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March 23, 2022

This Brochure provides information about the qualifications and business practices of Homan Wealth Advisors, LLC (“HWA”). If you have any questions about the contents of this Brochure, please contact us at (402) 763-6401. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Additional information about HWA also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for HWA is 129433.

## Item 2 – Material Changes

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

Our current Brochure contains the following material change:

- Item 12 was amended to disclose that HWA offers a cash management aggregator system named Flourish Cash.
- Additionally, please note that we have updated the Assets Under Management information in Item 4 in accordance with the filing of our Annual Updating Amendment.

(Brochure Date: 03/23/2022)

(Date of Most Recent Annual Updating Amendment: 03/23/2022)

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Richard Homan, Managing Member, at (402) 763-6401.

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## **Item 4 – Advisory Business**

HWA is owned by Richard Homan, individually, and has been providing advisory services since 2003.

As of December 31, 2021, HWA managed \$224,859,610 on a discretionary basis and \$0 on a nondiscretionary basis. In addition, we advised on \$105,872,664 in participant directed retirement plans.

### **Investment Management Services:**

HWA manages investment portfolios for individuals, trusts, foundations, not-for-profits, businesses and pension or profit-sharing plans. HWA will work with the client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement.

HWA uses investment and portfolio allocation software to evaluate alternative portfolio designs. HWA evaluates the clients existing investments with respect to the clients' investment policy statement. HWA works with new clients to develop a plan to transition from the clients existing portfolio to the portfolio recommended by HWA. HWA will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold regular review meetings with the client regarding the account as necessary.

HWA will typically create a portfolio of passive and/or evidence-based mutual funds and Exchange Traded Funds (ETFs) and may use model portfolios if the models match the client's investment policy. HWA will allocate the clients assets among various investments taking into consideration the overall management style selected by the client. HWA primarily recommends mutual funds and ETFs offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover.

Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

HWA manages mutual fund and equity portfolios on a discretionary or nondiscretionary basis. A client may impose any reasonable restrictions on HWA's discretionary authority,

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

HWA may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds. HWA will request discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third-party fixed income manager.

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

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

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

#### **Employee Benefit Retirement Plan Services:**

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

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

HWA will generally recommend a third-party administrator for plan administration, which may provide online bundled services and an opportunity for plan sponsors to provide diversified portfolios to their participants along with daily account access, valuation, and investment education.

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

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

## **Item 5 – Fees and Compensation**

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

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

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

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

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

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

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

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

### **Advisory Fees**

#### **Investment Management Services:**

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

<b>Assets under management</b>	<b>Annual Fee (%)</b>
Up to \$249,999	1.25%
\$250,000 - \$499,999	1.00%
\$500,000 - \$999,999	0.90%
\$1,000,000 - \$1,999,999	0.80%
\$2,000,000 - \$2,999,999	0.70%
\$3,000,000 - \$3,999,999	0.60%
\$4,000,000 or greater	0.50%

This is not a blended fee schedule. Rather the client is charged based on the assets under management. For example, a client whose assets are \$425,000 will be charged the set fee of 1.00 bp on the entire balance for that quarter.

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

#### **Employee Benefit Retirement Plan Services:**

The annual fee for plan services will be charged as a percentage of assets within the plan. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

#### **Homan Wealth Advisors, LLC Fee Schedule**

<b>Assets under advisement</b>	<b>Annual Fee (%)</b>
On the first \$1 million	0.50%
On the next \$1 million	0.40%
On the next \$1 million	0.30%
On the next \$2 million	0.25%
On all amounts \$5 million or greater	0.18%

#### **Buckingham Strategic Partners Fee Schedule**

<b>Assets under advisement</b>	<b>Annual Fee (%)</b>
On the First \$1,000,000	0.20%
On the Next \$4,000,000	0.15%
On the Next \$5,000,000	0.08%
On all amounts above \$10,000,000	0.05%



Example Calculation at \$1,500,000 of Assets:

**HWA Fee** = \$1,000,000 x .50% = \$5,000.00

\$500,000 x 0.40% = \$2,000.00

**Buckingham Strategic Partners Fee** = (\$1,000,000 x 0.20%) + (\$500,000 x 0.15%) = \$2,750

**Total Plan Fee** = \$7,000.00 + \$2,750 = \$9,750.00

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

HWA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

HWA provides services to individuals, trusts, foundations, not-for-profits, businesses and pension or profit-sharing plans.

A minimum of \$500,000 of assets under management is required for Investment Management Services. A minimum of \$500,000 is generally required for management services of portfolios of individual fixed income securities. These minimum account sizes may be negotiable under certain circumstances.

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

### **Methods of Analysis and Investment Strategy**

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

securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

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

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

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

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

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

#### *Analysis of a Client's Financial Situation*

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

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

### **Risk of Loss**

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

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

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

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

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

### ***Interval Fund Risk***

An interval fund is a type of closed-end fund containing shares that do not trade on the secondary market. Instead, the fund periodically offers to buy back a percentage of outstanding shares at net asset value.

The rules for interval funds, along with the types of assets held, make this investment largely illiquid compared with other funds. The primary reasons for investors to consider investing in interval funds HWA may utilize include, but are not limited to, gaining exposure to certain risk categories that provide diversified sources of expected returns, part of which may be in the form of illiquidity premiums. Access to the intended risk and expected return characteristics may not otherwise be available in more liquid, traditional investment vehicles.

Where appropriate, HWA may utilize certain interval funds structured as non-diversified, closed-end management investment companies, registered under the Investment Company Act of 1940. Investments in an interval fund involve additional risk, including lack of liquidity and restrictions on withdrawals. During any time periods outside of the specified repurchase offer window(s), investors will be unable to sell their shares of the interval fund. There is no assurance that an investor will be able to tender shares when or in the amount desired, and the fund may suspend or postpone purchases. Clients should carefully review the fund's prospectus to more fully understand the interval fund structure and the corresponding liquidity risks. Because these types of investments involve certain additional risk, these funds will only be utilized when consistent with a client's investment objectives, individual situation, suitability, tolerance for risk and liquidity needs. Investment should be avoided where an investor has a short-term investing horizon and/or cannot bear the loss of some or all of the investment.

The risk of loss described herein should not be considered to be an exhaustive list of all the risks which clients should consider.

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

## **Item 9 – Disciplinary Information**

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

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Affiliated Accounting Firm**

Individuals of HWA are also Shareholders and/or Managers of the accounting firm, Hancock & Dana, P.C. (hereinafter "H&D"). H&D provides accounting services.

H&D may recommend HWA to accounting and pension consulting clients in need of advisory services; and HWA may recommend H&D to advisory clients in need of accounting and plan administrative services. Services provided by H&D are provided for separate and typical compensation. There are no referral fee arrangements between HWA and H&D for these recommendations. No HWA client is obligated to use H&D for any services.

These individuals will allocate portions of their time according to the business demands of both the accounting firm business and HWA business.

### **Buckingham Strategic Partners**

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

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

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

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

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

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

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

## Item 12 – Brokerage Practices

HWA arranges for the execution of securities transactions with the assistance of Buckingham Strategic Partners. Through Buckingham Strategic Partners, HWA participates in the Schwab Advisor Services (SAS) program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC. Charles Schwab & Company, Inc., is an unaffiliated SEC-registered broker dealer and FINRA member broker dealer.

Additionally, HWA, offers a free of charge, cash management aggregator system named Flourish Cash. Flourish Cash is a service offered by an unaffiliated third-party, Stone Ridge Securities, LLC, a registered broker-dealer and FINRA member. A Flourish Cash account is a brokerage account whereby the cash balance is swept from the brokerage account to deposit accounts at one or more third-party banks that have agreed to accept deposits from customers of Stone Ridge Securities, LLC. Stone Ridge Securities LLC is an indirect, wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company. Please refer to the applicable disclosures provided separately by Stone Ridge Securities upon account opening.

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

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

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

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

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

HWA does not maintain any client trade error gains. HWA makes client whole with respect to any trade error losses incurred by client caused by HWA. HWA generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which HWA arranges transactions. Buckingham Strategic Partners, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an HWA client's orders may be aggregated with an order for another client of Buckingham Strategic Partners who is not an HWA client. See Buckingham Strategic Partners Form ADV Part 2.

#### **Employee Benefit Retirement Plan Services:**

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

### **Item 13 – Review of Accounts**

#### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by Richard Homan, Managing Member of HWA. The review process contains each of the following elements:

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



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

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

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

### **Employee Benefit Retirement Plan Services**

Plan assets are reviewed on a quarterly basis or as otherwise agreed between the parties, and according to the standards and situations described above for investment management accounts.

### **Reports:**

### **Investment Management Services**

All clients receiving investment management services will receive quarterly performance reports, prepared by Buckingham Strategic Partners and reviewed by HWA that summarize the clients account and asset allocation. Clients will also receive at least quarterly statements from their account custodian, which will outline the client's current positions, and current market value. Employee Benefit Retirement Plan clients generally receive statements only from their account custodian.

### **Employee Benefit Retirement Plan Services**

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

## **Item 14 – *Client Referrals and Other Compensation***

### **Other Compensation**

As indicated under the disclosure for Item 12, SAS provides HWA with access to institutional trading and custody services, which are typically not available to retail investors. The services include brokerage, custody, research, and access to mutual funds

and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

SAS also makes available to HWA other products and services that benefit HWA but may not benefit its clients' accounts. Some of these other products and services assist HWA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of HWA's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of HWA accounts. The recommended brokers also make available to HWA other services intended to help HWA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, SAS may provide reimbursement and/or event subsidies for educational/informational seminars and conferences that HWA may host for clients. HWA does not, however, enter into any commitments with SAS for transaction levels in exchange for any services or products from brokers. While as a fiduciary, HWA endeavors to act in its clients' best interests, HWA's requirement that clients maintain their assets in accounts at SAS may be based in part on the benefit to HWA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by SAS, which may create a potential conflict of interest.

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

## **Item 15 – Custody**

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

## **Item 16 – Investment Discretion**

HWA usually receives, pursuant to an investment advisory contract, discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. For fixed income securities, this authority will include the discretion to retain a third-party money manager for fixed income accounts. Any limitations on this discretionary authority shall be provided in writing. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

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

## **Item 17 – Voting *Client* Securities**

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

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

## **Item 18 – Financial Information**

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