



Hershey Financial Advisers, LLC

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This Brochure provides information about the qualifications and business practices of Hershey Financial Advisers, LLC. If you have any questions about the contents of this Brochure, please contact us at 717-25-8888. 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.

Additional information about Hershey Financial Advisers, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Hershey Financial Advisers, LLC is a Registered Investment Adviser. Registration as an investment adviser does not imply a certain level of skill or training.

Item 2: Material Changes

Since our last update, May 1, 2023, we have made the following change to our Brochure:

- Removed references to TD Ameritrade, replaced with Charles Schwab.

Item 3: Table of Contents

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Item 4: Advisory Business

Hershey Financial Advisers, LLC is a Pennsylvania limited liability company formed in March 25, 2009. It is registered with the Securities and Exchange Commission (“SEC”) as a registered investment adviser. Principal owners of the firm are Mr. Greg Boll and Mr. Nicholas Brightbill.

Advisory services that we provide to clients include investment advice, financial planning, and insurance solutions. HFA is dedicated to providing personalized services to all of our clients to assist their current and future financial well-being. Our advisory services are described in more detail below.

Investment Advice

Through understanding our clients’ complete financial picture, we are then able to recommend a course of action when it comes to investment management. We may recommend certain research provider investment strategies based on a client’s unique investment objectives. These strategies are chosen based on (1) client risk tolerance and investment objectives; (2) the research provider’s performance track record; (3) the research provider’s reputation in the industry; (4) expenses incurred; and (5) the research provider’s particular methods of analysis and strategies.

HFA may recommend to clients that all or a portion of their investment portfolio be managed based on certain tactical and strategic model portfolios. Tactical asset allocation portfolios reallocate based on the underlying analysis of a group of mutual funds, exchange traded funds (“ETFs”), or individual stocks. Strategic portfolios rebalance less frequently in order to arrive at an optimal allocation among mutual funds and ETFs that targets a particular level of volatility. All of these portfolios are calibrated to particular risk levels appropriate for each client’s unique risk tolerance.

Financial Planning

Foundational to our clients’ well-being is a financial plan. A financial plan sets the course for approaching life’s expected and unexpected financial obligations. We collaborate with our clients to formulate a comprehensive plan according to their unique needs, goals, and risk tolerance. The plan takes into account your assets, income, liabilities, age, employment, current spending needs, and prospective goals for funding retirement or any other significant financial decision. A fundamental consideration of this foundational financial plan is risk management. HFA works with clients, individuals and businesses, to evaluate their financial risks and ensure that they are prepared—with appropriate insurance and financial plan of action—should the unexpected occur. The following are some of the items that may be addressed in your financial plan:

- Debt reduction and budget management;
- Reallocation of assets;
- Retirement planning;
- Selection of investment strategies;
- Retirement planning;
- Education planning;
- Legacy planning;

- Tax efficient investing;
- Insurance planning.

The time it takes to develop comprehensive financial plans varies based on differing clients' needs. Through our ongoing relationship we are able to adjust your plan as your circumstances or goals might change.

All Advice Individually Tailored

All of HFA's financial planning and investment advice is custom-tailored to each individual client's financial situation and their needs, desires, and goals. Through in-depth conversations and a thorough financial analysis we assess a client's financial health, objectives, and investment risk tolerance. We maintain client contact so that (a) this vital information never goes stale such that we seek to stay informed of any relevant changed circumstances; and (b) our planning and investment advice therefore remain custom-fit for a client's unique financial goals.

As of December 31st 2023, Hershey Financial Advisers, LLC managed approximately \$122,115,127 on a discretionary basis and \$929,226 on a non-discretionary basis.

Item 5: Fees and Compensation

HFA offers its investment advisory services on a fee on assets under management basis. The fee will be outlined and described in detail on the advisory agreement that you will sign at the outset of our relationship. Our fees are negotiable.

The client's advisory fee shall be a flat percentage rate dependent upon the client's asset range on a tiered basis.

<u>Market Value of Portfolio</u>	<u>Maximum Annual Fee (% of Assets)</u>
Up to \$500,000	.50% - 2.00%
\$500,001 to \$1,500,000	.5% - 1.75%
\$1,500,001 to \$3,000,000	.5% - 1.50%
Above \$3,000,000	.5% - 1.25%

Similarly situated clients could pay different fees based on the scope, complexity, and amount of time and expertise required and range of services.

Advisory fees are calculated and billed quarterly in advance or in arrears as selected by the client. For clients who pay in advance, should they terminate their relationship with us before the end of the billing period we will refund them any unearned fees pro-rata from the date of termination to the date of the end of the billing period. Client agrees to supply HFA with the ability to deduct fees from the account(s) on a quarterly basis. This fee deduction process will occur in advance or in arrears of service provided and will be accompanied by a quarterly fee notification that will be supplied to the client and evidenced on the account statement produced by the qualified custodian. The specific method of billing is disclosed in each individual client agreement. Quarterly fees are based on the beginning balances of newly established accounts or on the ending value of securities on the last day of the quarter for established accounts.

Clients who choose to provide HFA with discretion have empowered HFA to buy and sell securities without the client's prior knowledge or consent. Clients may, by contract, place restrictions on HFA's discretionary authority.

Trail fees or 12(b)(1) fees on these discretionary accounts may be paid to HFA. HFA may act as the investment Advisory client's representative in the execution of securities transactions on a normal and customary basis. The use of a registered broker-dealer for such transactions is at the client's complete discretion. The receipt of commissions creates the possibility of a conflict of interest. Advisers that can make both fee and commission must put the client's interest ahead of any personal financial gain, this disclosure is to serve notice to clients of the inherent conflict of charging fees and having the ability to also make commissions. Clients have the right to ask if commissions are also being made by the Adviser on accounts where they are charging fees. Clients may pay higher commission rates than otherwise available. HFA and its principals, and not the broker-dealer are solely responsible for the quality of investment advice provided to clients.

For the purpose of implementing recommendations and effecting transactions in the course of construction of a client portfolio and ongoing monitoring or management, HFA may direct Advisory clients to a licensed securities broker-dealer with which he is affiliated as a registered representative. Advisory clients are under no obligation to effect any portfolio transaction with or through HFA or any broker-dealer with which he may be affiliated as a registered representative, and may at any time direct that portfolio transactions be effected with or through any other appropriately licensed securities broker-dealer or registered representative. Investment Advisory Representatives (IARs) who choose to effect transactions for Advisory clients through a securities broker/dealer with which they are affiliated, may receive certain types of transaction-based compensation, which is in addition to the Advisory fees paid to the IAR by clients.

In connection with HFA's management of an account, a client will incur fees and/or expenses separate from and in addition to HFA's advisory fee. These additional fees may include transaction charges and the fees/expenses charged by any custodian, External Managers, mutual fund, ETF, separate account manager (and the manager's platform manager, if any), limited partnership, or other advisor, transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), margin interest, brokerage commissions, mark-ups or mark-downs and other transaction-related costs, electronic fund and wire fees, and any other fees that reasonably may be borne by a brokerage account. For External Managers, clients should review each External Manager's Form ADV 2A disclosure brochure and any contract they sign with the External Manager (in a dual contract relationship). The client is responsible for all such fees and expenses.

Hourly Charges, Fixed Fees, and Conflicts of Interest

HFA provides investment planning services consistent with individual client's financial and tax statues, risk tolerance and investment objectives. Fees are billed at a negotiated rate between the parties. Hourly fees usually range from \$150 to a maximum rate of \$250 per hour. The client may make structured payments with a portion of the fees paid up-front and the remainder of payments made upon completion of the service(s). These options are available in the client agreement. Planning fees are often paid by check, but if the client chooses, they may have the fees debited directly from accounts managed by HFA. These services may also be negotiated as a fixed fee. Unless otherwise stated, client agreements are for a period of one year and are automatically renewed each year. The financial planning agreement may be terminated by the Client or HFA at any time upon written notice to the other party. There is no provision for refunds when services have been rendered.

There is a potential for a conflict of interest in the planning process for HFA to recommend investment products based on the compensation that can potentially be received, when also acting as a registered representative to execute the transactions recommended by a financial plan. Clients have the right to take the recommendations and implement that advice through other product vendors or sales organizations that are not associated with HFA.

Having a hybrid investment adviser/registered representative organization creates conflicts of interest, but it does not necessarily mean the HFA is acting against the best interests of the client. Products often have fixed commission compensation levels that cannot be influenced by HFA, and therefore, is going to cost the client the same, even if they buy it from another broker. However, other commissionable products may have commission levels that vary depending on selected structure or breakpoints.

HFA has a fiduciary duty to select compensation levels that are in the best interest of the client. We provide prospectuses to clients when selling products with commission built into the financial structure.

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

Neither HFA nor any of its supervised persons accepts performance-based fees.

Item 7: Types of Clients

HFA provides its services to individuals, high net worth individuals, institutional investors, business entities, trusts, and charitable organizations.

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

Methods of Analysis and Investment Strategies

HFA offers clients an investment service called Strategic Asset Management (SAM), which is generally managed according to the principles of asset allocation. This service attempts to optimize the risk/reward profile of a client's portfolio by investing among several asset classes based upon a client's personal financial goals and risk preferences. Below is a brief description of the type of general strategies that may be used as guidelines by investment adviser representatives in structuring accounts with varying objectives.

Strategic Asset Management Program (SAM)

Conservative Income allocation. A conservative income portfolio usually seeks to generate income as its primary objective and preserve initial investments as its secondary objective. Conservative income portfolios tend to invest in a mix of income producing investments with a low degree of volatility. A typical conservative income portfolio may consist of about 20% in equity asset classes, and 80% in income asset classes, including fixed income and/or cash equivalents.

Balanced Allocation. A balanced portfolio usually has both capital preservation and growth as its primary objectives. Balanced portfolios tend to invest in a relatively equal mix of low to moderate risk securities. A typical balanced portfolio may consist of about 60% in equity asset classes and 40% in fixed income and/or cash/cash equivalents.

Growth Allocation. A growth portfolio usually seeks to generate long-term capital gains as its primary objective. Growth portfolios tend to invest in a mix of investments with potential for long-term capital appreciation with a more than moderate amount of volatility. A typical growth allocation consists of about 80% equity and 20% in fixed income and/or cash/cash equivalents.

All-Equity Allocation. An all-equity growth portfolio usually seeks to generate long-term capital gains as its primary objective. All Equity portfolios are aggressive portfolios and tend to invest in assets that may be considered high risk and tend to have more volatility. These portfolios may have the potential for higher returns over the long-term. A typical all-equity portfolio consists of about 98% in equity asset classes with only about 2% in cash/cash equivalents.

Since client portfolios are designed to be managed in accordance with the financial circumstances, investment objectives, and preferences of individual clients, the actual asset allocation of a particular account may differ from other client accounts with similar objectives or levels of risk. Asset allocation is driven by various mathematical computations, and is more complex than the concept of asset diversification. It should be recommended that no strategy or allocation formula can guarantee a gain, or assume that an account will suffer a loss.

The program is designed to offer clients a diversified long-term approach to their personal investment goals and objectives. It is important that you keep your investment advisor representative informed as to any changes in your financial situation. This service provides clients with individualized investment portfolio management services, including account review and investment recommendation. Selected investments may include: stocks, bonds, mutual funds and other securities.

The risks associated with this program involve potential loss of principal and the potential for negative returns in any given day, month, year or other time frame. Additionally, in this program there are minimal amounts of trading among or between securities and therefore, the direction of the overall market will likely guide the direction of the client account. If the general market is in recession, a negative impact may be experienced by the portfolio allocation and the client would likely lose money in this strategy.

Active Management Program (AMP)

HFA also offers a service to clients called the Active Management Program (AMP). AMP is a program designed to reposition or reallocate the client's assets based on information obtained from multiple research services. HFA, through a comprehensive client interview including a discussion of the client's stated investment objectives, financial condition, tax situation, time horizon and risk tolerance, will select a model that we believe to be the most suitable after analyzing the gathered data.

Asset allocation and security selection decisions are then made with the aid of computer models that are labeled with investment objectives: Growth, Moderate, Conservative or Bond focused. The portfolio of models may already exist or if HFA deems necessary, a new model portfolio may be constructed for the client individually. The model portfolios are often comprised of multiple asset categories and sectors and have the ability to perform multiple styles of asset allocation including ranges from 100% equity exposure to 100% cash exposure. Investment overlap and diversification are key components to the investment portfolio design.

While the typical asset allocation elected by a large majority of the investment advisory community would include Large Cap, Mid Cap, Small Cap, Bonds and International segments. Our growth model processes often evaluate all of those, but also may include special sectors like: financials, global/foreign, gold, commodities, natural resources, technology, health care, real estate, region specific/country specific, utilities, world bonds and more... thus allowing the models to select risk appropriate positions from a large population of investment opportunities.

Once the initial asset allocation model is determined, assets may be reallocated at any point in time as appropriate. Trading in these accounts may occur as frequently as weekly or monthly, but typically specific position

changes occur every 30 to 150 days. Positions may be left intact for long periods of time if HFA deems them appropriate. Reallocation of assets will trigger taxable events except where IRA accounts, 401(k), 403(b) accounts or other qualified retirement plans or accounts are involved.

The risks associated with this program involve potential loss of principal and the potential for negative returns on any given day, month, year or other time frame. Additionally, this program produces transactions that may change the portfolio allocations at inopportune times, such as moving to cash when the general market is rising or moving to equities when those investments are losing value. Trading in accounts can create additional costs to the client account, but HFA tries to keep those costs low by using platforms with reduced ticket charges. However, no trading strategy can guarantee against a loss of account value and therefore, the client should weigh the potential benefits versus the potential negatives that come with such trading activity.

Third Party Investment Advisers

HFA refers clients to Third Party Investment Adviser (TPIA) firms registered with the SEC and various states and approved by our securities broker-dealer, Leigh Baldwin & Co., LLC. HFA receives a fully disclosed solicitation fee as compensation for introducing accounts to the approved third-party investment advisers. Such arrangements are completely and thoroughly described in the applicable TPIA's Form ADV Part 2A Brochure and client agreement. These materials are provided to the client prior to engaging the services of the approved third party described.

TPIA firms reviewed and approved by Leigh Baldwin & Co., LLC for use by its registered representatives may include so-called "wrap fee" services in which the client pays a single fee for execution and investment management services, and "asset allocation" services in which the Adviser will utilize a model to identify an optimal mix of investments for each client, as well as more traditional research, advisory, and management services. TPIA firms approved by Leigh Baldwin & Co., LLC, Inc for use by its registered representatives typically are either well-established advisers of commonly used services or providers of newer services, which have demonstrated an ability to add value to their clients' portfolios. Upon satisfactory completion of this review process, they will be added to an approved list for use by Leigh Baldwin & Co., LLC's registered representatives.

Clients are asked to provide detailed financial and other pertinent data to HFA. HFA will help the client determine her risk tolerance, investment goals, tax situation, financial status and other relevant investment guidelines. In consultation with HFA, the client will choose a TPIA based on these guidelines. HFA will provide the client with both this Disclosure Brochure and the chosen TPIA's Disclosure Brochure.

Upon selection of a TPIA firm, the client will sign the applicable firm's advisory contract and deposit funds in an appropriate account. Thereafter, the client's funds will be invested as recommended by the TPIA's internal Advisers. Leigh Baldwin & Co., LLC and HFA will not actively participate in this process.

Where a TPIA's services are furnished with respect to assets located in accounts maintained at Leigh Baldwin & Co., LLC, in its capacity as broker-dealer, these accounts are either carried on: (a) a "fully disclosed" basis with a clearing broker-dealer, Leigh Baldwin & Co., LLC typically uses National Financial Services (NFS, LLC) as the clearing firm; or (b) with the product sponsor (e.g., mutual fund family or variable annuity product provider). Non- Leigh Baldwin & Co., LLC accounts are similarly maintained by a recognized broker/dealer or trust company such as Fidelity, etc. Neither HFA nor Leigh Baldwin & Co., LLC has custody of any client funds or securities.

HFA will engage in a review of the services provided by the approved TPIA prior to offering the TPIA's services to clients. HFA will aid clients in the selection of the appropriate TPIA. HFA and Leigh Baldwin & Co., LLC do not provide advice relative to any investment managed by the client's chosen third-party investment Adviser.

The risks associated with this program involve potential loss of principal and the potential for negative returns on any given day, month, year or other time frame. TPIAs are often used for their unique style or a specific investment characteristic; each one would be saddled with potential benefits and potential drawbacks. Because no trading strategy can guarantee against a loss of account value, the client should weigh the potential benefits versus the potential negatives that come with such trading activity. The specific disclosure brochure of each TPIA will contain descriptions of potential risks. The client should read the disclosure brochure of the TPIA prior to investing.

Our primary objective in investing for our client portfolios is to do what is in each client's best interest. This will differ with each client—be it absolute return, balanced risk, or current income—though our process will remain the same. To ensure that our client portfolios have the ability to achieve their objectives according to their risk profiles we try to discount the fluctuating behavior of irrational investors and emphasize security selection based on a combination of qualitative and quantitative measurements. **We are always sure to make clients aware that investing in securities involves the risk of loss that they should be prepared to bear.**

Risks

Investing in securities involves risk, including the risk of loss that clients should be prepared to bear. Clients should also be fully informed of the risks described below, should read a fund's prospectus, and ask us for a complete understanding of any other risks involved in investing.

Market Risk. The value of portfolio assets will fluctuate as the stock or bond market fluctuates. The value of investments may decline, sometimes rapidly and unpredictably, simply because of economic changes or other events that affect large portions of the market.

Management Risk. A client's portfolio is subject to management risk because it is actively managed by HFA's investment professionals. HFA will apply its investment techniques and risk analysis in making investment decisions for a client's portfolio, but there is no guarantee that these techniques and HFA's judgment will produce the intended results.

External Manager Risk. HFA may select certain External Managers or TPIAs to manage a portion of its clients' assets. In these situations, the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, HFA generally may not have the ability to supervise the External Managers on a day-to-day basis.

Quantitative Tools Risk. Some of HFA's investment techniques may incorporate, or rely upon, quantitative models. There is no guarantee that these models will generate accurate forecasts, reduce risks or otherwise produce the intended results.

Interest Rate Risk. Changes in interest rates will affect the value of a portfolio's investments in fixed-income securities. When interest rates rise, the value of investments in fixed income securities tend to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed income securities with longer maturities or durations.

Credit Risk. An issuer, obligor or guarantor of a fixed income security, or the counterparty to a derivatives or other contract, may be unable or unwilling to make timely payments of interest or principal, or to otherwise honor its obligations. The issuer or guarantor may default causing a loss of the full principal amount of a security. The degree of risk for a particular security may be reflected in its credit rating. There is the possibility that the credit

rating of a fixed income security may be downgraded after purchase, which may adversely affect the value of the security. Investments in fixed income securities with lower ratings tend to have a higher probability that an issuer will default or fail to meet its payment obligations.

Allocation Risk. The allocation of investments among different asset classes may have a significant effect on portfolio value when one of these asset classes is performing more poorly than the others. As investments will be periodically reallocated, there will be transaction costs which may be, over time, significant. In addition, there is a risk that certain asset allocation decisions may not achieve the desired results and, as a result, a client's portfolio may incur significant losses.

Foreign (Non-U.S.) Risk. A portfolio's investments in securities of non-U.S. (or foreign) issuers may involve more risk than those of U.S. issuers. These securities may fluctuate more widely in price and may be less liquid due to adverse market, economic, political, regulatory or other factors.

Emerging Markets Risk. Securities of companies in emerging markets may be more volatile than those of companies in developed markets. By definition, markets, economies and government institutions are generally less developed in emerging market countries. Investment in securities of companies in emerging markets may entail special risks relating to the potential for social instability and the risks of expropriation, nationalization or confiscation. Investors may also face the imposition of restrictions on foreign investment or the repatriation of capital and a lack of hedging instruments.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing HFA from selling out of such illiquid securities at an advantageous price. Derivatives and securities involving substantial market and credit risk also tend to involve greater liquidity risk.

Concentrated Portfolios Risk. Certain investment strategies focus on particular asset classes, countries, regions, industries, sectors or types of investments. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance than a more broadly diversified portfolio.

ESG Risk. The ESG investment strategy limits the types and number of investment opportunities available and, as a result, the strategy may underperform other strategies that do not have an ESG focus. The ESG investment strategy may result in the Fund investing in securities or industry sectors that underperform the market as a whole or underperform other funds screened for ESG standards.

Legal or Legislative Risk. Legislative changes or court rulings may impact the value of investments or the securities' claim on the issuer's assets and finances.

Risks Associated with Investment Strategies and Methods of Analysis. HFA's securities analysis methods rely on the assumption that the companies whose securities the firm purchases and sells, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While the firm is alert to indications that data may be incorrect, there is always the risk that HFA's analysis may be compromised by inaccurate or misleading information.

Equity Securities. The major risks associated with investing in equity securities relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk and the company's ability to create shareholder value (e.g., increase the value of the company's stock price).

Exchange Traded Funds (ETFs). ETFs are subject to risks similar to those of stocks. Investment returns will fluctuate and are subject to market volatility, so that when shares are sold they may be worth more or less than their original cost. ETF shares are bought and sold at market price (not Net Asset Value) and are not individually redeemed from the fund.

Equity Mutual Funds. The major risks associated with investing in equity mutual funds is similar to the risks associated with investing directly in equity securities, including market risk, which is the risk that investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, may be worth more or less than their original cost. Other risks include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold their shares in the fund.

Fixed Income Mutual Funds. In addition to the risks associated with investing in equity mutual funds, fixed income mutual funds also carry the following risks: (1) Credit Risk – the risk that a company or bond issuer may fail to pay principal and interest payments in a timely manner; (2) Interest Rate Risk – the risk that the market value of the bonds will go down when interest rates rise; and (3) Prepayment Risk – the risk that a bond will be paid off early.

Indexed Funds. Indexed Funds have the potential to be affected by "tracking error risk" which means a deviation from a stated benchmark index. Since the core of a portfolio may attempt to closely replicate a benchmark, the source of the tracking error (deviation) may come from a "sample index" that may not closely align the benchmark. In addition, while many index mutual funds are known for their potential tax efficiency and higher "qualified dividend income" (QDI) percentages, there are assets classes within these funds or holding periods that may not benefit. Shorter holding periods, as well as commodities and currencies that may be part of a fund's portfolio, may be considered "non-qualified" under certain tax code provisions.

Highly Volatile Markets. The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

Small- and Mid-Cap Risks. Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

Frequent Trading and Investment Performance. HFA's tactical strategies are actively managed in a daily basis and frequent trading may occur. Strategies involving frequent trading of securities can affect investment performance through increased brokerage and other transaction costs and taxes.

Concentrated Portfolios. Concentrated portfolios are an aggressive and highly volatile approach to trading and investing. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic prices swings. In addition, the rise or drop in price of any given holding is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.

Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at 717-295-8888.

Item 9: Disciplinary Information

HFA is required to disclose the facts of any legal or disciplinary events that could be material to our clients' or prospective clients' evaluation of our advisory business and integrity. We have no disciplinary information to disclose.

Item 10: Other Financial Industry Activities and Affiliations.

HFA does not have other industry activities or affiliations, but some of the IARs who are registered with HFA are also registered representatives of Leigh Baldwin & Company, LLC, a registered broker-dealer, member FINRA/SIPC. As such, members who are dually registered must adhere to both the FINRA rules and guidelines as implemented and enforced by the broker/dealer in addition to the state or federal investment advisory rules and guidelines. The economic benefit that these dually licensed representatives can achieve is the ability to gain a commission in addition to or in lieu of the potential investment Advisory fees. This can create a conflict of interest that should be disclosed to the client prior to the sale of any security.

As such, HFA tries to segregate its investment advisory business from its commission business. This is often achieved by utilizing custodial platforms such as Charles Schwab ("Schwab"). When accounts are opened at Schwab they are handled strictly on a fee basis. All mutual fund securities trades at Schwab are conducted at net-asset-value (NAV), which means no commissions can be generated or received by HFA. Additionally, commissions called trail commissions or 12b-1 fees are not paid to HFA under the Schwab custodial platform. So, the Schwab platform can be truly considered a fee only program by HFA. However, if ETFs or other securities transactions are placed at Schwab ticket charges or transaction costs are issued. Those charges are levied by Schwab and IARs do not share in any portion of the ticket charges to execute transactions through Schwab.

Depending of the client's needs, annuities might be appropriate for the living benefit riders or the tax-deferred nature of the investment vehicle. The companies that offer annuity products are numerous and the features of each product are often complex. Additionally, the methods of compensation vary per annuity company, but they often involve a commission payment to compensate the registered representative for learning and marketing the product. These commissions can be sizable and may induce a conflict of interest. When clients are found to have a need that may be best served with an annuity, the compensation of any such commission is evaluated and is considered when charging investment advisory fees.

Certain of HFA's IARs, in their individual capacities, are also licensed insurance agents, and in such capacity, may recommend the purchase of certain insurance products. While HFA does not sell such insurance products to its investment advisory clients, the firm does permit its IARs, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that HFA recommends the purchase of insurance products where IARs receive insurance commissions or other additional compensation. These activities are further discussed in the Brochure Supplement for IARs.

A conflict of interest may also exist when HFA recommends the services of a third-party who has agreed to share a portion of its management fee with the adviser. Compensation paid to HFA by third party managers may vary and thus there may be a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. However, fees charged to the client are not higher than they otherwise would have been had the client obtained the services directly from the third-party money manager.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

HFA has established a firm-wide code of ethics that emphasizes honesty, fair-dealing, and our fiduciary duty to our clients. Every action we take on behalf of clients must always be in the client's best interest. This is achieved through a complete understanding of our clients' financial health and goals, and then tailoring investment advice to these circumstances. We will always strive to seek the best execution for our client transactions so that they will not incur unnecessary fees and we thereby seek to maximize their investment value.

Our code imposes on HFA a duty of loyalty to our clients such that our interests will never trump those of our clients. Should conflicts of interest exist or arise, HFA is obligated to provide full disclosure to our clients so that clients may make a fully-informed decision as to how they wish to proceed. At all times clients will be fully apprised of all material facts of their advisory relationship with HFA. Clients will have the opportunity to review this brochure before deciding to enter into an advisory relationship with us. In addition, all clients and prospective clients are entitled to a copy of our code of ethics. Please contact the firm using the information on the first page of this brochure to request and receive your copy.

HFA and its related persons will invest in the same securities as its clients. This presents a potential conflict of interest in that HFA and its related persons may be in a position to materially benefit from transactions in these securities. There is the potential for "scalping," wherein a security held by HFA is recommended to clients and then sold for a profit after clients have purchased; there is the potential for "front running" wherein HFA could execute securities transactions prior to executing them in client accounts in order to achieve a more favorable price; there is also the potential for insider trading and other abusive practices. To deal with these conflicts, HFA has initiated, within our code of ethics, a firm-wide securities holdings and transactions report that is reviewed in its entirety by the Chief Compliance Officer ("CCO"). The CCO examines holdings and timing of transactions and compares them to our client accounts. In addition, we have instituted a three-day buffer time between client and Firm related person securities transactions. The CCO looks for the abuses described above and makes sure that we are adhering to our fiduciary duty to always and everywhere put our clients' interest ahead of our own.

Item 12: Brokerage Practices

HFA may recommend brokerage platforms based on trading and technology, the depth and breadth of services, the customer service responsiveness and brokerage transaction costs and best execution records. Currently, we often recommend the Charles Schwab platform as its main brokerage/custodian. Such recommendation is based on the history and experience that we have established with Charles Schwab and the

company with which it merged last year, TDAmeritrade Institutional, and also due to the continued industry leadership and best execution practices they display in ongoing performance.

Aggregation of trades help HFA to efficiently execute orders on behalf of individual client accounts. The time and execution of “block orders” has made the process of trading multiple clients an attractive option to keep trading costs low and fill prices level for all participants of the aggregated trade. The staff often uses block orders and level trade pricing execution where trades of employees are grouped with trades for clients. This helps create a block order process that creates a unified fill price for all clients and employees alike. Therefore, no preferential treatment can be given to one client vs. another client or employee of the firm. The conditions that would warrant such trade aggregation would often involve the trading of investment models where numerous clients have elected to be positioned in the same kind of portfolio that offers certain risk/reward benefits.

HFA has IARs who are also registered with Leigh Baldwin & Company, LLC, a registered broker-dealer, member FINRA/SIPC. Brokerage accounts can be established directly with Leigh Baldwin and as such the receipt of commission is possible. Clients who establish accounts at Leigh Baldwin are often interested in static long-term investing. These accounts could hold investment company products in addition to individual stock and bond positions. Often times these assets are used as longer term buy and hold positions that are not included in the managed money portion of client holdings. These accounts are subject to ticket charges and annual maintenance fees as issued by the custodian. The relationship with Leigh Baldwin also helps IARs of HFA to process direct mutual fund or variable annuity business. These products often involve commission payments to those IARs that may be registered with Leigh Baldwin. As such, an inherent conflict of interest may exist.

Soft Dollar disclosures often focus on receiving “free research” in connection with placing trades through a broker-dealer. While we do not receive “free research” we are required to place business through the broker-dealer in-order to receive commission-based compensation, which is a potential conflict that we disclose. If client’s select other broker-dealers for those transactions we will not receive commission compensation. As a registered representative of a broker-dealer we are required to adhere to an approved product list formulated by the broker-dealer. The broker-dealer is charged with supervising our securities activity by the Financial Industry Regulatory Authority (FINRA) another industry regulatory agency that regulates the activities of the broker-dealers. Register representatives of Leigh Baldwin are required to use the programs of the broker-dealer when purchasing certain securities on behalf of clients, because using another firm would be considered “selling away” which is a violation that would carry penalties from that side of the business.

Non-brokerage benefits may be received as additional compensation can be earned by members of HFA. Such compensation could include commissions from the purchase or sale of securities or insurance products, and income from outside business activities. Additionally, members of HFA could be invited to due diligence meetings at the broker-dealer, request of investment companies or other industry organizations. On occasion, fund companies offer to help pay for client events and invite the IARs to due diligence conferences that are conducted by those companies. While these payments would only reimburse costs of attendance and refreshments during these events, the appearance of “pay for production” may exist and as such the potential conflict of interest has been disclosed.

Item 13: Review of Accounts

Accounts are subject to continuous monitoring and supervision and reviewed at least quarterly. There are no specific factors triggering review and no procedure determining the sequence in which accounts are reviewed. Reviews are performed by Mr. Greg Boll and other HFA staff.

Clients receive regular monthly reports of their portfolio holdings directly from an independent custodian. These reports will show positions/holdings, amounts, performance, dividends paid, etc. Many custodians also provide clients online access through their website that allows them to view their accounts on an ongoing basis.

Item 14: Client Referrals and Other Compensation

HFA does not receive any economic benefits from non-clients for our advisory services.

HFA may enter into solicitation agreements pursuant to which it compensates third-party intermediaries for client referrals that result in the provision of investment advisory services by HFA. HFA will disclose these solicitation arrangements to affected investors, and any cash solicitation agreements will comply with Rule 206(4)-3 under the Advisers Act. Solicitors introducing clients to HFA may receive compensation from HFA, such as a retainer, a flat fee per referral and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the solicitor and generally may be terminated by either party from time to time. The cost of any such fees will be borne entirely by HFA and not by any affected client.

Item 15: Custody

HFA does not accept or maintain custody of any client accounts, except as related to technical or constructive custody as a result of debiting fees from client accounts directly. Clients should compare the fee invoice from the advisor to the custodian account statement for accuracy. All clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct HFA to utilize that custodian for the client's security transactions. HFA encourages clients to review statements provided by account custodian. For more information about custodians and brokerage practices, see *Item 12 - Brokerage Practices*.

On occasion, and if requested by the client, HFA may prepare and provide to the client a performance report using a third-party performance reporting and account aggregation software. The third-party performance reporting and account aggregation software is for the convenience of HFA and client to view historical performance and account holdings utilizing a secure statement consolidation and reporting service. HFA encourages each client to compare the performance reports they receive from HFA with those received from the custodian of their account.

Item 16: Investment Discretion

HFA generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by HFA. Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by HFA will be in accordance with each client's investment objectives and goals.

Item 17: Voting Client Securities

HFA does not accept proxy-voting responsibility for any client. Clients will receive proxy statements directly from the custodian and they retain the sole responsibility for proxy decisions and voting.

Item 18: Financial Information

HFA does not require or solicit prepayment of any fees from clients. HFA is not required to deliver a balance sheet along with this Brochure as the firm *does not* collect advance fees for services to be performed *six months* or more in advance. Neither HFA nor its management has any adverse financial situations that would reasonably impair the ability of HFA to meet all obligations to its Clients. Neither HFA, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise.

Privacy Policy

In order to facilitate the servicing of your account, HFA may receive nonpublic personal information about you from the following sources:

- Information we receive from you on questionnaires, applications, account opening documents or other forms;
- Information about your transactions with us or others;
- Information we receive from a consumer reporting agency; and
- Information we received from other sources with your consent.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. Such disclosure may include the following:

- Disclosures to affiliates, including affiliated service providers (for example, insurance agencies for processing of variable insurance applications on your behalf);
- Disclosures to your chosen broker-dealer firm (for example, to establish a brokerage account on your behalf);
- Disclosures to government agencies, securities regulators and law enforcement officials (for example, for tax reporting, under a court order or to protect our legal rights);
- Disclosures to other organizations, with your consent (for example, other investment Adviser firms in order to open a managed account with their firm or the brokerage firm they utilize); and
- Disclosures to other persons you authorize to obtain such information (for example, a CPA who will be preparing your tax return).

HFA restricts access to your personal and account information to those of its employees who need to know that information to provide products or services to you. HFA maintains physical, electronic, and procedural safeguards to guard your nonpublic personal information.

We will continue to adhere to the privacy policies and practices as described in this notice if you decide to close your account(s) or become an inactive customer.

If you have any questions concerning our privacy policies and procedures, please feel free to contact us. Thank you.

Greg Boll

Chief Compliance Officer

