

HERITAGE WAY ADVISORS

HWA, LLC

CRD #: 124816

Form ADV Part 2A – Disclosure Brochure

February 28, 2018

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Item 1 – Brochure Information

This Brochure provides information about the qualifications and business practices of Heritage Way Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 815-397-0900. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Heritage Way Advisors, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training.

Additional information about Heritage Way Advisors, LLC also is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 – Material Changes

The United States Securities and Exchange Commission (SEC) rules require investment advisers to provide a Disclosure Brochure, also known as Form ADV Part 2, to clients when a new account is opened with the adviser, and to deliver to clients a summary of any material changes to the Brochure. This Brochure is prepared in accordance with the SEC's rules.

Heritage Way Advisors will deliver to you a summary of any material changes to our Brochure within 120 days after the end of every calendar year. Also, if there are material changes to our Brochure that could affect our client relationships, Heritage Way Advisors will disclose these changes to you promptly.

Our Brochure may be requested at any time, for delivery to you at no charge, by contacting Joan G. Ollmann, Vice President and Chief Compliance Officer, at 815-394-0556 or via email: Joan.Ollmann@heritagewayadvisors.com. Our Brochure is available on our website: www.heritagewayadvisors.com, also free of charge.

Our firm's current Form ADV Part 2 is available via the SEC's Investment Adviser Public Disclosure website: www.adviserinfo.sec.gov. The SEC's website provides additional information about the investment advisory services of Heritage Way Advisors, LLC and information about anyone affiliated with our firm or registered as an investment adviser representative of our firm.

Summary of Material Changes

Heritage Way Advisors, LLC's Form ADV Part 2 has been reviewed and updated with no material changes since the last annual update of our Brochure on January 17, 2017.

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Item 4 – Advisory Business

THE COMPANY

HWA, LLC (hereinafter “HWA”) is a privately-owned investment management firm established in 2003 by Gary Ollmann and Joan Ollmann. HWA is registered as an investment adviser with the SEC. The principal owner of HWA is The Gary F. Ollmann Revocable Trust, Gary F. Ollmann and Joan G. Ollmann, Trustees.

INVESTMENT SERVICES

HWA provides investment management services to individuals, high net worth individuals, trusts and estates, businesses, foundations and charitable organizations.

HWA interviews new clients and reviews their existing assets, financial circumstances, long and short-term financial goals, and their personal investing experience. Based on this review, we then develop an investment program that includes the portfolio structure, asset allocation, and investment strategies that HWA will utilize to help our clients reach their financial goals. The HWA investment practices and types of securities used are explained in Item 8 of this Brochure.

HWA can assist clients with wealth transfer planning, by collaborating with the client’s estate planning attorney and income tax preparer. This investment management approach is designed to build wealth during the client’s lifetime, and to then provide an uninterrupted transfer of these assets to the client’s heirs.

Every portfolio is individually tailored to meet a client’s needs, within their stated level of risk tolerance. HWA will, on an ongoing basis, review the client’s portfolio and monitor the investments to ensure that the arrangement of the portfolio is still in line with the client’s goals and objectives.

Most clients of HWA grant us discretionary authority over their portfolio. This means that our firm directs the investment of the accounts, and prior notification to the client regarding investment changes is not required. If requested, HWA may consider a non-discretionary relationship on an exception basis.

Clients have the right to impose certain restrictions on HWA, such as prohibiting the inclusion of certain types of stocks (for example, tobacco or alcohol company stocks) in a portfolio or prohibiting the sale of certain stocks held in an account when we begin to manage it. Such restrictions will affect the composition and performance of a client’s portfolio. Accounts are treated individually, with very specific consideration given to the decisions made for each account. For these and other reasons, the performance of portfolios that have the same investment objective may differ, and clients should not expect that the performance of their own portfolios will be identical with that of other clients of HWA.

ASSETS UNDER MANAGEMENT

As of December 31, 2017, HWA managed \$277,300,329 of client assets. All assets are discretionary assets.

Item 5 – Fees and Compensation

GENERAL FEE INFORMATION

HWA establishes the fees charged for managing a client's account in the written agreements between you and our firm. Fees are payable quarterly, in advance and are calculated based on the value of the account on the last day of the previous quarter. If our management of the account begins after the start of a quarter, fees are prorated accordingly. With client authorization, fees are debited directly from the client's accounts(s), unless other arrangements are made with HWA.

The Investment Advisory Agreement between HWA and a client may be terminated by either party at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees are promptly refunded to the client's account(s) on a prorated basis.

HWA fees are not prorated for each capital contribution and withdrawal made in an account.

FEES

The annual fee schedule, based on a percentage of assets under management, is as follows:

First \$1,000,000	1.00%
Next \$1,000,000	0.75%
Balance over \$2,000,000	0.50%

The minimum portfolio size is \$1,000,000, and the minimum annual fee is \$10,000. Under certain circumstances and in its sole discretion, HWA may make exceptions to these minimums or negotiate especial fee arrangements where HWA deems it appropriate.

ADDITIONAL CHARGES AND FEES

HWA's investment advisory services fees are exclusive of the brokerage commissions, transaction fees, and other expenses which are paid from a client's account. The client may pay charges by custodians, brokers, and other third parties. These fees can include fund manager fees, custodial fees, deferred sales charges, 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. Mutual funds may also impose initial or deferred sales charges, which are disclosed in a fund's prospectus.

These charges are in addition to HWA's fees, and our firm does not receive any portion of these charges. HWA seeks to provide transparency to its clients regarding the total costs and will

provide information so a client can fully understand the total amount of fees paid for advisory and investment-related services. Clients should review all fees charged by mutual funds, exchange-traded funds, HWA, and others to fully understand the total fees the client is paying, and to evaluate the value of our firm's advisory services.

Item 12 describes the factors that HWA considers in selecting or recommending broker-dealers for securities transactions and determining the reasonableness of their compensation (for example, commissions).

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). Side-by-side management refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because HWA has no performance-based fee accounts, it has no side-by-side management.

Item 7 – Types of Clients

HWA provides investment management services to individuals, high net worth individuals, trusts, and estates, businesses, foundations and charitable organizations. The minimum portfolio size is \$1,000,000 in assets. Under certain circumstances and in its sole discretion, HWA may negotiate this minimum.

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

METHODS OF ANALYSIS

HWA concentrates its investment research efforts on the fundamental analysis of publicly traded securities (including but not limited to stocks, bonds, exchange-traded funds, and mutual funds) to review current and potential investments for your accounts. Fundamental analysis focuses on the underlying factors that affect a company's business performance and its potential growth. Efforts are concentrated on reviewing a company's financial statements, financial strength, management, markets, competitors, and sustainable competitive advantage.

To a much lesser degree, some technical analysis is utilized to determine stocks that are currently trading with relatively higher levels of relative strength. Relative strength rankings indicate the recent movement of an individual stock as compared to a large basket of stocks.

INVESTMENT STRATEGIES

HWA's strategic approach is to invest a client's portfolio in accordance with that client's personal investment goals. HWA will implement its strategy using individual securities such as bonds and common stocks and/or exchange-traded index funds. Other types of investments, including mutual funds and options, may also be considered at a client's request. HWA prefers to invest client accounts in vehicles that are available for trading on a daily basis. Securities are typically liquid, have a recognized market price, and can be traded at any time. These securities will fluctuate in price, and any sale may occur at a price below the purchase price.

In most circumstances, HWA employs a long-term investment strategy, which means that securities are purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year or longer. When market conditions or stock price movements present opportunities for short-term gains, however, HWA may take advantage of such opportunities.

The firm may use margin transactions when appropriate for a client's portfolio, subject to written margin transaction authorization in the client's agreements with the custodian for the account.

RISK OF LOSS

HWA seeks to diversify a client's investment portfolio across various asset classes consistent with a client's financial goals. However, all investment portfolios are subject to risks. Accordingly, there can be no assurance that an investment portfolio will be able to meet a client's investment objectives and goals fully, or that the investments will not lose money. Investing in securities involves risk of loss that a client should be prepared to bear.

Below is a description of some of the principal risks that client investment portfolios face.

- *Equity Market Risks.* HWA will generally invest portions of client assets in equity investments, primarily stocks, equity exchange-traded funds, and equity mutual funds. Exchange traded funds and mutual funds have diversified portfolios that may make them less risky than investments in individual securities. Funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects, could lose money over short or even long periods. Equity markets tend to move in cycles, with periods of rising prices and periods of falling prices. You should expect stock-based investments' share prices and total returns to fluctuate within a wide range, like the fluctuations of the overall stock market.

- *Fixed Income Risks.* HWA may invest portions of client assets in fixed income instruments, such as bonds and notes, fixed income exchange-traded funds, and fixed income mutual funds. While investing in fixed income instruments, either directly or through funds, is generally less volatile

than investing in equity markets, fixed income investments are subject to risks. These risks include, without limitation, interest rate risk (the risk that changes in interest rates will devalue the investments), credit risk (the risk of default by borrowers), or maturity risk (the risk that bonds or notes will change in value from the time of issuance to maturity). Interest rate and credit quality changes tend to move in cycles, with periods of rising and falling interest rates and improving and declining credit quality. Investments in bonds, notes, fixed income exchange-traded funds, and fixed income mutual funds could lose money over short or even long periods.

- *Foreign Securities Risks.* HWA may invest portions of client assets into securities and funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. Foreign investments may not be subject to uniform audit, financial reporting or disclosure standards comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

- *Income risk.* An account's income may decline because of falling interest rates or decreases in stock dividends. For accounts holding fixed income securities, the interest income is based on interest rates which can fluctuate significantly over short periods. Also, companies can cease or decrease stock dividends at any time.

- *Asset concentration risk.* An account's performance may be adversely affected by the poor performance of relatively few bonds, stocks, exchange-traded funds, or other investments. An account may have a large portion of its assets in relatively few holdings, and thus, the volatility experienced by the account may be significant.

- *Investment style risk.* Returns from the types of stocks, bonds, exchange traded funds or other investments in which HWA invests client accounts may trail returns from the overall fixed income and/or equity markets. Given the cyclical nature of the stock and bond markets, these periods of underperformance can, and have, lasted for several years.

- *Manager risk.* It is possible that poor security selection or focus on securities in a particular asset class, sector, category, or group of companies will cause a client's portfolio to underperform relevant benchmarks.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that are material to a client's or prospective client's evaluation of HWA or the integrity of HWA's management.

HWA has no legal or disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

HWA has no activities or affiliations applicable to this item.

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

CODE OF ETHICS

As required by SEC Rule 204A-1, HWA has adopted a Code of Ethics (the Code), and a full of copy is available to any client or prospective client upon request by contacting Joan G. Ollmann, Vice President and Chief Compliance Officer, at 815-394-0556 or via email: Joan.Ollmann@heritagewayadvisors.com. All HWA employees must acknowledge the terms of the Code upon their employment, and annually.

The Code is designed to assist HWA in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, HWA owes fiduciary duties to its clients. Under these fiduciary duties, the Code requires HWA employees to act with honesty, good faith, and fair dealing when working with clients. Under the Codes Professional Standards, HWA expects its employees to put the interests of clients first, ahead of personal interests. HWA has instituted, as a deterrent, a policy of disciplinary actions to be taken if any employee violates the Code.

HWA has specific policies and procedures that supplement the content of the Code. Our employees follow these policies and procedures and help us review the effectiveness of our implementation of the Code on a regular basis.

PERSONAL TRADING

The Code includes policies and procedures to monitor and review the personal trading activities of HWA employees. HWA employees may invest in the same securities recommended to clients. The firm's employees are required to follow HWA's Code and applicable laws when making trades for their personal accounts. The Code is designed to ensure that the personal securities transactions, activities and interests of the employees of HWA will not interfere with making and implementing decisions in the best interest of our clients while, at the same time, allowing employees to invest in their personal accounts. The Code also provides for disciplinary action as appropriate for violations.

Under the Investment Advisers Act, certain classes of securities (such as stocks, corporate bonds, and municipal bonds) are designated as "covered" securities. HWA employees are required to obtain pre-clearance of transactions in their personal accounts for these covered securities from the Chief Compliance Officer.

Some types of securities are exempt from this pre-clearance requirement. These securities include, but are not limited to, U.S. Treasury Securities, bank Certificates of Deposit, registered mutual funds and open-ended exchange-traded funds.

HWA maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions. If an HWA employee wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Employee accounts trade in the same securities with client accounts on an aggregated basis when consistent with HWA's obligation of best execution. The employee and client accounts share commission costs equally and receive securities at a total average price. HWA retains records of the trade order (specifying each participating account) and its allocation, which is completed before the entry of the aggregated order. Completed orders are allocated as specified in the initial trade order. Partially filled orders are allocated on a pro-rata basis. Any exceptions must be explained on the trade order ticket.

Employee trading is monitored by the Chief Compliance Officer to prevent conflicts of interest between HWA and our clients.

Item 12 – Brokerage Practices

BROKERAGE DISCRETION

When given the discretion to select the broker-dealer that will execute orders in client accounts, HWA seeks “best execution” for client trades, which is a combination of factors. These factors include, without limitation, quality of execution, services provided, and commission rates. HWA may recommend or use a broker-dealer who does not charge the lowest available commission, in recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third-party research (or any combination) and may be used in servicing any or all of HWA’s clients, and not all of the research may be useful for the account for which the particular transaction was executed.

HWA recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”), a FINRA registered broker and member SIPC, as the qualified custodian to maintain custody of the clients’ assets and to execute trades for clients’ accounts. The majority of HWA’s client accounts are with Schwab. HWA may also effect trades for client accounts at Schwab, or may in some cases, consistent with HWA’s duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although HWA may recommend that clients establish accounts at Schwab, it is ultimately the client’s decision to custody their assets with Schwab.

HWA is independently owned and operated and not affiliated with Schwab or any broker-dealer.

RESEARCH AND OTHER BENEFITS

Schwab Advisor Services provides HWA with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of these services help HWA manage or administer our clients' accounts while others help HWA manage and grow our business. These services are available to independent investment advisors on an unsolicited basis, at no charge to them, and are made available based on the aggregate value of each Advisor's client assets held at Schwab. These services are not soft dollar arrangements but are part of the institutional platform offered to advisors by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally offered only to institutional investors or would require a significantly higher minimum initial investment.

For HWA client accounts maintained in its custody, Schwab does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to HWA other products and services that benefit HWA but may not benefit its accounts. These products and services may be used to service all or a substantial number of HWA' accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist HWA in managing and administering clients' accounts include software and other technology that (i) provide access to client account data such as trade confirmations and account statements; (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing, and other market data; (iv) facilitate payment of HWA' fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services to help HWA manage and further develop its business enterprise. These services include (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants, and insurance providers. Schwab may make available, arrange and pay third-party vendors for the types of services provided to HWA. Schwab may discount or waive fees it would otherwise charge for some of these services, or pay all or a part of the fees of a third-party providing these services to the firm. Schwab may also provide other benefits such as educational events or occasional business entertainment of HWA personnel.

In evaluating whether to recommend or require that a client custody assets at Schwab, HWA takes into account the availability of some of the preceding products and services and other arrangements

as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab. Because of the value of benefits afforded to HWA and its clients may increase based on the total in client assets held at Schwab, HWA has an incentive to encourage clients to move their accounts to Schwab. However, this conflict of interest is mitigated by (1) the efficiency and economies of scale produced by concentrating client accounts at one custodian and (2) the fact that certain benefits inure directly to HWA clients, such as Schwab's reimbursement of transfer fees assessed by other custodians when accounts are moved to Schwab.

DIRECTED BROKERAGE

HWA does not allow directed brokerage accounts.

TRADE AGGREGATION

HWA enters trades as a block (aggregation) where possible and when advantageous to a client account for which HWA is buying or selling shares of the same security, executed on the same day, for accounts of the firm's other clients. This method permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. It allows HWA to execute trades in a timely, equitable manner and may reduce overall costs to clients.

HWA only aggregates transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek the best price) for its clients, and is consistent with the terms of HWA's Investment Advisory Agreement with each client for which trades are aggregated. No client is favored over any other client. When HWA aggregates transactions, the actual prices of the aggregated transaction are averaged and each client account that is participating in the aggregated transaction purchases or sells its share of the security involved at that average price. Transaction costs for participating accounts are assessed at the custodian's commission rate applicable to each account; therefore, transaction costs may vary among accounts.

Item 13 – Review of Accounts

The assigned HWA portfolio manager reviews a client's agreed-upon level of risk and investment goals and objectives when opening a new account for them. The firm will conduct at least a quarterly, as well as an annual, review of a client's portfolio based on the client's goals and objectives. Portfolios are reviewed to be sure both the firm's investment approach and the client's objectives are met.

In addition to regular quarterly reviews, a client may request and receive additional reviews at any time. A review of accounts includes overall asset allocation, progress toward the client's stated goals and risk analysis. A client may request an analysis of an account's absolute performance and its performance relative to market performance. A review of a client's portfolio may be triggered

if there is a material addition to or withdrawal from one or more of the client's accounts, and that change affects the client's overall asset allocation.

Gary Ollmann, Eric Wendt, and Mike Ollmann serve as the reviewers for all accounts and have responsibility for investment decisions on all assets with discretionary authority.

Item 14 – Client Referrals and Other Compensation

HWA has an arrangement with a third party (“Solicitor”) to identify and refer potential clients to HWA. HWA compensates the Solicitor by paying a percentage of the Investment Management fees collected by HWA from the accounts of the referred clients. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, HWA has executed a written agreement with the Solicitor under which, among other things, the Solicitor is required to disclose the compensation arrangement to prospective clients before such clients enter into an agreement with HWA.

Item 15 – Custody Although HWA does not maintain custody of its clients' investment assets, we are deemed to have custody because many of our clients have granted us the ability to directly debit advisory fees from client accounts and to execute client instructions pursuant to standing letters of authorization. We use the services of independent brokers, banks or other qualified custodians to maintain client investment assets. The majority of our clients' assets are held in custody by Charles Schwab & Co., Inc. See Section 12 for further information about our firm's business arrangement with Schwab.

It is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms, and at least quarterly account statements. These statements include the reporting of any fees deducted from the account. Clients are advised to review this information carefully and to notify HWA of any questions or concerns. Clients are also asked to promptly notify HWA if the custodian fails to provide statements on each account held.

From time to time, and in accordance with HWA's agreement with clients, HWA provides additional reports. HWA urges clients to carefully review these statements and compare them to the account statements from the custodian. Occasionally, there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Item 16 – Investment Discretion

For all discretionary clients, HWA requires that we are provided with written authority to determine which securities and the amounts of securities to be bought or sold; the broker-dealer to use for client transactions and the commission costs charged to clients for these transactions.

HWA receives discretionary authority from a client at the outset of an advisory relationship to decide which securities are bought and sold for client accounts, the number of such purchases and sales, the broker-dealers through which transactions are executed, and the commission rates paid to execute the transactions. This discretionary authority is part of the Investment Advisory Agreement executed by HWA and the client upon opening an account with our firm. Discretionary authority is exercised in a manner consistent with the stated investment objectives of the client's account.

Any limitations on this discretionary authority are in HWA's written agreement with a client. If a client directs our firm to make trades for their portfolio through a particular broker-dealer, that client may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs and may also receive less favorable prices and execution. A client may change/amend these limitations, and these amendments must be submitted in writing to our firm.

HWA does not have any commitments to trade with specific broker-dealers or to generate a specified level of brokerage commission with a broker-dealer to receive brokerage or research services. These commitments are known as soft dollar arrangements.

When selecting securities and determining amounts, HWA observes the investment policies, limitations, and restrictions of the clients it advises. A client has the right to impose certain restrictions on HWA, such as prohibiting the inclusion of certain types of stocks (for example, tobacco or alcohol company stocks) in a portfolio, or prohibiting the sale of certain stocks held in the account at the commencement of the relationship.

Investment guidelines and restrictions must be provided to HWA in writing. HWA requires that an "Investment Objective Form" be signed by a client when an investment account is opened with the firm. Any subsequent change to an account's investment objectives will also be documented by the execution of a new "Investment Objective Form" for the account.

Item 17 – Voting Client Securities

HWA votes proxies related to securities held in client accounts. The client grants this authority as part of the written agreement with the account custodian. Exceptions to this voting authority are made on an individual basis, at the request of the client.

The Vice President of HWA, Joan Ollmann, is responsible for voting all shareholder proxies. Proxies are voted in the best interests of shareholders, with an emphasis on voting for corporate governance proposals and voting against any management proposals that may insulate companies from the discipline of the market or accountability to shareholders.

A copy of HWA' Proxy Voting Guidelines and information regarding how proxies were voted for a client's account is available to that client upon request by contacting Joan Ollmann at 815-394-0556 or via email: Joan.Ollmann@heritagewayadvisors.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about HWA' 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.

HWA does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure concerning this item.