

**Item 1: Cover Page**

**Midwest Heritage Financial Advisors**

**(A Separately Identifiable Department of Midwest Heritage Bank, FSB)**

**3580 EP True Parkway**

**West Des Moines, Iowa 50265**

**Telephone: 515-246-8378**

**website: <https://www.midwestheritage.com/investments>**

**IARD/CRD Number: 306308**

**October 26, 2023**

**This brochure provides information about the qualifications and business practices of Midwest Heritage Financial Advisors. If you have any questions about the contents of this brochure, please contact us at 515-246-8378 or [mwatters@mhbank.com](mailto:mwatters@mhbank.com). 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.**

**Midwest Heritage Financial Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.**

**Additional information about Midwest Heritage Financial Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Midwest Heritage Financial Advisors' CRD number is 306308.**

## **Item 2: Summary of Material Changes**

There have been material changes since the October 18, 2022 Form ADV filed on the IARD system as follows:

Effective September 5, 2023, custodial services for our firm transitioned from TD Ameritrade to Charles Schwab & Co., Inc. As a result, there are certain material changes that clients should be aware of:

- ☐ Charles Schwab & Co., Inc. will be the new custodian for most client assets held in our advisory accounts.
- ☐ For most advisory relationships, the fee schedules will remain the same, however, there may be changes to certain fees and charges associated with the Charles Schwab & Co., Inc. custodial services.

We believe that this transition to Charles Schwab & Co., Inc. will benefit our clients by providing enhanced technology and improved operational support. As a result of the transition, we have updated Items 5, 12, 13, and 14 of this brochure.

### **Item 3: Table of Contents**

<b>Item 1: Cover Page.....</b>	<b>1</b>
<b>Item 2: Summary of Material Changes .....</b>	<b>2</b>
<b>Item 3: Table of Contents .....</b>	<b>3</b>
<b>Item 4: Advisory Business .....</b>	<b>4</b>
<b>Item 5: Fees and Compensation .....</b>	<b>4</b>
<b>Item 6: Performance-Based Fees and Side-By-Side Management.....</b>	<b>7</b>
<b>Item 7: Types of Clients .....</b>	<b>7</b>
<b>Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss .....</b>	<b>7</b>
<b>Item 9: Disciplinary Information .....</b>	<b>9</b>
<b>Item 10: Other Financial Industry Activities and Affiliations.....</b>	<b>9</b>
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>9</b>
<b>Item 12: Brokerage Practices .....</b>	<b>10</b>
<b>Item 13: Review of Accounts .....</b>	<b>12</b>
<b>Item 14: Client Referrals and Other Compensation .....</b>	<b>12</b>
<b>Item 15: Custody .....</b>	<b>12</b>
<b>Item 16: Investment Discretion.....</b>	<b>12</b>
<b>Item 17: Voting Client Securities.....</b>	<b>12</b>
<b>Item 18: Financial Information.....</b>	<b>13</b>
<b>Form ADV Part 2b for Each Supervised Person .....</b>	<b>14</b>

#### **ITEM 4 – ADVISORY BUSINESS**

Midwest Heritage Bank, FSB dba Midwest Heritage Financial Advisors (“We”, “Us”, or “Midwest Heritage”) is registered as an investment adviser. Midwest Heritage Bank, FSB is the sole owner of Midwest Heritage Financial Advisors, which is a division of Midwest Heritage Bank, FSB. We provide investment advice to individuals, trusts, estates, charitable organizations, corporations and other business entities. We also provide advice to clients on financial planning, estate planning, tax planning which may include mortgages, automobiles, 529 plans, and other similar financial matters. Advice may be provided on matters that include, but are not limited to, life insurance, property and casualty insurance, and long-term care insurance. Midwest Heritage is a fiduciary and is required to act in a client’s best interest at all times. Midwest Heritage has an alternative office to meet with clients at 1025 Braden, Avenue, Chariton, Iowa 50049.

##### **Investment Management**

We use a time-tested, disciplined approach to investing. We are a “total portfolio” manager using an active, diversified investment approach. We believe that a portfolio should be diversified, and excess returns can be achieved by overweighting undervalued asset classes and investment styles. Typically, we tailor our portfolios to the individual needs of our clients by evaluating the client’s investment guidelines and objectives which we use to guide us in making investment decisions for each client. If you desire, you may impose restrictions on the securities or types of securities you would like us to invest in.

##### **Financial Planning**

Sound financial planning services can help clients identify the strengths and weaknesses of their long-term financial health. We have years of experience in this area and sophisticated software tools available to assist our clients in developing comprehensive financial plans that guide them toward the accomplishment of their goals.

##### **Retirement Planning**

Retirement planning and financial planning are not one and the same. We have worked with many clients through their earning years and into the distribution phase of their lives. We assist clients with the management of their portfolios to ensure longevity through retirement while at the same time providing needed income. We have experience working with clients on a range of retirement planning issues, including rollover of 401(k) plans, level of income needed for retirement and tax-efficient distribution of after-tax and before-tax assets.

##### **Tax Planning**

Whether it’s the sale of a security, the exercise of a stock option, the transfer of real estate or the gifting of appreciated securities, advanced planning regarding the tax impact of a transaction is critical. Our team has many years of experience in assisting clients with tax issues. Our goal is to help our clients minimize their lifetime tax liability so they can hold onto the hard-earned dollars they work their entire careers to amass.

##### **Assets under Management**

As of September 30, 2023, we were actively managing \$223,047,510 of clients' assets on a discretionary basis.

#### **ITEM 5 – FEES AND COMPENSATION**

We offer our services on a fee basis, which may include hourly and assets under management fees. Additionally, certain of our employees, in their individual capacities, may offer securities

brokerage services and insurance products under a commission arrangement. We reserve the right, in our sole discretion, to negotiate, reduce or waive the advisory fee for certain client accounts and for any period of time as determined by us.

Advice offered may involve investments in mutual funds. Clients are hereby advised that all fees paid for asset management services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees are described in each mutual fund's prospectus. Clients whose assets are invested in the shares of mutual funds pay with a direct management fee to the investment adviser and an indirect management fee to the mutual fund.

#### Financial Planning Services Fees

We may charge an hourly fee for financial planning services. These fees are negotiable, depending upon the level and scope of the services and the professional rendering the financial planning services. The fees generally range from \$100 to \$300 per hour.

Prior to engaging us to provide financial planning consulting services, the client and firm are required to enter into a written agreement setting forth the terms and conditions of the engagement, including the amount of the fee. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services as financial plans are typically completed within six months. We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

The agreement for financial planning services terminates upon delivery of the analysis or review. Upon termination, any prepaid, unearned fees will be returned to the client, based upon the time and effort completed prior to termination of the agreement. Any fees owed to the firm upon termination will be billed to the client at that time. No refunds will be made after delivery of the services. The client will receive full disclosure and details of all arrangements in the agreement.

#### Fixed Fees

The Adviser also offers a flat fee program for certain clients that they buy/sell only equities.

#### Investment Management Fee for Individual Investors

We provide investment management services for an annual fee based upon a percentage of the market value of the assets being managed. Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. We do not, however, receive any portion of these commissions, fees, and costs. Our annual fee is prorated and charged monthly, in arrears, based on the average daily balance from the previous month. The annual fee is negotiable and varies between 0.00% and 1.50%. The client will receive full disclosure and details of all arrangements in the agreement.

Although the Adviser believes its management fee is competitive, clients may be able to find similar services at higher or lower costs. Also, there can be no assurance that transactions effected through us result in the lowest per transaction cost possible to a client.

Fees payable to the Adviser for investment management services are, with the client's prior permission, automatically deducted from the client's account when due. The client will receive reports from the account's custodian indicating the fee amounts debited. The Adviser will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the deduction of fees from the managed account is contained in the Agreement. The client may terminate the authorization for automatic deduction at any time by notifying the Adviser in writing.

In the event of trading errors caused by the Adviser employees, it is the Adviser's policy to make its clients whole and to document errors in its trade error file. Any Adviser created trade errors that result in a loss to a client will be debited against the Adviser's error account and the client made whole. Any Adviser created trade errors that result in a gain to a client, and the gain can be attributed to a client, the client is entitled to keep the gain. If the Adviser makes a trade error that results in a gain to a client and the gain cannot be attributable to a particular client, Schwab, and not the Adviser, keeps the gain. In that case, if the gain is more than \$100, Schwab will donate the gain to charity. If the gain is less than \$100, Schwab will keep the gain to offset its administrative time and expense.

#### Investment Management Fee for Institutional Investors

We also provide investment management services to institutional investors, primarily foundations, non-profit organizations, pension and qualified plans, for an annual fee based upon a percentage of the market value of the assets being managed by us. Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. We do not receive any portion of these commissions, fees, and costs. This annual fee is prorated and charged monthly, in arrears, based on the average daily balance from the previous month. The annual fee is negotiable and varies between 0.00% and 1.50%. The client will receive full disclosure and details of all arrangements in the agreement.

#### Fees for Management during Partial Periods of Service

For the initial period of investment management services, the fees are calculated on a pro rata basis. The Agreement will continue in effect until terminated by either party pursuant to the terms of the Agreement. Our fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate. If assets are deposited into or withdrawn from an account after the inception of a month, the fee payable with respect to such assets will be adjusted or prorated based on the number of days remaining in the month.

#### Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with the firm (but not the firm itself) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with this firm. Under this arrangement, clients may implement securities transactions through certain of our employees in their respective individual capacities as Registered Representatives of Securities America, Inc. ("Securities America"), an SEC registered broker-dealer and member of FINRA. Securities America may charge brokerage commissions to affect these securities transactions and thereafter, a portion of these commissions may be paid by Securities America to such employees. Prior to effecting any transactions clients are required to enter into a new account agreement with Securities America. The brokerage commissions charged by Securities America may be higher or lower than those charged by other broker-dealers. We do not charge an advisory fee on the same assets for which our certain employees receive commissions.

First and foremost, our objective as a firm is to place nothing before the best interests of our clients. However, a conflict of interest exists to the extent that certain employees can recommend the purchase of securities where they receive commissions or other additional compensation as a result. The receipt of commissions provides an incentive for our certain employees to recommend investment products based on compensation they will receive from selling such products, rather than on the client's needs.

We take the following steps to mitigate the possibility that our certain employees will recommend an investment product based on potential commission rather than on the client's

needs: we address the inherent conflicts as noted in the paragraph above, by disclosing them to you in this Brochure and disclosure is made to the client at the time a brokerage account is opened through Securities America, identifying the nature of the transaction or relationship, the role to be played by Securities America and our certain employees, individually, and any compensation (e.g. commissions) to be paid by the client.

We use Schwab as our primary custodian. Through our use of custodial services, you may incur certain trading costs in addition to our fees which are further explained below in Item 12.

#### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge performance-based fees nor do we engage in side-by-side management.

#### **ITEM 7 – TYPES OF CLIENTS**

We provide investment advice to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

#### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

We determine the investment strategies to follow when managing client accounts. The following provides information regarding the methods of analysis and investment strategies that may be used by our advisory representatives.

##### **Methods of Analysis**

Fundamental analysis involves the fundamental financial condition and competitive position of a company. We will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that we will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that we are recommending. The risks with cyclical analysis are similar to those of technical analysis.

##### **Investment Strategies**

Our philosophy represents an evolution of investment thought that moves beyond simple "Buy and Hold" and basic Asset Allocation to that of Strategy Diversification. It focuses more directly on how investments interact and relate to each other, looking closely at how investments are managed, how they seek to gain their returns, how they address risk exposures, and perhaps most importantly, what their correlations are to one another.

We believe that Strategy Diversification can more effectively address portfolio volatility than basic Asset Allocation across stock and bond asset classes by utilizing strategies with defensive mechanisms, and low or uncorrelated strategies that have return characteristics unrelated to the stock and bond markets. Strategy Diversification is designed to recognize that investments have

different characteristics to achieve return and address risk. By diversifying and actively allocating across these various strategies, we strive to build portfolios to address each client's long-term financial plan with more consistent returns and lower portfolio volatility.

#### Risk of Loss

##### *Mutual Funds and Exchange Traded Funds (ETFs)*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"). The per-share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

##### *Market Risks*

The profitability of a significant portion of our recommendations or selections may depend to a great extent upon correctly assessing the future course of price movements of various securities in which it invests. There can be no assurance that we will be able to predict those price movements accurately.

##### *Management through Similarly Managed Accounts*

For most clients, we generally manage portfolios by allocating portfolio assets among various mutual funds/ securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In so doing, we buy, sell, exchange and/or transfer shares of mutual funds, ETFs and other securities based upon the investment strategy.

Our management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

The investment strategy may involve an above-average portfolio turnover that could negatively impact the net after-tax gain experienced by an individual client. Securities in the investment strategy are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to clients may be limited. As further discussed in response to Item 12B (below), we allocate investment opportunities among clients on a fair and equitable basis.



### *Options*

Options allow investors to buy or sell a security at a contracted “strike” price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

### *Structured Notes*

A structured note is a debt security issued by financial institutions, the return of which, is linked to the performance of an underlying asset, group of assets, or index. Structured notes may be used to reduce risk exposure in a client’s portfolio based on current market trends.

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. This is not intended to be an all inclusive list. Each client should review the mutual fund prospectus for the specific risks related to each fund that is held in the client’s account.

## **ITEM 9 – DISCIPLINARY INFORMATION**

We, nor anyone on our management team, have been, or is currently, subject to any criminal, civil or disciplinary action.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Receipt of Securities Commission**

We participate in Securities America hybrid RIA program. As such, certain employees are also Registered Representatives of Securities America. In such capacity, certain employees receive commissions for recommending the purchase or sale of securities. As a result of this relationship, Securities America has access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about our clients, even if the client does not establish any account through Securities America. Any client who would like a copy of the Securities America privacy policy may contact us. Please see Item 5 for a discussion of the conflicts.

### **Receipt of Insurance Commission**

Certain of the firm’s advisory representatives, in their individual capacities, are also licensed insurance agents with various insurance companies through our affiliated insurance agency Midwest Heritage Services, L.L.C., and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. We permit the advisory representatives, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that the advisory representatives recommend the purchase of insurance products and receive insurance commissions or other additional compensation.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Our employees may buy and sell securities that they recommend to advisory clients for purchase and sale. To the extent possible, the firm and its employees will process securities transactions for client accounts ahead of similar transactions contemplated for their own accounts. The Adviser and its

employees do not recommend to clients or buy or sell for clients' accounts investments in which the Adviser or its employees have a material financial interest. To ensure employee transactions are supervised, we have established a Code of Ethics designed to prevent conflicts of interest. Under the requirements of the Code, each Adviser employee is required to file personal transaction reports regularly for transactions in accounts in which they have a beneficial interest. In addition, certain types of transactions for employee personal accounts require preapproval and certain types of transactions are prohibited. A complete copy of our Code of Ethics is available upon request.

#### **ITEM 12 – BROKERAGE PRACTICES**

We do not maintain physical custody of the assets we manage on your behalf. Your assets must be maintained in an account at a “qualified custodian”, generally a broker-dealer. At the current time we require clients to select and direct Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the sole and exclusive qualified custodian. We are independently owned and operated and are not affiliated with any third-party broker-dealers. Schwab will hold client assets in an account and buy and sell securities when we or the client instructs them to do so. Clients should understand that not all advisers require their clients to direct brokerage to a specific firm. By directing brokerage to Schwab, clients may be unable to achieve the most favorable execution for client transactions. Therefore, directed brokerage may cost clients more money. While we require that clients use Schwab as their custodian, clients will decide whether to do so and will open their account with Schwab by entering into an account agreement directly with Schwab. We do not open the account for the client, although we may assist the client in doing so.

##### **How Adviser Recommends Brokers/Custodians**

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- ☐ Combination of transaction execution services and asset custody services
- ☐ Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- ☐ Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- ☐ Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- ☐ Availability of investment research and tools that assist in making investment decisions
- ☐ Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- ☐ Quality of services and prior experience with other clients
- ☐ Reputation, financial strength, and stability
- ☐ Availability of other products and services that benefit us, as discussed below

##### **Client Brokerage and Custody Costs**

For client accounts that Schwab maintains, Schwab generally does not charge clients separately for custody services but is compensated by charging commissions or fees on trades that it executes or settles into client Schwab accounts. In addition to transaction-related fees, Schwab charges clients a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into client Schwab accounts. These fees are in addition to the transaction-related fees or other

compensation clients pay the executing broker-dealer. Because of this, in order to minimize client trading costs, we have Schwab execute most trades in client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors.

#### Products and Services Available From Schwab

Schwab Advisor Services™ is Schwab’s business serving independent investment advisory firms like us. Schwab provides us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services to us that may help us manage or administer our client accounts. Schwab’s support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. The availability of these services from Schwab benefits us because we do not have to produce or purchase them. It also is a benefit to us because it is operationally more efficient for us to have clients at one custodian.

Schwab also offers other services to us intended to help manage and further develop our business enterprise. These services generally only benefit us and include:

- ☐ Educational conferences and events
- ☐ Consulting on technology and business needs
- ☐ Consulting on legal and related compliance needs
- ☐ Publications and conferences on practice management and business succession
- ☐ Access to employee benefits providers, human capital consultants, and insurance providers
- ☐ Marketing consulting and support

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party’s fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If clients did not maintain their accounts with Schwab, we would be required to pay for these services from our own resources. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interest of clients.

When placing orders for more than one client account, our portfolio manager may decide to aggregate similar purchase or sale orders in the same security for several accounts resulting in an average price being applied to each client account participating in the aggregate order.

#### Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain employees in their respective individual capacities are Registered Representatives of Securities America. These certain employees are subject to FINRA Rules which restricts Registered Representatives from conducting securities transactions away from their broker-dealer unless Securities America provides written consent. Therefore, clients are advised that certain employees may be restricted to conducting securities transactions through Securities America unless they first secure written consent from Securities America to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Securities America, these certain employees are prohibited from executing securities transactions through any broker-dealer other than Securities America under Securities America internal supervisory policies.

We are also cognizant of our duty to obtain best execution from all execution sources and have implemented policies and procedures reasonably designed in such pursuit.

#### **ITEM 13 – REVIEW OF ACCOUNTS**

Your accounts are under continuous review by our investment professionals. Portfolio reviews are conducted frequently to judge the appropriateness of securities held in your account. Accounts are reviewed if there is an extraordinary event such as abnormal performance of a mutual fund or individual equity, if there is a change in a mutual fund manager or if there is a significant market swing. Matthew Watters reviews all accounts and each Investment Adviser Representative is assigned his/her respective accounts under management. In addition to the monthly written statements that our clients receive from Schwab through the mail or via email our clients receive quarterly, semiannual, or annual reviews that include, but are not limited to, evaluation and review of securities currently held in an account, performance review, and review of activity in the account since the last review.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

We are required to disclose any relationship or arrangement where we receive an economic benefit from a third party (non-client) for providing advisory services. In addition, we are required to disclose any direct or indirect compensation that we provide for client referrals. At this time, we do not use the services of solicitors, affiliated or non-affiliated. See Item 12 Brokerage Practices for a discussion of economic benefits received from Schwab.

As a result of our relationship with Securities America, we may receive production bonuses, stock or stock options to purchase shares of Securities America's parent company, referral fees, and other things of value such as free or reduced-cost attendance at Securities America's national sales conference or top producer forums and events. Such compensation may be based on overall business produced and/or the amount of assets serviced through Securities America or its affiliated Investment Adviser. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and in the client's best interests.

#### **ITEM 15 – CUSTODY**

We do not have physical custody of client funds or securities. If there is any activity in a client account, clients receive monthly statements from the account custodian. If there is no activity in a client account, clients receive quarterly statements from the account custodian. Clients may request an updated position report from their advisor at any time. Clients should carefully review those statements. Clients may have standing letters of authorization on their accounts. We have reviewed those relationships and determined that they meet the IAA no action letter seven conditions and do not trigger the surprise custody audit.

#### **ITEM 16 – INVESTMENT DISCRETION**

Typically, we manage accounts on a discretionary basis. This means that you give us full and complete discretion and authority with respect to the management of your assets, including the authority to purchase, sell, exchange, convert and trade your assets, to choose broker-dealers and to subcontract and use sub-advisers. If you desire, you may impose restrictions on the securities or types of securities you would like us to invest in.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

We will not vote proxies on behalf of client accounts. Although we may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting

rights.

#### **ITEM 18 – FINANCIAL INFORMATION**

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody of some assets, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report.

#### **Confidentiality**

Protecting client privacy is very important to us. We view protecting its clients' private information as a top priority. Pursuant to the requirements of the Gramm-Leach-Bliley Act, we have instituted policies and procedures to ensure that customer information is kept private and secure. We do not disclose any non-public personal information about its clients or former clients to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, we may share some information with its service providers, such as, but not limited to, transfer agents, custodians, broker/dealers, accountants, and lawyers.

We restrict internal access to non-public personal information about its clients to those employees who need to know that information in order to provide products or services to the client. We maintain physical and procedural safeguards that comply with federal standards to guard a client's non-public personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be our policy never to sell information about current or former customers or their accounts to anyone. It is also our policy not to share information unless required to process a transaction, at the request of our customer, or as required by law.

A copy of our privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the advisory agreement. Thereafter, we will deliver a copy of the current privacy policy notice to its clients prior to changing its sharing practices.

**BROCHURE SUPPLEMENTS – PART 2B OF FORM ADV**

**Matthew Graham Watters  
Midwest Heritage Financial Advisors**

**3580 EP True Parkway**

**West Des Moines, Iowa 50265**

**515-246-8378**

**website: <https://www.midwestheritage.com/investments>**

**IARD/CRD Number: 2669304**

**October 26, 2023**

**This brochure supplement provides information about Matthew Watters that supplements the Midwest Heritage Financial Advisors brochure. You should have received a copy of that brochure. Please contact Matthew Watters, Chief Compliance Officer, at 515-246-8378 if you did not receive Midwest Heritage Financial Advisors' brochure or if you have any questions about the contents of this supplement.**

**Additional information about Matthew Watters also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## ITEM 2 Educational Background and Business Experience

Matthew Watters

Born 1974

### Post-Secondary Education:

Iowa State University, Ames, Iowa, BS, Business Administration, 08/1992-05/1995

Life Underwriter Training Council Fellow (LUTCF), June 1998, Requirements are:

- ☐ Be a member of a local association of the National Association of Insurance and Financial Advisors (NAIFA)
- ☐ Complete 6 courses (1 required and 5 elective)
- ☐ Successfully complete a proctored, online examination
- ☐ Complete 3 hours of ethics-related continuing education every two years (for designees earning credentials on/after 1/1/10)

He has passed Series 6 (12/1995), Series 7 (03/1999), Series 24 (10/1999), Series 63 (10/1995), Series 65 (01/2001), and the Securities Industry Essentials (SIE, 10/2018) Examinations. He also has State of Iowa Insurance licenses, 1995. He earned the Certified Financial Planner (CFP®) from the Certified Financial Planner Board of Standards, December 2021. He earned the Chartered Financial Consultant® (ChFC®) from The American College of Financial Services®, July 2022.

In order to achieve and maintain certification, CFP® professionals must: 1) pass the comprehensive CFP® Certification Examination, 2) pass the CFP Board's Fitness Standards for Candidates and Registrants, 3) agree to abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct which put clients' interests first, 4) comply with the Financial Planning Practice Standards which spell out what clients should be able to reasonably expect from the financial planning engagement, and 5) complete 30 hours of continuing education (including 2 hours of approved Ethics CE) every two years. - See more at: <http://www.cfp.net/become-a-cfp-professional/cfp-certification-requirements#sthash.qwXJz3yF.dpuf>.

**Chartered Financial Consultant (ChFC®)** is the financial planning designation for the insurance industry awarded by the American College of Financial Services. ChFCs must meet experience requirements and pass exams covering finance and investing. They must have at least three years of experience in the financial industry, and have studied and passed an examination on the fundamentals of financial planning, including income tax, insurance, investment and estate planning. The ChFC designation must be renewed every two years and complete a minimum of 30 hours of continuing education. For more information on the ChFC designation go to [www.TheAmericanCollege.edu/chfc](http://www.TheAmericanCollege.edu/chfc).

### Recent Business Background:

- ☐ Midwest Heritage Financial Advisors, West Des Moines, Iowa, President, Investment Adviser Representative, and Chief Compliance Officer, 11/2019 – Present
- ☐ Securities America, Inc., West Des Moines, Iowa, Registered Representative, 01/2006 – Present
- ☐ Midwest Heritage Financial Services, West Des Moines, Iowa, Insurance Agent, President, 01/2006 - Present
- ☐ Securities America Advisors, Inc., West Des Moines, Iowa, Investment Adviser Representative, 03/2006 to 11/2019

## ITEM 3 Disciplinary Information

There are no legal or disciplinary events that are related to the above listed supervised person.

**ITEM 4 Other Business Activities**

Matthew Watters does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

**Registered Representative of a Broker-Dealer**

Matthew Watters is a Registered Representative with Securities America, Inc., a full service broker/dealer, member FINRA/SIPC. Securities America, Inc. and Securities America Advisors, Inc. are affiliated entities. In this capacity, Matthew may provide securities brokerage services and implement securities transactions under a commission-based arrangement. Matthew may be entitled to a portion of the brokerage commissions paid to Securities America, Inc. He may also be entitled to a portion of any ongoing distribution or service ("trail") fees from the sale of mutual funds.

A conflict of interest exists to the extent that Matthew can recommend the purchase of securities where he receives commissions or other additional compensation as a result. The receipt of commissions provides an incentive for Matthew to recommend investment products based on compensation he might receive from selling such products. However, Midwest Heritage does not allow advisors to earn commission on products that are included within advisory accounts.

Matthew is President of Midwest Heritage Financial Services and is also a licensed insurance agent. In this capacity, Matthew can sell insurance products such as fixed and variable life insurance products to clients and receive normal and customary commission compensation. You are under no obligation to purchase insurance products through Matthew on a commissionable basis. Matthew may receive other compensation such as fixed or variable life trails. The receipt of commissions and other compensation gives Matthew an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. To address this conflict, clients purchasing insurance from Matthew will receive certain disclosure documents and complete additional documentation to complete the transaction. All insurance activity is supervised directly by the Midwest Heritage CCO. Matthew devotes approximately 25% of his time to commission securities business and approximately 25% of his time to insurance activities.

Matthew is a FINRA Arbitrator and has served in that role since July 2003. He does not spend 10% of his time or earn 10% of his revenue in this role.

Matthew serves as an Investment Board Member for IPERS (Iowa Public Employee's Retirement System) Investment Board. In this role he provides oversight on investment performance and investment policies for the retirement system. He does not spend 10% of his time or earn 10% of his revenue in this role.

Matthew is required to disclose information regarding any investment-related business or occupation in which Matthew is actively engaged and Matthew has no disclosures other than those listed in the Item 2 Recent Business Background Section.

**Other Outside Business Activity**

None of Matthew's other outside business activities are 10% of his time or revenue.

**ITEM 5 Additional Compensation**

Midwest Heritage's Supervised Persons do not receive additional compensation for advisory services.



**ITEM 6 Supervision**

Matthew Watters, Chief Compliance Officer, is responsible for monitoring the activities of Midwest Heritage's supervised persons. Matthew Watters' telephone number is 515-246-8378. Mr. Watters supervises the firm personnel and the investments made in client accounts. Mr. Watters monitors the investments recommended by the supervised persons to ensure those investments are suitable for the particular client and consistent with their investment needs, goals, objectives and risk tolerance, as well as any restrictions previously requested by the client. Mr. Watters periodically reviews the advisory activities of each supervised person, which may include reviewing individual client accounts and correspondence (including e-mails) sent to and received by the supervised persons. All of Midwest Heritage's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.

**Casey Malloy**  
**Midwest Heritage Financial Advisors**  
3580 EP True Parkway  
West Des Moines, Iowa 50265  
515-246-8378  
website: <https://www.midwestheritage.com/investments>

**IARD/CRD Number: 6326461**

**October 26, 2023**

**This brochure supplement provides information about Casey Malloy that supplements the Midwest Heritage Financial Advisors brochure. You should have received a copy of that brochure. Please contact Matthew Watters, Chief Compliance Officer, at 515-246-8378 if you did not receive Midwest Heritage Financial Advisors' brochure or if you have any questions about the contents of this supplement.**

**Additional information about Casey Malloy also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **ITEM 2 Educational Background and Business Experience**

Casey Malloy

Born 1985

Post-Secondary Education:

Faith Baptist Bible College, Ankeny, Iowa, Bachelor's Degree, Graduated 2010

He has passed Series 7 (05/2023), Series 65 (11/2015), Series 63 (06/2014), Series 6 (06/2014), and the Securities Industry Essentials (SIE, 10/2018) Examinations. He also has State of Iowa Insurance licenses, 2014. He earned the Certified Financial Planner (CFP®) from the Certified Financial Planner Board of Standards, January 2023.

In order to achieve and maintain certification, CFP® professionals must: 1) pass the comprehensive CFP® Certification Examination, 2) pass the CFP Board's Fitness Standards for Candidates and Registrants, 3) agree to abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct which put clients' interests first, 4) comply with the Financial Planning Practice Standards which spell out what clients should be able to reasonably expect from the financial planning engagement, and 5) complete 30 hours of continuing education (including 2 hours of approved Ethics CE) every two years. - See more at: <http://www.cfp.net/become-a-cfp-professional/cfp-certification-requirements#sthash.qwXJz3yF.dpuf>.

Recent Business Background:

- ☐ Midwest Heritage Financial Advisors, West Des Moines, Iowa
  - o Investment Adviser Representative, 11/2022 – Present
- ☐ Midwest Heritage Financial Services, West Des Moines, Iowa, Insurance Agent, 11/2022 – Present
- ☐ Securities America, Inc., West Des Moines, Iowa, Registered Representative, 01/2023 – Present
- ☐ PFS Investments Inc., Urbandale, Iowa, Registered Representative, 05/2014 – 11/2022
- ☐ Primerica Financial Services, Urbandale, Iowa, Investment Adviser Representative, 04/2014 – 11/2022

## **ITEM 3 Disciplinary Information**

There are no legal or disciplinary events that are related to the above listed supervised person.

## **ITEM 4 Other Business Activities**

Casey Malloy does not have a pending application to register as a registered representative, an associated person of a futures commission merchant, a commodity pool operator, or a commodity trading adviser.

### **Registered Representative of a Broker-Dealer**

Casey Malloy is a Registered Representative with Securities America, Inc., a full-service broker/dealer, member FINRA/SIPC. Securities America, Inc. and Securities America Advisors, Inc. are affiliated entities. In this capacity, Casey may provide securities brokerage services and implement securities transactions under a commission-based arrangement. Casey may be entitled to a portion of the brokerage commissions paid to Securities America, Inc. He may also be entitled to a portion of any ongoing distribution or service ("trail") fees from the sale of mutual funds.

A conflict of interest exists to the extent that Casey can recommend the purchase of securities where he receives commissions or other additional compensation as a result. The receipt of commissions provides an incentive for Casey to recommend investment products based on compensation he might receive from selling such products. However, Midwest Heritage does not allow advisors to earn commission on products that are included within advisory accounts.

Casey Malloy is also a licensed insurance agent. In this capacity, Casey can sell insurance products such as fixed and variable life insurance products to clients and receive normal and customary commission compensation. You are under no obligation to purchase insurance products through Casey on a commissionable basis. Casey may receive other compensation such as fixed or variable life trails. The receipt of commissions and other compensation gives Casey an incentive to recommend insurance products based on the compensation received, rather than on the client's needs. To address this conflict, clients purchasing insurance from Casey will receive certain disclosure documents and complete additional documentation to complete the transaction. All insurance activity is supervised directly by the Midwest Heritage CCO. Casey devotes approximately 25% of his time to commission securities business and approximately 25% of his time to insurance activities.

Casey is required to disclose information regarding any investment-related business or occupation in which Casey is actively engaged and Casey has no disclosures other than those listed in the Item 2 Recent Business Background Section.

**Other Outside Business Activity**

None of Casey's other outside business activities are 10% of his time or revenue.

**ITEM 5 Additional Compensation**

Midwest Heritage's Supervised Persons do not receive additional compensation for advisory services.

**ITEM 6 Supervision**

Matthew Watters, Chief Compliance Officer, is responsible for monitoring the activities of Midwest Heritage's supervised persons. Matthew Watters' telephone number is 515-246-8378. Mr. Watters supervises the firm personnel and the investments made in client accounts. Mr. Watters monitors the investments recommended by the supervised persons to ensure those investments are suitable for the particular client and consistent with their investment needs, goals, objectives and risk tolerance, as well as any restrictions previously requested by the client. Mr. Watters periodically reviews the advisory activities of each supervised person, which may include reviewing individual client accounts and correspondence (including e-mails) sent to and received by the supervised persons. All of Midwest Heritage's supervised persons receive the Investment Adviser Supervisory Manual and Code of Ethics and are asked to annually certify to their understanding of the material.