

# Heritage Investors Management Corporation Form CRS

March 25, 2024

## Item 1: Introduction

Heritage Investors Management Corporation (Heritage) is registered with the Securities and Exchange Commission as an Investment Adviser. Brokerage and investment advisory services and fees differ and it is important for the retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services: What Investment Services & Advice Can You Provide Me?

Heritage offers investment advisory services to retail and institutional investors. The firm offers professional, personalized investment management to meet the individual objectives of its clients. Our investment advice is not limited to a particular type of security. Heritage typically manages portfolios of stocks, bonds, exchange traded funds, and money market instruments. Each portfolio is tailored to the needs of the client. We consider each client's risk level, tax situation, age, income and growth needs among other factors when selecting securities for a portfolio. Our minimum account size for new relationships is \$1,000,000 although exceptions are made from time to time. Generally, clients grant us, as provided by our advisory agreement, the discretionary authority to select which and how many securities to buy or sell. We agree to adhere to all investment objectives, guidelines, and restrictions imposed by the client. When we determine that a particular security should be acquired, the accounts are reviewed to ascertain if the security is appropriate for the client. While we monitor accounts' value and performance on a daily basis, the frequency of more comprehensive account reviews depends on several factors, including market conditions and client requests, with reviews occurring no less than quarterly.

For additional information, please see Form ADV, Part 2A brochure (Items 4 and 7) and other applicable documents.

**Conversation Starters: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?**

## Item 3A: What Fees Will I Pay?

Heritage charges a fee based on a percentage of assets under management. The fee is based on the value at the beginning of the contract and each subsequent quarterly period. The annual rate shall equal: 1% on the first \$1,000,000 under management and .50% on the balance over \$1,000,000. The minimum fee is \$10,000. The fee may be negotiable. Each account is billed quarterly. Accounts of family members are managed separately, but are combined for fee purposes. Fees will be assessed on all the holdings in the portfolio including mutual funds, money market funds, and exchange traded funds. The more assets there are in your account, the more you will pay in fees, and the firm may therefore have an incentive to encourage you to increase the assets in your account.

As a condition of Heritage's managing their assets, clients are required to arrange for custody of their assets either at a trust department, trust company, or a brokerage firm. The client is responsible for all custodial and securities broker-dealer execution and trading fees. The Heritage asset-based management fee is separate and distinct from the custodian and broker-dealer fees. Some investments (such as mutual funds and ETFs) impose additional fees that will reduce the value of your investment over time.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

For additional information, please see Form ADV, Part 2A brochure (Item 5) and other applicable documents.

**Conversation Starters: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

### **Item 3B: What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

**When we act as your investment adviser**, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

#### **Example of Potential Conflicts:**

We charge an investment advisory fee based on the assets we manage. We may therefore have an incentive to recommend adding assets to an account that we manage that increases the fee you pay us. Here are some examples to help you understand what this means:

- We may recommend that you rollover funds from a company-sponsored retirement plan into an Individual Retirement Account that we manage for an asset-based fee. If we currently do not manage your account held with your employer's plan, this will increase our compensation.
- We may recommend that someone who recently sold their business or a property open or add to an account with us that we manage for an asset-based fee. This will increase our compensation.

Heritage may recommend accountants, attorneys, or other financial professionals to our clients, but we do not receive compensation directly or indirectly for such activities. We believe that recommending other professionals with whom we have had successful business dealings and who may refer clients to us may appear to create a conflict of interest; therefore, we will acknowledge to our clients existing business relationships at the time such referrals are made or received.

For additional information, please see Form ADV, Part 2A brochure (Items 5, 6, 10, and 11) and other applicable documents.

**Conversation Starters:** Ask your financial professional—**How might your conflicts of interest affect me, and how will you address them?**

### **Item 3C: How do your financial professionals make money?**

Our financial professionals are compensated through a combination of salary, bonus, and retirement plan contributions. Salary is based on various market factors and the skill and experience of the individual. Bonuses are discretionary, and reflect the overall success of the firm and the individual. Total compensation includes many factors such as total firm revenue, recommendations, the amount of client assets they service, and the time and complexity required to meet a client's needs. Our financial professionals receive no product sales commissions or other forms of payment.

### **Item 4: Do your financial professionals have legal or disciplinary history?**

No. We have no legal or disciplinary history to report. Free and simple search tools are available to retail investors who visit <http://www.investor.gov/CRS> to research our firm and financial professionals.

**Conversation Starters:** Ask your financial professional—**As a financial professional, do you have any disciplinary history? For what type of conduct?**

### **Item 5: Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at <http://www.adviserinfo.sec.gov> by searching CRD # 110420. You may also contact our firm at 301-951-0440 to request a copy of this relationship summary and other up-to-date information.

**Conversation Starters:** Ask your financial professional—**Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?**