

Item 1 – Cover Page

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March 26, 2019

This Brochure provides information about the qualifications and business practices of HORNE Wealth Advisors, LLC (“HWA”). If you have any questions about the contents of this Brochure, please contact us at (601) 326-1000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

HWA is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about HWA also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for HWA is 151067.

Item 2 – Material Changes

Item 2 of this Brochure will discuss only specific material changes that are made to the Brochure since the last annual update and provide clients with a summary of such changes.

We do not have material changes for our current Brochure, however, please note that we have updated the Assets Under Management information of Item 4 in accordance with the filing of our Annual Updating Amendment on March 26, 2019.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Stan P. Purvis, Partner & Chief Compliance Officer at (601) 326-1000.

(Brochure Date: 03/26/2019)

(Date of Most Recent Annual Updating Amendment: 03/26/2019)

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Item 4 – Advisory Business

HWA is wholly owned by an affiliated accounting firm, HORNE LLP. HWA has been providing advisory services since 2009.

As of December 31, 2018, HWA managed funds and advised funds totaled \$323,611,681 representing 243 relationships. HWA managed \$251,891,328 on a discretionary basis and \$0 on a non-discretionary basis. HWA advised on \$71,720,352 in participant-directed employee retirement plans.

Investment Management Services:

HWA offers investment management services to individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses. HWA will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. HWA uses investment and portfolio allocation software to evaluate alternative portfolio designs. HWA evaluates the client's existing investments with respect to the client's investment policy statement. HWA works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by HWA. HWA will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

HWA will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. HWA will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. HWA primarily recommends portfolios consisting of passively managed asset class and index mutual funds. HWA primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

HWA manages mutual fund and equity portfolios on a discretionary basis according to the investment policy selected by the client.

A client may impose any reasonable restrictions on HWA's discretionary authority, including restrictions on the types of securities in which HWA may invest client's assets and on specific securities, which the client may believe to be appropriate.

HWA may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. HWA will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. HWA will prepare a Fixed Income Investment Policy Statement for any client qualifying for separate fixed income portfolio services.

Pursuant to its discretionary authority, HWA will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain HWA's consent prior to the sale of any client securities.

On an ongoing basis, HWA will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. HWA will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. HWA will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, HWA may consult with clients on various financial areas including income and estate tax planning, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things.

Employee Benefit Retirement Plan Services:

HWA also provides advisory services to participant-directed retirement plans through third party administration services, which are online bundled service providers offering an opportunity for plan sponsors to provide their participants with daily account access, valuation, and investment education.

HWA will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. HWA will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

HWA will recommend changes in the plan's investment vehicles as may be appropriate from time to time. HWA generally will review the plan's investment vehicles and investment policy as necessary.

For certain retirement plans, HWA also works in coordination and support with BAM Advisor Services, LLC ("BAM"). Retirement plan clients will engage both HWA and BAM. BAM will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

HWA will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

Item 5 – Fees and Compensation

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

HWA has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. HWA has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. HWA pays a fee for BAM services based on management fees paid to HWA on accounts that use BAM Advisor Services. The fee paid by HWA to BAM consists of a portion of the fee paid by clients to HWA and varies based on the total client assets participating in BAM Advisor Services through HWA. These fees are not separately charged to advisory clients.

The specific manner in which fees are charged by HWA is established in a client's written agreement with HWA. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the

absence of market value; client account balances on which HWA calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

For Investment Management and Employee Benefit Plan Services, HWA will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to HWA or its designated service provider, BAM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit HWA's fee and remit such fee to HWA.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

HWA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to HWA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to HWA's fee, and HWA shall not receive any portion of these commissions, fees, and costs.

Advisory Fees

Wealth Advisory Services:

The annual fee for investment management services will be charged as a percentage of assets under management, according to the schedule below:

Assets under management	Annual Fee (%)
First \$1,000,000	1.00%
Next \$2,000,000	0.80%
Next \$2,000,000	0.70%
Next \$5,000,000	0.60%
Balance above \$10,000,000	0.50%

All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

The minimum annual fee for all accounts is \$10,000. This fee may be negotiable under certain circumstance.

Institutional Investment Services:

Assets under management	Annual Fee (%)
First \$1,000,000	0.75%
Next \$2,000,000	0.65%
Next \$2,000,000	0.50%
Next \$5,000,000	0.40%
Balance above \$10,000,000	0.30%

The minimum annual fee for all accounts is \$10,000. This fee may be negotiable under certain circumstance.

Employee Benefit Retirement Plan Services

The annual fee for plan services will be charged as a percentage of assets within the plan.

Assets Under Management	HWA's Annual Fee	BAM's Annual Fee	Total Fee
On the first \$1,000,000	0.80%	0.20%	1.00%
On the next \$2,000,000	0.65%	0.15%	0.80%
On the next \$2,000,000	0.55%	0.15%	0.70%
On the next \$5,000,000	0.52%	0.08%	0.60%
On all amounts above \$10,000,000	0.45%	0.05%	0.50%

The minimum annual fee for all accounts is \$10,000. This fee may be negotiable under certain circumstances.

HWA and BAM Advisor Services share the employment benefit services fee according to a percentage negotiated between HWA and BAM Advisor Services. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

HORNE Wealth Strategies Services

In addition to the investment advisory services provided by HWA, clients may engage HORNE Wealth Strategies ("HWS"), a tax group of HORNE LLP, for tax consulting, planning, preparation, bookkeeping, and general tax services. To engage HWS for these tax services, clients will be required to enter into a separate engagement agreement defining the terms of the services to be provided. The engagement agreement sets forth the terms, fees and conditions of the engagement and describes the scope of the services to be provided.

Personal Accounting Services

Clients may also retain HWS for personal accounting services. These services include bookkeeping, financial statement compilation, consulting services, compliance reporting and payroll services. Clients will be required to sign an engagement agreement which will set forth the terms, fees and conditions of the services to be provided.

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

HWA does not charge any performance-based fees (fees based on a share of capital gains

on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 – Types of Clients

HWA offers services to high net worth individuals and families, corporations, business owners, qualified retirement plans, trusts and charitable organizations.

HWA generally requires a minimum account size of \$1,000,000 for Investment Management and Employee Benefit Plan Services. This minimum account size may be negotiable under certain circumstances.

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

Methods of Analysis and Investment Strategy

HWA's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. HWA's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. HWA recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. HWA selects or recommends portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, HWA's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. HWA's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that HWA's strategy seeks to minimize.

In the implementation of investment plans, HWA therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. HWA may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and HWA may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

HWA's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

HWA receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). HWA utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to HWA.

Analysis of a Client's Financial Situation

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, HWA relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, HWA may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

Risk of Loss

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

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by HWA may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in HWA's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by HWA may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

Item 9 – Disciplinary Information

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

Item 10 – Other Financial Industry Activities and Affiliations

Licensed Insurance Agency

HWA is also a general insurance agency in the State of Mississippi. As such, individual members of HWA are also insurance agents and therefore able to purchase insurance products for HWA clients. HWA and these individuals will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage HWA and these individuals when considering implementation of insurance transactions. While these individuals endeavor at all times to put the interest of the clients first as part of

HWA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Affiliated Accounting Firm

HWA is a wholly owned subsidiary of HORNE LLP, a full service accounting firm. The Managing Member of HWA, Joe D. Havens, Jr., is affiliated with the accounting firm HORNE LLP. Mr. Havens is the Executive Partner and a CPA of HORNE LLP. Mr. Havens will spend the majority of his business time engaged in accounting services. HORNE LLP may recommend HWA to accounting clients in need of advisory services. HWA may recommend HORNE LLP to advisory clients in need of accounting services. HWA may also recommend clients retain HWS, a tax group of HORNE LLP for tax services. Services provided by HORNE LLP are separate and distinct from the advisory services of HWA, and are provided for separate and typical compensation. No HWA client is obligated to use HORNE LLP or HWS for any services.

Affiliated Mergers & Acquisition Firm

HORNE Capital Strategies, LLC is wholly owned by Horne, LLP and pursues mergers and acquisition services. Individuals of HORNE Capital Strategies are registered representatives of DCF, LLC, a registered broker-dealer and member of FINRA, SIPC. This entity provides buy and sell advisory services, valuation analysis, and will assist clients in capital raising activities.

BAM Advisor Services, LLC

As described above in Item 4, HWA may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. HWA selects BAM Advisors Services, LLC for such fixed income management. HWA also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. HWA has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of HWA continuously makes this assessment. While HWA has a contract with BAM Advisor Services, LLC governing a time period for back office services, HWA has no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

Item 11 – Code of Ethics

HWA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. HWA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth HWA's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with HWA may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of HWA that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, HWA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. HWA also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

HWA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. HWA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

HWA will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is HWA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. HWA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

HWA arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, HWA participates in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC, the Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisers, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC and the TD Ameritrade Institutional ("TDA") services program offered to independent advisers by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. Schwab, Fidelity and TDA are unaffiliated SEC-registered broker dealers and FINRA member broker dealers.

The Schwab, Fidelity and TDA brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. HWA regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to HWA's service arrangements and capabilities, and HWA may not accept clients who direct the use of other brokers. As part of these programs, HWA receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As HWA will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct HWA as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that HWA will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisers require clients to direct the use of specific brokers.

HWA will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by HWA on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

SAS, TDA and FIWS do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts held at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While HWA will not arrange transactions through other brokers, the authority of

the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

HWA also does not have any arrangements to compensate any broker dealer for client referrals.

HWA does not maintain any client trade error gains. HWA makes client whole with respect to any trade error losses incurred by client caused by HWA. For clients utilizing TD Ameritrade for brokerage services, TD Ameritrade maintains a policy that any trade error gains will be donated by TD Ameritrade to charity.

As a manager of mutual fund portfolios, HWA has limited opportunities to achieve any client benefits by aggregating client orders. Though HWA has limited opportunities to aggregate client orders, we may aggregate client transactions when we determine it is advantageous to clients and in the clients' best interest. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an HWA client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an HWA client. See BAM Advisor Services, LLC Form ADV Part 2.

Employee Benefit Retirement Plan Services:

HWA does not arrange for the execution of securities transactions for 401k plans as a part of this service. Transactions are executed directly through employee plan participation.

Item 13 – Review of Accounts

Reviews:

Investment Management Services

Account assets are supervised continuously and formally reviewed quarterly by the advisory team of HWA. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;
- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

Employee Benefit Retirement Plan Services:

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

Reports:

All clients will receive quarterly performance reports, prepared by BAM and reviewed by HWA, that summarize the client's account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions and current market value.

Employee Benefit Retirement Plan Services

Plan sponsors are provided with quarterly information and annual performance reviews from HWA. In addition, plan participant education information may also be provided to the Plan Sponsor or Administrator for distribution to the participants of the plan.

Item 14 – Client Referrals and Other Compensation

Other Compensation

As indicated under the disclosure for Item 12, SAS, TDA and FIWS each respectively provide HWA with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit HWA but may not benefit its clients' accounts. Many of the products and services assist HWA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing

information and other market data, facilitate payment of HWA's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of HWA accounts. Recommended brokers also make available to HWA other services intended to help HWA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. HWA does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, HWA endeavors to act in its clients' best interests, HWA's requirement that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to HWA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

HWA also receives software from DFA, which HWA utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for HWA personnel. These services are designed to assist HWA plan and design its services for business growth.

Client Referrals

HWA does not currently compensate any person for client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. HWA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

HWA requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written

authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, HWA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to HWA in writing.

Item 17 – Voting Client Securities

Proxy Voting: As a matter of firm policy and practice, HWA does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. HWA, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that HWA will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct HWA to transmit copies of class action notices to the client or a third party. Upon such direction, HWA will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

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