investors, including:

- Capital market projections related to risk, return and correlations of asset classes;
- Asset allocation software;
- A select list of recommended investment management organizations and products (in the form of mutual fund and separate account vehicles), based on 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; and

- Research on various investment topics.

C. CAPITAL MARKET EXPECTATIONS

In determining an appropriate asset allocation for a client, we perform an asset allocation analysis based on long-term, forward-looking capital markets expectations and correlations among the various asset classes. These expectations are imprecise by nature; 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, that future performance of an asset mix will fall within the simulated range of returns or that any modeled return will be achieved.

D. REBALANCING AND TAX-LOSS HARVESTING

Based upon the client's prior written agreement to do so, we have, without further approval, 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 can rise or fall so that their percentages fall outside the asset allocation range defined in the client's IPS. We periodically review client accounts to determine if rebalancing is advisable and, if so, reallocate the account in accordance with the client-approved strategic asset allocations. Cash inflows/outflows are 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 help offset capital-gains tax liabilities. To take advantage of such tax losses, our Investment Advisory Agreements state that we 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, we will return the client's investments back to the original investments if it is advisable from a tax perspective.

E. INVESTMENT RISK

The following is an outline of the main risks pertaining to the asset classes utilized by Hewins:

- **Market Risk:** The price of a security can drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.
- **Equity Risk:** Historically, the equity markets have moved in cycles, and the value of equity securities can fluctuate significantly from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies can suffer a decline in response. These factors contribute to price volatility.
- **Business Risk:** This risk is associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it — a lengthy process — before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Foreign Risk:** Investments in foreign securities pose special risks — including currency fluctuation and political risks — and such investments can be more volatile than that of a United States-only investment. The risks are generally greater for investments in emerging markets.
- **Currency Risk:** Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as "exchange rate risk."
- **Political and Legislative Risk:** Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, bringing significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
- **Fixed Income – Credit Risk:** This is the risk that principal and/or interest on a fixed-income investment will not be paid in a timely manner or in full, due to changes in the financial condition of the issuer. Generally, the higher the perceived credit risk, the higher the rate of interest investors will receive on their investment.

Many bonds are rated by a third-party Nationally Recognized Statistical Rating Organization ("NRSRO") — for example, Moody's Investor Services or Standard & Poor's Inc. While ratings may assist investors in determining the creditworthiness of the issuer, they are not a guarantee of performance. Treasury bills, notes and bonds are guaranteed by the full faith and credit of the United States, and therefore are deemed to carry no risk of default.

- **Fixed Income – Interest Rate Risk:** This is the risk that the value of an interest-bearing investment will change, due to changes in the general level of interest rates in the market. The market value of a bond fluctuates inversely to the change in interest rates; that is, as interest rates rise, bond prices fall and vice versa.

Interest rate risk is commonly measured by a bond's duration; the greater a bond's duration, the greater the impact on its price due to a change in interest rates. Investors can incur a gain or loss from bonds sold prior to the final maturity date.

- **Fixed Income – Municipal Securities Risk:** To the extent an account is invested in bonds issued by local governments, such bonds are subject to the fixed income risks described above as well as additional risks which are:
 - *Legislative Risk:* The risk that change in legislation (e.g., changes in the tax code) will have an effect on the value of tax-exempt interest income;
 - *Liquidity Risk:* The risk that investors are not able to find a buyer when they want to sell and could be forced to sell their holdings at a significant discount.

Liquidity risk is greater for bonds with lower ratings, bonds that are part of a small issue, recently downgraded bonds or bonds by an issuer who issues infrequently.

- **Liquidity Risk:** The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is

typically reflected in a wide bid-ask spread or large price movements. It is also a risk associated with an investment in private funds.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Opportunity Cost Risk:** The risk that an investor can forego profits or returns from other investments.
- **Financial Risk:** Excessive borrowing to finance a business's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Risks for Investing in Non-Liquid Alternative Investments:**

From time to time, Hewins will recommend to certain qualifying clients that a portion of such client's assets be invested in private funds, private fund-of-funds and/or other alternative investments (collectively, "Non-Liquid Alternative Investments"). Non-Liquid Alternative Investments are not suitable for all Hewins' clients and are offered only to those qualifying clients for whom Hewins believes such an investment is suitable and in line with their overall investment strategy. Non-Liquid Alternative Investments typically are available to only a limited number of sophisticated investors who meet the definition of "accredited investor" under Regulation D of the Securities Act of 1933, as amended (the "Securities Act"), or "qualified client" under the Investment Advisers Act of 1940, or "qualified purchaser" under the Investment Company Act of 1940.

Non-Liquid Alternative Investments present special risks for Hewins' clients, including without limitation, limited liquidity, higher fees and expenses, volatile performance, no assurance of investment returns, heightened risk of loss, limited transparency, additional reliance on underlying management of the investment, special tax considerations, subjective valuations, use of leverage and limited regulatory oversight. When a Non-Liquid Alternative Investment invests part or all of its assets in real estate properties, there are additional risks that are unique to real estate investing, including but not limited to: limitations of the appraisal value; the borrower's financial conditions (if the underlying property has been obtained by a loan), including the risk of foreclosures on the property; neighborhood values; the supply of and demand for properties of like kind; and certain city, state and/or federal regulations. Additionally, real estate investing is also subject to possible loss due to uninsured losses from natural and man-made disasters.

The above list is not exhaustive of all risks relating to an investment in Non-Liquid Alternative Investments. A more comprehensive discussion of the risks associated with a particular Non-Liquid Investment is set forth in that fund's offering documents, which will be provided to each client subscribing to a Non-Liquid Alternative Investment, for review and consideration. It is important that each potential, qualified investor carefully read each offering or private placement memorandum prior to investing.

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 we recommend or undertake) will be profitable or equal to 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. Moreover, diversification does not protect a portfolio from loss, and it should not be assumed that the broad diversification that is part of our investment strategy is guaranteed to 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, we, from time to time, 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 also makes 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 varying rate, based upon the amount borrowed. The margin feature is generally not available unless the margined securities have been held in the account for at least 30 days.

Item 9: DISCIPLINARY INFORMATION

We have not been the subject of any disciplinary actions.

Item 10: OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS

We are an investment advisor registered with the United States Securities and Exchange Commission ("the SEC").

Our affiliated company, Hewins Brokerage Services, LLC ("HBS"), is registered with the SEC as a broker-dealer and is a member of the Financial Industry Regulatory Authority ("FINRA"). Certain of our employees (including management persons) are registered principals and/or representatives of HBS.

Certain of our employees are registered representatives of a nonaffiliated broker-dealer, ValMark Securities, Inc., as discussed below.

Neither we, nor our 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.

A. AFFILIATED CPA FIRM: WIPFLI LLP (BY AND THROUGH ITS AFFILIATION WITH WIPFLI FINANCIAL, LLC)

As described in detail in Item 4 of this Brochure, Hewins is affiliated with Wipfli LLP ("Wipfli"), a certified public accounting firm headquartered in Milwaukee, Wisconsin. Wipfli owns 51% of Wipfli Financial, LLC, which, in turn, wholly owns Hewins. Furthermore, we view Wipfli as a strategic partner who helps add value to our clients.

Many of our clients are also tax and accounting clients of Wipfli. There are no referral arrangements between Hewins and Wipfli, and neither firm receives any referral fees from the other. However, as

one of our indirect owners, Wipfli, along with Wipfli Financial, receives a share of Hewins profits; please see the important disclosures in Item 4.

As described in more detail in Items 4 and 5 of this Brochure, for certain of our joint clients, Wipfli receives a fee allowance from us. That fee allowance benefits the client(s) because it effectively reduces the client's invoice from Wipfli for their tax services.

To the extent that our clients specifically request accounting, tax preparation, retirement plan third-party administration, bill paying or other services offered by Wipfli, we recommend the services of Wipfli (see Item 4 of this Brochure). Generally, these services will be rendered pursuant to a separate written agreement between the client and Wipfli and will require separate fees payable to Wipfli.

The share of our profits that Wipfli receives provides an incentive to partners of Wipfli to refer investment advisory or financial planning work to us. Further, many of our employees are personally familiar with some of Wipfli's employees — as well as with the quality of the services performed by Wipfli — and will have a natural predisposition to recommend Wipfli for tax, accounting or other services. We strongly believe that collaboration with Wipfli on joint clients adds value for these clients; however, our recommendation that a client engage Wipfli for services presents a conflict of interest which clients should be aware of.

No client is under any obligation to engage the services of Wipfli, or any other individual or entity we recommend. Generally, clients to whom we recommend Wipfli's services pay the standard fees for the services charged by Wipfli, and clients should know the same services are available from other firms, often at a lower cost. Please also refer to the text box on page 10 for additional considerations relating to conflicts of interest.

B. BROKER-DEALER/INSURANCE AFFILIATIONS: HEWINS BROKERAGE SERVICES, LLC

Hewins Brokerage Services, LLC ("HBS"), Firm CRD No. 171954, is a registered broker-dealer and a licensed insurance agency that is an affiliate of Hewins. On August 24, 2015, HBS was approved for membership in FINRA, and was registered as a broker-dealer with the SEC effective August 28, 2015. HBS was approved by FINRA to commence business as of August 31, 2015. Certain of our employees and management persons are also registered representatives of, and hold officer and principal positions, in HBS.

HBS offers certain insurance, variable product and mutual fund solutions to our new and existing clients. Because certain management persons and representatives of HBS are also indirect owners of both Hewins and HBS, a conflict of interest exists between such management persons and shared customers of Hewins and HBS. The nature of this conflict is the influence of HBS' profitability over its owners' financial interests. Further, because of the affiliation between us and HBS, we have a potential conflict of interest in recommending HBS for certain of Hewins' clients' transactions. Finally, as is standard in the broker-dealer industry, conflicts of interest between HBS, its registered representatives and its customers occur based upon commissions or other incentive compensation earned by the firm or its IARs for the sale of certain products to its customers.

To mitigate this conflict of interest, all prospective clients for commission-based products are presented with a Disclosure and Authorization form prior to engaging Hewins or purchasing any

products or services. This document describes the potential for conflicts of interest and outlines the fees that Hewins or its affiliates receive.

HBS provides its services only on a direct-application basis and does not carry client accounts. As more fully set forth in Item 12 below and to the extent reasonable, we generally recommend that clients utilize Schwab and/or TD Ameritrade as the custodian for their securities accounts, with whom neither we, nor any of our principals or employees, have any affiliation.

C. BROKER-DEALER/INSURANCE AGENCY AFFILIATIONS: VALMARK SECURITIES, INC.

Certain of our employees are also registered representatives of ValMark Securities, Inc. ("ValMark"), Firm CRD. No. 31243. None of our principals or employees are owners of ValMark. ValMark is a registered broker-dealer and a member of FINRA and the Securities Investors Protection Corporation ("SIPC"). ValMark is located at 130 Springside Drive, Suite 300, Akron, Ohio 44333. ValMark and Hewins Financial Advisors are separate legal entities and are wholly independent of one another. ValMark does not supervise our investment advisory, financial planning, OnCue Wealth Management Solutions™ or other services beyond a limited scope of supervision required by FINRA rules. ValMark has no responsibility for our decisions regarding the services we provide to our clients. We do not supervise, nor are we otherwise responsible for, the brokerage or insurance-related services of ValMark.

Our employees that are affiliated with ValMark as registered representatives earn commissions or similar consideration. The receipt of commissions from the sale of a product could create a compensatory incentive to sell products that is not in the best interests of the client, and thus creates a conflict of interest between the registered representative and our client. Although our employees who are affiliated as registered representatives with ValMark are obligated to assign all commissions or similar compensation to Hewins Brokerage Services, LLC, certain IARs of the firm are eligible to earn discretionary incentive compensation based on the sale of insurance products.

Because of the affiliation of our employees with ValMark, we have a potential conflict of interest in recommending ValMark for client transactions. However, as more fully set forth in Item 12 below and to the extent reasonable, we generally recommend that clients utilize Schwab and/or TD Ameritrade as the custodian for their securities accounts, with whom neither we, nor any of our principals or employees, have any affiliation.

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

As a fiduciary to its clients, Hewins has an ongoing responsibility to ensure that clients' interests always come first. In doing so Hewins must avoid actual and potential conflicts of interest with its clients. To comply with these duties and responsibilities, Hewins has adopted a Code of Ethics which serves to establish a standard of business conduct for all of our employees and is based upon fundamental principles of openness, integrity, honesty and trust. A copy of our Code of Ethics is available at no cost upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, we also maintain and enforce written policies reasonably designed to prevent the misuse of material, nonpublic

information by Hewins or its employees. These policies are addressed in a formally adopted Insider Trading Policy, which is incorporated in the Code of Ethics.

Although recommendations to buy and sell individual securities (such as stocks and bonds) are a relatively small part of Hewins' services, and trading for clients in these securities is limited, we require all principals and employees to disclose personal trading accounts to the firm and preclear all personal trades in reportable securities. Within 10 days of becoming affiliated with Hewins, each principal or employee is required to disclose all personal brokerage accounts in which trading takes place or may take place. Prior to buying or selling a reportable security for his/her own benefit, each affiliated person is required to preclear the trade. The Chief Compliance Officer, in collaboration with the Chief Operating Officer or a designee, reviews all preclearance requests for compliance with our Code of Ethics. Affiliated persons who violate the Code of Ethics are subject to disciplinary action up to termination of employment.

Item 12: BROKERAGE PRACTICES

A. THE CUSTODIANS AND BROKERS WE USE

Hewins does not maintain custody of your assets that we manage, although the firm is deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 of this Brochure). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Schwab or TD Ameritrade as qualified custodians. Both Schwab and TD Ameritrade are registered broker-dealers and each firm is a member of the SIPC. We are independently owned and operated and are not affiliated with either Schwab or TD Ameritrade. Schwab and TD Ameritrade will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab or TD Ameritrade as custodian/broker, you will decide whether to do so and will open your account with Schwab or TD Ameritrade by entering into an account agreement directly with them. We do not open the account for you, although we can assist you in doing so. Even though your account is maintained at Schwab or TD Ameritrade, we can still use other brokers to execute trades for your account, as described below (see "Your Brokerage and Custody Costs").

B. HOW WE SELECT BROKERS AND CUSTODIANS

We seek to use a custodian and/or broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.);
- Availability of investment research and tools that assist us in making investment decisions;

- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength and stability;
- Prior service to us and our other clients;
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab and TD Ameritrade”); and
- Technology platform.

C. YOUR BROKERAGE AND CUSTODY COSTS

For clients whose accounts are maintained by Schwab and TD Ameritrade, custody services are generally not charged separately, but are compensated by either charging clients a commission on trades that are executed or that are settled into their Schwab or TD Ameritrade account or an asset-based fee on their account. Detailed explanation of these fees and commissions, including the difference between Asset-Based Pricing (“ABP”) and Transaction-Based Pricing (“TBP”), is provided in Item 5 of this Brochure under “Custodial Fees.” Schwab and TD Ameritrade’s respective TBP (commission) rates and ABP fees applicable to our clients’ accounts were negotiated and are often being renegotiated by Hewins to benefit our clients. We have determined that having either Schwab or TD Ameritrade execute trades in clients’ accounts is consistent with our duty to seek “best execution” of their trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

D. PRODUCTS AND SERVICES AVAILABLE TO HEWINS FROM SCHWAB AND TD AMERITRADE

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business that specializes in serving independent investment advisory firms like Hewins. TD Ameritrade provides these services under the name TD Ameritrade Institutional. Schwab and TD Ameritrade provide us and our clients with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to retail customers of either brokerage firm. Schwab and TD Ameritrade also make available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab and TD Ameritrade’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. The following is a more detailed description of these support services:

Services that benefit clients. Schwab and TD Ameritrade’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of client assets. The investment products available through Schwab and TD Ameritrade include some to which we might not otherwise have access or that would require a significantly higher minimum-initial investment by our clients. The Schwab and TD Ameritrade services described in this paragraph generally benefit clients and their accounts.

Services that do not directly benefit clients. Schwab and TD Ameritrade also offer other products and services that benefit us, but do not directly benefit clients or their accounts. These products and services assist us in managing and administering our clients’ accounts; they include investment research, both Schwab or TD Ameritrade’s own and that of third parties. We could use this research

to service all or many of our clients' accounts, including accounts not maintained at Schwab or TD Ameritrade. In addition to investment research, Schwab and TD Ameritrade also offer software and other technology that provide us with access to client account data (such as duplicate trade confirmations and account statements); facilitate trade execution; provide pricing and other market data; facilitate payment of our fees from our clients' accounts; and assist with back-office functions, recordkeeping and client reporting.

Services from Schwab that generally only benefit Hewins. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and networking events;
- Consulting on technology, compliance, legal and business needs;
- Publications and conferences on practice management and business succession; and
- Access to various consultants and other service providers.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Sometimes Schwab also discounts or waive its fees for some of these services or pays all or a portion of a third party's fees. From time to time, Schwab provides us with other benefits such as occasional business entertainment of our personnel. Currently, we do not use any such services offered by TD Ameritrade, although some of them are available to us upon request.

E. OUR INTEREST IN SCHWAB AND TD AMERITRADE'S SERVICES

The availability of these services from Schwab or TD Ameritrade, as applicable, benefits us because we do not have to produce or purchase them; we are not required to pay for Schwab or TD Ameritrade's services. These services are not contingent upon us committing any specific amount of business to Schwab or TD Ameritrade in trading commissions or assets in custody; however, when determining what services to offer to us, both Schwab and TD Ameritrade take into consideration the amount of client assets that we custody with them and trading volumes. We have an incentive to recommend that you maintain your account with Schwab or TD Ameritrade, based on our interest in receiving their services that benefit our business, rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab or TD Ameritrade, as a custodian and broker, is in the best interests of our clients. Our selection is primarily supported by the scope, quality and price of Schwab and TD Ameritrade's services (see "How We Select Brokers and Custodians") — not just services that only benefit us.

F. DIRECTED BROKERAGE

If a client requires that account transactions be placed through a specific broker-dealer, the client will negotiate terms and arrangements for their account with that broker-dealer, and we will not seek better execution services or prices from other broker-dealers. As a result, the client could pay higher commissions, other transaction costs or greater spreads, or receive less favorable net prices

on transactions for the account than would otherwise be the case.

G. TRADE ERRORS

If we ever cause a trade error in a client's account, the client will be made whole. If the correction of the trade error caused by us results in a loss, we are responsible for that loss. Schwab and TD Ameritrade have slightly different policies regarding how they deal with scenarios when a trade error results in a gain. Schwab's policy permits the client to keep the gain. If the client foregoes the gain (e.g., for tax reasons), Schwab will donate the amount of the gain to a charity of their choice. TD Ameritrade removes all trade-error gains from clients' accounts and donates them to a charity of their choice.

H. INITIAL PUBLIC OFFERINGS

We do not purchase or allocate to Initial Public Offerings ("IPOs") of securities, nor do we recommend IPOs to our clients.

Item 13: REVIEW OF ACCOUNTS

For those clients to whom we provide investment advisory services, account reviews are conducted regularly. Ongoing reviews are conducted to watch for variances to allocations, cash inflows and opportunities for tax-loss harvesting. Client performance is reviewed by the IAR on a quarterly basis. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives, account performance and any personal or financial changes with their IAR, on at least an annual basis and any time there is a material change.

We also conduct account reviews upon the occurrence of a triggering event, such as a change in a client's investment objectives and/or their 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 we charge. We also provide a quarterly performance report to each client. The quarterly 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 Hewins with the account statements received from their custodian. Should there be any material discrepancy, the custodian's report should be relied upon. The custodian does not verify the accuracy of our fees prior to deducting them from clients' account(s). If clients have any questions or concerns about the amount they are charged, or any other information on their quarterly report or account statements, they should contact Hewins.

Item 14: CLIENT REFERRALS AND OTHER COMPENSATION

A. REFERRALS FROM NON-SUPERVISED PERSONS

From time to time, Hewins enters into written solicitor agreements to compensate non-supervised persons for client referrals. All such written agreements are drafted to meet the requirements of

Rule 206(4)-3 promulgated under the Investment Advisers Act of 1940, and we are free to terminate these agreements at any time. Generally, compensation under these agreements is limited to a referral fee, which is based on a percentage of our annual fee collected from the referred client for investment advisory services provided by Hewins and is paid to the solicitor for one year in quarterly installments. Referral fees are not charged directly or indirectly to the client. To the extent that applicable state laws require solicitors to be registered as investment advisor representatives, we will require the solicitor to be appropriately registered.

a. Schwab Referrals

We receive client referrals from Schwab through our participation in the Schwab Advisor Network™ (the “Network”), designed to help investors find an independent investment advisor. Schwab is a broker-dealer and custodian and is independent of and unaffiliated with us. Schwab does not supervise us and has no responsibility for our management of clients’ portfolios or our other advice or services. We pay Schwab fees to receive client referrals through the Network. Our participation in the Network is not predicated on having assets at Schwab, but it does raise potential conflicts of interest nonetheless, as described below.

We pay Schwab: (1) a Participation Fee on all referred clients’ accounts that are maintained in custody at Schwab, or (2) a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee we pay is a percentage of the fees paid by the client to us or a percentage of the value of the assets in the client’s account, subject to a minimum Participation Fee. We pay Schwab the Participation Fee for so long as the referred client’s account remains in custody at Schwab. The Participation Fee is billed to us quarterly and could be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by us and not by the client. We have agreed not to charge clients referred through the Network fees or costs greater than the fees or costs we charge clients with similar portfolios (pursuant to our standard fee schedule) who were not referred through the Network.

We have no commitment to Schwab or any other any 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. Our clients do not pay more for investment transactions effected and/or assets maintained at Schwab because of this arrangement.

Please see Item 5 above for a description of the fees charged by Schwab to the client.

aa. Conflict of Interest in Schwab Referrals

We will have to pay Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by Schwab, or assets in the account are transferred from Schwab, unless the client was solely responsible for the decision not to maintain custody at Schwab. This Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed in custody other than at Schwab and would be payable by us. The Non-Schwab Custody Fee is higher than the Participation Fees Hewins generally would pay in a single year. This means that we are incentivized to recommend that Network-referred client accounts remain held in custody at Schwab.

The Participation and Non-Schwab Custody Fees are based on assets in accounts of our clients who were referred by Schwab and referred clients’ family members living in the same household. Thus, we will have incentives to encourage household members of clients referred through the Network to maintain custody of their accounts at Schwab.

If we determine that Network-referred clients would be better served at a custodian other than Schwab, we will adhere to our fiduciary responsibility and place the interests of those clients first.

Item 15: CUSTODY

We do not take physical custody of our clients' assets.

Per SEC regulations, we are deemed to have custody because, for certain clients, we or an affiliate:

- Act in a capacity of Trustee, Guardian, Power of Attorney, Custodian or similar authority;
- Have entered into an arrangement with the client, per the client's request, in which we are able to withdraw funds from the client's account (including bill-pay services or other withdrawals made pursuant to standing letters of client authorization); and/or
- Have client-authorized access to an account, with the ability to withdraw or transfer funds from the account.

The SEC requires that firms who have custody for the reasons listed above are subject to an annual surprise audit to be conducted by an independent CPA firm which is registered with and subject to regular inspection by the Public Company Accounting Oversight Board (PCAOB). We have complied with the requirements concerning such surprise audits and will continue to do so in the future.

We are also deemed to have constructive custody over those client accounts where we are able to deduct our fees directly from the account. As long as we comply with certain regulatory requirements, this constructive custody does not mandate that we undergo a surprise audit for those accounts.

Our clients receive account statements directly from the qualified custodian at least quarterly. We also send clients quarterly reports that we produce using our portfolio accounting system. We strongly urge our clients to compare such reports with the statements received from the qualified custodian. Furthermore, when we calculate our investment management fees and instruct the custodian to remit these fees to us directly from clients' accounts, the custodian does not verify our calculation of fees. We perform quarterly testing to ensure that our fees are charged in accordance with the client's Agreement.

Clients are strongly encouraged to review the amount of our fees deducted from their accounts and compare them with the fee schedule(s) in their Investment Advisory Agreements. We strongly recommend discussing any assumed or suspected discrepancies, or any questions regarding the fees, with our Chief Compliance Officer, who can be reached toll-free at 888-520-3040.

Item 16: INVESTMENT DISCRETION

A. DISCRETIONARY AND NONDISCRETIONARY MANAGEMENT

As discussed above in Item 4, our clients receiving standard investment advisory services have a choice to engage us on a discretionary or nondiscretionary basis. In either case, the client will sign an Investment Advisory Agreement which specifies which kind of service we will render. For both types of clients, we are authorized, by the client, to rebalance the 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. Key Access Services® are provided only on a discretionary basis, and our Retirement Plan Services, provided on an ERISA 3(38) basis, are only offered on a discretionary basis.

For clients who retain us on a discretionary basis, the Investment Advisory Agreement grants us 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 our nondiscretionary advisory services, we generally maintain ongoing responsibility to make recommendations based upon the needs and objectives of the client. If such recommendations are accepted by the client, we are responsible for arranging or effecting the purchase or sale. For nondiscretionary clients, we do not have the authorization to change either the client's asset allocation or specific investments without prior approval from the client, except for tax-loss harvesting and rebalancing, as described in Item 8 above.

a. Nondiscretionary Service Limitations

Clients that determine to engage us on a nondiscretionary investment advisory basis must be willing to accept that we cannot execute any account transactions without obtaining prior consent to each transaction from the client. Thus, if we desire to make a change during a time when the client is unavailable, we will generally be unable to execute any account transactions (as we would for our discretionary clients). This inability to trade could result in losses to the client that could otherwise have been avoided.

To mitigate the potential consequences of not being able to trade in a timely manner on behalf of a nondiscretionary client, we have incorporated a provision into our Investment Advisory Agreement that expressly provides us with the client's general prior consent to execute transactions on behalf of the nondiscretionary client when, in our professional judgment, waiting for client approval could be detrimental to the client because of market or security-specific dynamics. In these instances, the client's prior consent to effectuate a particular transaction is considered granted when:

- We notify the client of our recommendation in advance of effecting **the** recommended trade; and
- We do not receive an objection to our recommendation within the timeframe established by the notice, or within seven (7) days of the date of the notice if no alternative timeframe is given.

Item 17: VOTING CLIENT SECURITIES

Hewins will vote proxies on behalf of those of our clients who request us to do so. Typically, we accept proxy voting responsibilities for securities in those accounts that we manage and maintain discretionary investment authority (in limited circumstances after discussing with the client, we will accept requests to vote in nondiscretionary accounts). We have engaged a nonaffiliated third-party proxy voting service provider ("Proxy Service"). Proxy Service is charged with identifying the proxies that we need to vote, voting those proxies as we have directed them to and submitting them to the issuer promptly and accurately.

Our policy is to vote proxies in our clients' best interest (i.e., to maximize shareholder value). To that end, we have subscribed to the services of Glass Lewis & Co. ("Glass Lewis") to provide independent proxy research and voting recommendations. Glass Lewis' voting and policy recommendations are designed to maximize shareholder value. Hewins' Investment Committee (the "IC") reviews Glass Lewis' guidelines and practices no less frequently than annually to determine if their policies continue to be in the best interest of our clients. In the rare event that Glass Lewis does not provide a recommendation, the IC will review the proxy and make a voting recommendation that we believe to be in the clients' best interest. Should the IC determine that a proxy will have little, or no, impact on shareholder value, we could refrain from voting. When our IC determines the optimal vote, they will review both the short- and long-term implications of the proposal to be voted on. If the IC determines that we have, or are perceived to have, a material conflict of interest in voting a certain proxy, we could choose to remove ourselves from the voting process for that particular ballot.

Should a client wish to be voting their own proxies, they should notify Hewins no later than at the time of opening their account(s) at a qualified custodian. In such a case, the client will be responsible for voting all proxies in the affected account(s). Hewins will not accept authorization to vote proxies in any Courtesy (Non-Managed) accounts.

For those of our clients who are qualified retirement plans subject to ERISA, we typically do not accept proxy voting responsibilities, unless such authority has not been delegated to another named fiduciary in the plan's written documents, and our own policies do not preclude us from accepting these responsibilities or providing advice or information about a particular proxy vote to an ERISA client.

a. Obtaining Information on Hewins' Proxy Voting

Our clients can obtain a copy of our Proxy Voting Policy as well as certain proxy voting records — including information on votes cast on behalf of our clients — by requesting such documents from our Chief Compliance Officer at the address or phone number presented on the title page of this Brochure.

Item 18: FINANCIAL INFORMATION

We do not require prepayment of fees of more than \$1,200 per client six months or more in advance.

We do not believe there are any financial conditions that are likely to impair our ability to meet our contractual commitments relating to our discretionary authority over certain client accounts.

We have not been the subject of a bankruptcy petition.

Any Questions?

Our Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above disclosures, conflicts of interest and other arrangements. Our Chief Compliance Officer can be reached at 888-520-3040.