FORM ADV PART 2A

Brochure

Heritage WEALTH ADVISORS, LLC

919 EAST MAIN ST SUITE 950
RICHMOND, VA 23219

(804) 643-4080

WWW.HERITAGEWEALTH.NET

Brochure updated

February 22, 2021

Contact: John G. Jordan, III

This brochure provides information about the qualifications and business practices of Heritage Wealth Advisors, LLC ("Heritage Wealth Advisors" or "Heritage"). If you have any questions about the contents of this brochure, please contact us at 804-643-4080. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Heritage Wealth Advisors is also available on the SEC's website at www.adviserinfo.gov

References herein to Heritage Wealth Advisors, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

ITEM 2 - MATERIAL CHANGES

Heritage Wealth Advisors has made one material change since its last Annual Amendment filed on March 4, 2020. This Disclosure Brochure has been updated as follows:

- Item 4: Removed Jonathan Michael Fortin as a principal owner of Heritage Wealth Advisors.

Other non-material changes were made at Items 4 and 12 with respect to our advisory services. Item 8 has been amended to provide additional information regarding use of options.

ANY QUESTIONS: Heritage Wealth Advisor's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that an existing or prospective client may have regarding this Brochure.

ITEM 3 - TABLE OF CONTENTS

ITEM 4 - ADVISORY BUSINESS

A. Heritage Wealth Advisors ("Heritage") is an SEC registered investment adviser ("RIA") that offers investment advisory and consulting services to high net worth individuals, families, trusts and estates and other institutions, including 401(k), 403(b), 457, and other profit-sharing plans. The company is organized as a Limited Liability Company (LLC) and has been registered since 2005. The principal owners of the company are Delores Ann Remo, John Gwyn Jordan III, Charles Thomas Hill, Jr., Marshall Ogden Chambers and Caroline Elizabeth Baronian.

B. **Investment Advisory Services**

Heritage offers independent investment strategies designed to meet the specific needs of each client. Heritage considers the client's time horizon, risk tolerance, cash flow needs and other personal preferences when designing an investment portfolio. The client can determine to engage Heritage to provide discretionary or non-discretionary investment advisory services on a fee basis. Heritage's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Heritage's management, generally between .50% and 1.0%.The firm designs more conservative investment allocations for clients who are more risk adverse or more aggressive investment allocations for clients that desire a more growth-oriented portfolio. When the firm designs and reviews a client's portfolio, careful consideration is given to which type of assets are held in each account to maximize tax-efficiencies and keep costs to a minimum. Clients may impose restrictions on investing in certain securities or types of securities within their portfolio. To the extent specifically requested by the client, Heritage offers financial planning and related consulting services.

Financial Planning and Tax Services (Stand-Alone)

Heritage offers comprehensive and integrated financial and tax planning services ("Consulting Services") including investment and non-investment related matters (including estate planning, insurance planning, tax preparation, etc.) on a stand-alone separate fee basis. Heritage's planning and consulting fees are negotiable, but generally range from $3,000 to $20,000 on a fixed fee basis, and from $200 to $400 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging Heritage to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with Heritage setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Heritage commencing services.

If requested by the client, Heritage may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professionals. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Heritage. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, etc.), and not Heritage, shall be responsible for the quality and competency of the services provided. **Please Also Note**: It remains the client's responsibility to promptly notify Heritage if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Heritage's previous recommendations and/or services.

C. Heritage tailors engagements to individual clients based on their needs and requested scope of services. These services may include but are not limited to:

a. Financial planning
b. Cash flow analysis
c. Retirement planning
d. Insurance planning
e. Estate planning
f. Charitable giving planning
g. Income tax planning
h. Income tax preparation
i. Family education

The financial and tax-planning process, while customized for each client's needs, generally involves the following steps:

- Heritage holds a preliminary meeting with the client to understand the client's short- and long-range goals. Heritage's client service team gathers information about the client including the client's family situation, goals, and major anticipated financial obligations.
- After the introductory meeting(s), Heritage will make a proposal in the form of an engagement letter to the client to prepare a financial plan that may include tax planning and tax preparation services.
- Heritage organizes and reviews the client's current financial data. The firm analyzes the quantitative information in terms of tax liability (both income and estate), cash flow, net worth, risk management, investments, and insurance needs.
- Based on analysis of the data, Heritage outlines alternative strategies or courses of action intended to help meet the client's immediate and long-term goals and objectives and to mitigate any potential problems the firm identifies. Heritage then tests the various alternatives to determine their potential impact on the projections.
- At the conclusion of the engagement, Heritage prepares and discusses with the client a report that includes recommendations and projections. Heritage is available to assist in implementing the actions agreed upon, including investment advisory services and selection of other outside advisers including insurance providers and legal counsel.
- If the client chooses to engage the firm for Investment Advisory Services, the firm and the client sign an investment advisory agreement. The nature and extent of the implementation services are established at that time.

MISCELLANEOUS

Limitations of Financial Planning and Non-Investment Consulting/Implementation

As indicated above, to the extent requested by a client, Heritage may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Please Note: We do not serve as an attorney and no portion of our services should be construed as legal services. Accordingly, we do not prepare estate-planning documents.

To the extent requested by a client, we may provide tax return preparation and or tax planning services. We may also recommend the services of other professionals for certain non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional, including Heritage in its role as a tax preparation service. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Heritage and/or its representatives. Please Note: If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** Heritage, shall be responsible for the quality and competency of the services provided.

Unaffiliated Private Investment Funds

Heritage may also provide investment advice regarding unaffiliated private investment funds. Heritage, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Heritage's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Heritage calculating its investment advisory fee, unless Heritage and the client specifically agree to exclude the fund as part of the client's assets under management. Heritage's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s). Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Note: Valuation

In the event that Heritage references private investment funds owned by the client on any supplemental account reports prepared by Heritage, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price or the capital called to date. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. Please Also Note: As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected on the report.

eMoney/Tamarac Advisor Platforms

Heritage may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney") or by "Tamarac Reporting" ("Tamarac"). The eMoney and Tamarac platforms allow a client to view his/her/its complete asset allocation, including those assets that Heritage does not manage (the "Excluded Assets"). Heritage does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Heritage shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Heritage, shall be exclusively responsible for such investment performance. The eMoney and Tamarac platforms also provide access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Heritage. The client may choose to engage Heritage to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Heritage and the client.

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest

Heritage may provide retirement planning services to individuals including managing rollovers of retirement plan assets into a Heritage managed account which could create a conflict of interest. When deciding what to do with retirement assets, an individual generally has four options (and may engage in a combination of these options): (1) leave the money in the former employer's plan, if permitted; (2) roll over the assets to the new employer's plan if there is one and it permits rollovers; (3) roll over the assets to an Individual Retirement Accounts ("IRA"); or (4) cash out the account value which could have adverse tax consequences depending on the individual's age or current income level. If Heritage recommends a client roll over its retirement assets to an Heritage managed account, such a recommendation creates a conflict of interest if Heritage will earn new (or increase its current) compensation as a result of the rollover. Depending on the options available to the individual, rolling over assets to a Heritage managed account rather than leaving it in a current plan or moving to another employer-sponsored plan could incur higher fees. No client is under any obligation to roll over retirement plan assets to an account managed by Heritage. To the extent Heritage recommends a client roll over assets from a retirement plan to an IRA managed by Heritage, Heritage represents it is and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974, or the Internal Revenue Code, or both.

Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

Independent Managers

Heritage may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets. Heritage shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Heritage generally considers the following factors when considering its recommendation to allocate investment assets to Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Custodian Charges-Additional Fees

As discussed at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Heritage generally recommends that Charles Schwab & Company ("Charles Schwab" or "Schwab") or Fidelity Investments ("Fidelity") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Fidelity and Schwab charge brokerage commissions and/or transaction fees for effecting securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including *Schwab and Fidelity*, do not currently charge fees on individual equity transactions, others do). In addition to Heritage's investment advisory fee referenced in Item 5 below, the client may also incur transaction fees to purchase securities for the client's account (i.e., mutual funds, exchange traded funds, and individual equity and fixed income securities purchased by Heritage for the client's account).

Structured Notes

Heritage may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.

Use of Mutual and Exchange Traded Funds

Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by Heritage independent of engaging Heritage as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Heritage's initial and ongoing investment advisory services. **Please Note**: In addition to Heritage's investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

Portfolio Activity

Heritage has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Heritage will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Heritage determines that changes to a client's portfolio are neither necessary nor prudent. Of course, as indicated below, there can be no assurance that investment decisions made by Heritage will be profitable or equal any specific performance level(s). Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

<u>ERISA PLAN ENGAGEMENTS:</u>

- Trustee Directed Plans. Heritage may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby the Firm shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Heritage will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Heritage will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and the Firm.

- Participant Directed Retirement Plans. Heritage may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Heritage and the plan. For such engagements, Heritage shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Heritage), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

Cash Positions. Adviser may maintain cash and cash equivalent positions (such as money market funds or certificates of deposit) for defensive and liquidity purposes. Unless otherwise agreed in writing, all cash and cash equivalent positions are included as part of assets under management for purposes of calculating Adviser's investment advisory fee.

Non-Discretionary Service Limitations

Clients that determine to engage Heritage to provide investment advisory services on a non-discretionary basis must be willing to accept that Heritage cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Heritage would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Heritage will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Heritage) will be profitable or equal any specific performance level(s).

Client Obligations

In performing its services, Heritage shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Heritage if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Heritage's previous recommendations and/or services

Disclosure Statement

A copy of Heritage's written Brochure, as set forth on Parts 2 A and B of Form ADV, shall be provided to each client or prospective client, along with Form ADV Part 3 (CRS), prior to, or contemporaneously with, the execution of the Investment Advisory Agreement or Financial Planning and Consulting Agreement and Privacy Notice.

D. Heritage does not participate in a wrap fee program.

E. As of December 31, 2020, Heritage managed $2,456,317,55 on a discretionary basis and $212,427,941on a non-discretionary basis.

ITEM 5 - FEES AND COMPENSATION

A. For Consulting Services, Heritage is compensated through fixed fees or hourly charges. These fees are negotiated with the client based on the level and scope of the services to be delivered and the Heritage professionals involved with the engagement. Fixed fee Consulting Services engagements are generally paid quarterly in advance. Hourly Consulting Services fees are generally billed upon completion of the engagement. For some large or lengthy projects, Heritage may send progress bills when certain milestones are achieved as outlined in the engagement letter. Clients may choose to have Consulting Services bills paid from an investment account by signing a letter of authorization form from the custodian or they may pay by check. A letter of authorization for payment of additional services must be signed by the client for each separate invoice and cannot be made standing for payment of future invoices.

Heritage provides discretionary and non-discretionary advisory services to clients on a fee-only basis based on a percentage of assets under management. Heritage's annual investment advisory fee shall include investment advisory services, selecting and monitoring investments, monitoring a client's investment results, reporting to the client on a quarterly basis and, to the extent specifically requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Heritage), Heritage may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client. Asset based fees are charged based on the following schedule:

Assets Under Management	Advisory Fee
First $2 Million	100 bps (1.00%)
Next $3 Million	80 bps (0.80%)
Next $15 Million	60 bps (0.60%)
> $20 Million	50 bps (0.50%)

Please note, Heritage includes the value of certain month or quarter end interest or dividend payments when calculating client fees. Because these payments may be credited to the appropriate account subsequent to the issuance of the applicable brokerage statement, the market value reflected on the client brokerage statement may differ slightly from the value used in Heritage's fee billing process.

Under special circumstances, such as the "householding" of accounts for clients with multiple family members or entities, Heritage may negotiate the amount of the fee. Heritage determines the fee based upon a number of factors including the amount of work involved, the assets placed under management and the attention needed to manage the account. In some cases, Heritage negotiates a flat rate on the portfolio. Heritage reserves the right to negotiate fees for certain accounts as more particularly described under "Fee Dispersion" below.

Fee Dispersion

Heritage's investment advisory fee is negotiable at its discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with Heritage and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by Heritage to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above. **Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding how his/her fees are determined.**

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

Heritage may be engaged to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Heritage's planning and consulting fees are negotiable, but generally range from $3,000 to $20,000 on a fixed fee basis, and from $200 to $400 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Clients agree to the compensation method in advance before Heritage provides any Investment Advisory Services or Consulting Services other than initial introductory and information gathering meetings.

B. Heritage charges fees for Investment Advisory Services in advance during the first week of each calendar quarter based on the value of accounts on the last day of the previous quarter. If a client makes contributions and/or withdrawals during a calendar quarter, a pro-rata adjustment for the fee will be made based on the number of days remaining in the quarter multiplied by the quarterly rate for the client. Heritage will deduct the fee directly from the client's brokerage or custodial account, pursuant to the written agreement between Heritage and the client, unless the client requests Heritage send an invoice to the client to pay directly. Regardless of the payment method, Heritage sends a statement on a quarterly basis reflecting the fees charged.

Investment advisory services begin with the effective date of the signed Investment Advisory Agreement and in conjunction with the transfer of assets to one of the qualified custodians used by Heritage. For the calendar quarter in which investment advisory services begin, fees will be adjusted pro rata based on the number of calendar days in the calendar quarter for which the Agreement was effective. Assets are billed for new accounts and existing accounts upon receipt. Pro-rata fee billing is calculated on a calendar-weighted basis as assets are transferred into client accounts.

C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Heritage shall generally recommend that Schwab or Fidelity serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Charles Schwab or Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions).The fees described above are for advisory services only and do not include other costs that clients may incur.

Fees and expenses that mutual funds or unaffiliated investment managers charge, transaction fees, commissions, and custodial fees, are in addition to the Heritage fee for advisory services (See section titled *Brokerage Practices* for additional information about client transactions). For example, certain share classes of mutual fund investments can incur an additional commission charge for each transaction. Heritage considers all costs associated with an investment when determining whether it is appropriate for a client and may use different share classes of the same mutual fund in order to achieve optimal cost efficiency on behalf of clients.

Please Note: Asset Based Pricing Limitations: Relative to Independent Manager engagements, Heritage, depending upon anticipated trading activity of the recommended Independent Manager, may recommend that its clients consider entering into an asset-based pricing agreement with the account custodian. Under an asset-based pricing arrangement, the amount that a client will pay the custodian for account commission/transaction fees is based upon a percentage (%) of the market value of your account, generally expressed in basis points. One basis point is equal to one one-hundredth of one percent (1/100th of 1%, or 0.01% (0.0001) (generally, the greater the market value, the lower the %)). This differs from transaction-based pricing, which assesses a separate commission/transaction fee against your account for each account transaction. Account investment decisions are driven by security selection and anticipated market conditions and not the amount of transaction fees payable by you to the account custodian. We do not receive any portion of the asset-based transaction fees payable by you to the account custodian. We continue to believe that our clients can benefit from an asset-based pricing arrangement. You can request at any time to switch from asset-based pricing to transactions-based pricing.

However, there can be no assurance that the volume of transactions will be consistent from year-to-year given changes in market events and security selection. Thus, given the variances in trading volume, any decision by you to switch to transaction-based pricing could prove to be economically disadvantageous. **ANY QUESTIONS Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding asset-based pricing.**

D. Heritage or a client may terminate an Investment Advisory Agreement in writing at any time. Because Heritage charges investment advisory fees in advance, when an Agreement is terminated, Heritage will pro-rate the fees charged for advisory services and refund any unearned fees to the client. Heritage calculates the refund owed to client by multiplying the number of calendar days remaining in the quarter in which the Agreement is terminated by the client's quarterly rate. The client is responsible to pay for services rendered until the termination of the Agreement.

E. Neither Heritage nor its employees accept compensation for the sale of securities or other investment products.

ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Neither Heritage nor its employees accept performance-based fees. Performance-based fees are fees based on a share of capital gains or capital appreciation of the assets of a client.

ITEM 7 - TYPES OF CLIENTS

Heritage offers investment advisory services to individuals, high net worth individuals, families, trusts and estates, business entities, non-profit organizations, and retirement plans such as 401(k), 403(b), 457, and other profit-sharing plans. Heritage does not generally require an annual minimum fee or asset level for investment advisory services. Heritage, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.)

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Heritage utilizes mutual funds, exchange traded funds (ETFs), separately managed accounts, individual equities, and private investments to invest clients' assets in its discretionary accounts. The firm first designs a personalized target asset allocation model based on a client's time horizon, risk tolerance, and other client criteria and then selects specific investments for each asset class. Portfolios are reviewed at least once per quarter. When the Investment Policy Committee determines that a change in the asset allocation model is warranted due to changes in the economic environment, perceived risks or a client's individual situation, Heritage will make changes to the percentage of assets that are allocated to each asset class.

Heritage invests in individual equity securities following a research process designed to identify high quality businesses at reasonable valuations. A combination of fundamental analysis focused on industry dynamics, competitive positioning, profitability, cash flow and balance sheet strength coupled with a valuation overlay generates a group of equity securities for consideration. Heritage follows a long-term approach with respect to individual equity selection and holdings.

Before selecting a mutual fund or separately managed account for use in clients' portfolios, Heritage screens funds utilizing risk and return parameters as well as other key data points including alpha, beta, standard deviation and other data metrics. The firm then analyzes an investment company's history of regulatory compliance, investment philosophy, management tenure, investment process, and fee structure. The investment advisory team conducts conference calls and/or in-person interviews with the portfolio managers and runs hypothetical scenarios of the blended portfolios to analyze the risk and return data before utilizing an investment.

Heritage monitors mutual funds and separately managed accounts on an ongoing basis for changes in risk and performance. If the Investment Policy Committee determines that an investment is no longer in clients' best interests due to unsubstantiated poor performance, unacceptable changes in how the fund is managed, such as departure of the fund manager, or changes in investment strategy due to market risks or opportunities, a mutual fund or separately managed account may be removed from client portfolios.

In addition to using mutual funds, separately managed accounts and individual equity securities, Heritage may use other investment strategies within client portfolios. The firm may utilize an options strategy to protect a concentrated position of stock from a sudden price change. When appropriate, the firm will offer advice on individual securities including certificates of deposit, municipal securities, or interests in partnerships including hedge funds, though this is not the primary function of Heritage.

B. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Adviser) will be profitable or equal any specific performance level(s). While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss. Heritage investment strategies do not present any significant or unusual risk; however, Heritage cannot assure its clients will achieve their investment objectives. Heritage does not represent, warrant or imply that the services or methods of analysis used by Heritage can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Heritage will provide a better return than other investment strategies. Material risks include:

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. All investments in securities and other financial investments involves substantial risk of volatility arising from numerous factors that are beyond the control of Heritage and investment managers utilized by Heritage, including market conditions, changing domestic or international economic or political conditions, changes in tax laws and government regulation and other factors.

Multiple Manager Risks

Heritage will invest client assets with investment managers who make their trading decisions independently. It is possible that one or more investment managers may take investment positions that are opposite of positions taken by other investment managers. Some investment managers may have overlapping strategies or portfolios and thus could accumulate large positions in the same or related instruments at the same time. Heritage may not have access to information regarding the underlying investments made by the investment managers or investment funds and thus may not be able to mitigate the associated risks of concentration or exposure to specific markets or strategies. Because each investment manager will trade independently of the others, the trading losses of some investment managers could offset trading profits achieved by other investment managers. In addition, investment managers may compete with each other for similar positions at the same time.

Activities of Investment Managers and Investment Funds

Heritage will have no control over the day-to-day operations of any unaffiliated investment fund or investment manager. As a result, there can be no assurance that every investment fund or investment manager will invest on the basis expected by Heritage. Furthermore, because Heritage will have no control over any investment fund's or investment manager's day-to-day operations, clients may experience losses due to the fraud, poor risk management or recklessness of the investment funds or the investment managers.

Allocation Risks

Investment performance will depend largely on Heritage decisions as to strategic asset allocation and tactical adjustments made to the asset allocation. At times, Heritage judgments as to the asset classes in which clients should invest may prove to be wrong, as some asset classes may perform worse than others or the equity markets generally from time to time or for extended periods of time.

Inflation Risk

When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk

Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Credit Risk

The issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and impact performance. Credit risk is considered greater for fixed income securities with ratings below investment grade. Fixed income securities that are below investment grade involve higher credit risk and are considered speculative.

Call Risk

During periods of falling interest rates, a bond issuer will call or repay a higher-yielding bond before its maturity date, forcing the investment to reinvest in bonds with lower interest rates than the original obligations.

Regulatory Risk

Changes in laws and regulations from any government can change the market value of companies subject to such regulations. Certain industries are more susceptible to government regulation. For example, changes in zoning, tax structure or laws may impact the return on investments

Exchange Traded Funds Risk

ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

Mutual Fund Risk

Mutual funds are operated by investment companies that raise money from shareholders and invests it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

Equity Securities

Common stocks and other equity securities, including Master Limited Partnerships ("MLP"), generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price may decline as a result of poor decisions made by management, lower demand for the company's services or products or if the company's revenues fall short of expectations. There are also risks associated with the stock market overall; in particular, the stock market may experience periods of turbulence and instability.

Fixed Income Securities

A bond's market value is affected significantly by changes in interest rates. Generally, when interest rates rise, the bond's market value declines and when interest rates decline, its market value rises. Generally, a bond with a longer maturity will entail greater interest rate risk but have a higher yield. Conversely, a bond with a shorter maturity will entail less interest rate risk but have a lower yield. A bond's value may also be affected by changes in its credit quality rating or the issuer's financial condition.

Options

Options can be highly volatile investments and involve special risks. Successful investment strategies using options require the ability to predict future movements in securities prices, interest rates and other economic factors. Heritage or an investment manager's efforts to use options (even for hedging purposes) may not be successful. Heritage or an investment manager may invest in options based on any type of security, index or currency, including options traded on foreign exchanges and options not traded on ex- changes. If the Adviser or an investment manager applies a hedge at an inappropriate time or judges market conditions incorrectly, options strategies may reduce a client's return. A client may also experience losses if the prices of option positions were to be poorly correlated with its other investments, or if it could not close its positions because of an illiquid secondary market.

Options Strategies.
As discussed above, Heritage may engage in options transactions for the purpose of hedging risk and/or generating portfolio income. The use of options transactions as an investment strategy can involve a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of

time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security, depending upon the nature of the option contract. Generally, the purchase or sale of an option contract shall be with the intent of “hedging” a potential market risk in a client’s portfolio and/or generating income for a client’s portfolio. **Please Note**: Certain options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Heritage, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Covered Call Writing.
Covered call writing is the sale of in-, at-, or out-of-the-money call options against a long security position held in a client portfolio. This type of transaction is intended to generate income. It also serves to create a partial downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced or lost to the extent it is determined to buy back the option position before its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. Covered call strategies are generally better suited for positions with lower price volatility.

Long Put Option Purchases.
Long put option purchases allow the option holder to sell or “put” the underlying security at the contract strike price at a future date. If the price of the underlying security declines in value, the value of the long put option can increase in value depending upon the strike price and expiration. Long puts are often used to hedge a long stock position to protect against downside risk. The security/portfolio could still experience losses depending on the quantity of the puts bought, strike price and expiration. In the event that the security is put to the option holder, it will result in the client (option seller) to lose ownership in the security and to incur potential unintended tax consequences. Options are wasting assets and expire (usually within months of issuance).

Other Instruments

Heritage or an investment manager may take advantage of opportunities with other derivative instrument such as swaps, options on various underlying instruments and other customized “synthetic” or derivative instruments which will be subject to varying degrees of risk.

Duplicate Investment Management Fees

The risk that the investment management fees paid to separate account or mutual fund managers that are in addition to Heritage investment management fees could materially reduce investment performance below results experienced by similarly managed accounts without duplicate management fees charged.

ITEM 9 - DISCIPLINARY INFORMATION

Neither Heritage nor its supervised personnel have been subject to any legal or disciplinary action.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. Neither Heritage, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Neither Heritage, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. Heritage utilizes the services of Charles Schwab and Fidelity to custody and trade client assets. Neither the firm nor its employees receives commissions, bonuses, or other incentives from Charles Schwab or Fidelity. Clients may choose to use either custodian when establishing an investment account.

D. Investment companies that manage mutual funds or separately managed accounts for client assets are independent of Heritage. Neither the firm nor its employees receives commissions or bonuses from any investment company. From time to time, we may receive expense reimbursement for travel expenses from certain mutual funds that we have recommended to clients. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by the mutual fund. The purpose of attending these events are research related. Although receipt of these travel expense reimbursements is not predicated upon specific sales quotas, the reimbursements are typically made by mutual funds for whom sales have been made or it is anticipated sales will be made. We will not recommend mutual funds simply because they pay for our travel costs. Instead, we have a fiduciary duty to our clients to act in good faith and with fairness in all of our dealings with them and will take such duties into account in dealing with all actual and potential conflicts of interest including receiving payment for travel expenses. Mutual funds recommendations are based on the needs of the client and not the ability of mutual funds to pay for our travel expenses.

E. Heritage does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

CODE OF ETHICS

A. Heritage has adopted and maintains an investment policy relative to personal securities transactions. This investment policy is part of Adviser’s overall Code of Ethics, which serves to establish a standard of business conduct for all of Heritage’s investment adviser representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. In accordance with Section 204A of the Investment Advisers Act of 1940 and similar state laws, Heritage also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Heritage or any person associated with Heritage.

The Code of Ethics requires, among other things, that all employees of Heritage:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Heritage above one's own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

B. **Employee Trading**

The principals and employees of Heritage may buy and sell the same securities in their own personal accounts as those in client accounts. This practice may create a situation where the Adviser and/or representatives of the Adviser are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Adviser did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Adviser's clients) and other potentially abusive practices. The Adviser and/or representatives of the Adviser *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Adviser and/or representatives of the Adviser are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated below, Heritage Wealth Advisor's Code of Ethics helps Heritage monitor the personal securities transaction and securities holdings of each of Heritage's employees. To avoid any potential conflicts of interest involving personal trades, Heritage Wealth Advisor's Code of Ethics requires employees to:

1) Pre-clear certain personal securities transactions
2) Report personal securities transactions on at least a quarterly basis
3) Provide Heritage with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

Employees of Heritage are prohibited from:

- Trading opposite of the company’s recommendations or front-running client accounts, which is a practice generally understood to be employees personally trading ahead of proposed client transactions
- Engaging in short-term trades of mutual fund shares, also known as market timing
- Engaging in the following insider trading activities:
  - Trading by an insider while in possession of material non-public information.
  - Trading by a non-insider while in possession of material non-public information.
  - Communicating material non-public information to others in breach of a fiduciary duty.

C. Neither Heritage nor any related person of Heritage recommends, buys, or sells for client accounts, securities in which Heritage or any related person of Heritage has a material financial interest.

ITEM 12 - BROKERAGE PRACTICES

A. **Custodial Firm Selection**

Heritage utilizes the services of Fidelity and Charles Schwab to custody client assets. Heritage will assist clients in selecting which custodian to use after evaluating the client’s preferences, anticipated trading patterns, and fees. Heritage does not receive compensation or other incentives for recommending a custodian to a client. Prior to engaging Heritage to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Heritage setting forth the terms and conditions under which Heritage shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Heritage considers in recommending Schwab or Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Heritage, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab can charge transaction fees for effecting certain securities transactions (***See*** Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab or Fidelity, the transaction fee shall be in addition to Heritage’s investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Heritage shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Heritage determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Heritage will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

1. Research and Benefits

CHARLES SCHWAB

Charles Schwab provides Heritage and its clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to retail customers. Schwab also makes available various support services. Some of these services help Heritage manage or administer clients' accounts while others help manage and grow our business. These support services are generally available on an unsolicited basis and at no charge to the firm as long as Heritage keeps a total of at least $10 million of clients' assets in accounts at Schwab. The availability of Schwab's products and services is not based on Heritage giving particular investment advice, such as buying particular securities for clients.

Services that Benefit Our Clients

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and the custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Services that May Not Directly Benefit Our Clients

Schwab also makes available other products and services that benefit the firm but may not directly benefit a client. These products and services assist us in managing and administering clients' accounts. They include investment research from Schwab and that of third parties. We may use this research to service all or some substantial number of clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements);
- Provides pricing and other market data;
- Facilitates payment of our fees from clients' accounts; and
- Assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only Heritage

Schwab also offers other services intended to help Heritage manage and further develop its business enterprise. These services include:

- Educational conferences and events
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services. In other cases, they will arrange for third-party vendors to provide the services to Heritage. Schwab may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. Heritage and Charles Schwab are not affiliates.

As a result of receiving such services for no additional cost, Heritage may have an incentive to continue to use or expand the use of Schwab's services. Heritage examined this potential conflict of interest when it chose to enter into the relationship with Schwab and has determined that the relationship is in the best interests of the firm's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Heritage determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker- dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Heritage will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Heritage and Charles Schwab are not affiliates.

FIDELITY

Heritage also has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides Heritage with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., trans- actions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Heritage to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. Heritage does not receive any of the commissions that Fidelity charges.

As part of the arrangement, Fidelity also makes available to Heritage, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies. In other cases, they will arrange for third-party vendors to provide the services to us. Fidelity may also discount or waive their fees for some of these services or pay all or a part of a third party's fees. Fidelity may also provide us with other benefits such as occasional business entertainment of our personnel.

As a result of receiving such services for no additional cost, Heritage may have an incentive to continue to use or expand the use of Fidelity's services. Heritage examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and has determined that the relationship is in the best interests of the firm's clients and satisfies its client obligations, including its duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Heritage determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broke-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Heritage will seek competitive rates, to the benefit of all clients, it may not necessarily obtain the lowest possible commission rates for specific client account transactions. Heritage and Fidelity are not affiliates.

Heritage participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which Heritage receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Heritage may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Heritage may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Heritage as part of the WAS Program. Please see Item 14 below for more details on the WAS Program and any potential conflicts of interests and how the conflicts are managed.

Discount on eMoney Products and Services

Heritage has entered into a contractual relationship with eMoney Advisor, Inc. ("eMoney") to license technology products and services from eMoney (the "eMoney Services"). The eMoney Services assist Heritage in running its operations more efficiently and help enhance and improve Heritage's communication with its clients. Fidelity has agreed to subsidize a portion of the cost of the eMoney Services as part of its overall business relationship with Heritage (the "Subsidy"). As a result of the Subsidy, Heritage may have a potential conflict of interest with respect to its decision to use Fidelity for execution, custody and clearing for certain client accounts, and Heritage may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients. However, entering into a contractual relationship with eMoney does not limit Heritage's duty to select brokers on the basis of best execution. While Fidelity may provide the Subsidy, it is not a party to the contract between Heritage and eMoney. Further, there is no form of legal partnership, agency, affiliation, or similar relation- ship between Heritage and Fidelity Investments, nor is such a relationship created or implied in the provisions of the Subsidy.

2. Heritage does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Heritage will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Heritage. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Heritage. Higher transaction costs adversely impact account performance.

Please Also Note: Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and**

conflict of interest presented.

B. **Block Trading**

When placing trades, orders for the same security entered on behalf of more than one client using the same custodian will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro rata portion of commissions. Transactions are usually aggregated to seek a more advantageous net price and/or to obtain better execution for all clients.

If an aggregated order is executed in its entirety, it will be allocated in accordance with the allocation established for the trade. If the order is partially filled, we will, to the extent practicable, allocate the order on a pro rata basis among participating accounts, which may be subject to rounding to ensure that accounts receive round lots. When pro rata allocation is not practicable, we will allocate the order in a fair and equitable manner as determined by Heritage.

Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and conflict of interest presented.

ITEM 13 - REVIEW OF ACCOUNTS

A. Heritage monitors client accounts on an ongoing basis to ensure positioning relative to short- and long-term allocation targets.

B. Client accounts will be reviewed as economic and market environments warrant or if a client's personal financial situation changes. Where applicable, client accounts are also reviewed to harvest tax losses on a periodic basis.

During an account review, Heritage considers each client's appropriate risk and return parameters, whether the account should be rebalanced, and cash flow needs of the client. The underlying investments within client accounts are reviewed periodically throughout the year. For additional information about the review of accounts' underlying investments, please see the section on Methods of Analysis, Investment Strategies and Risk of Loss.

Client account reviews are conducted by the firm's Investment and Relationship Managers.

C. Heritage provides written consolidated quarterly performance reports to clients regarding their investment accounts. These reports are in addition to account statements provided by Charles Schwab or Fidelity, the firm's custodians.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

A. As referenced in Item 12.A.1 above, Heritage receives economic benefits from Charles Schwab and Fidelity. Heritage, without cost (and/or at a discount), receives support services and/or products from Fidelity.

Heritage's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity as a result of this arrangement. There is no corresponding commitment made by Heritage to Charles Schwab, Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and conflict of interest presented.

B. Heritage occasionally offers professional referrals to clients for services it does not provide such as legal services, insurance, banking services, etc. The firm does not receive any financial incentive for providing these referrals.

Other professionals or clients occasionally refer prospective clients to Heritage. Other professionals or clients are never compensated for referring a prospective client to the firm.

Participation in Fidelity Wealth Advisor Solutions®.

Heritage participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which Heritage receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Heritage is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Heritage, and FPWA has no responsibility or oversight for Heritage's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Heritage, and Heritage pays referral fees to FPWA for each referral received based on Heritage's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Heritage does not constitute a recommendation or endorsement by FPWA of Heritage's particular investment management services or strategies. More specifically, Heritage pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Heritage has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by Heritage and not the client.

To receive referrals from the WAS Program, Heritage must meet certain minimum participation criteria, but Heritage may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, Heritage may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Heritage may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Heritage as part of the WAS Program. Under an agreement with FPWA, Heritage has agreed that it will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS

Program. Pursuant to these arrangements, Heritage has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Heritage's fiduciary duties would so require, and Heritage has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, Heritage may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Heritage's duty to select brokers on the basis of best execution. **Heritage's Chief Compliance Officer, John G. Jordan, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and conflict of interest presented.**

ITEM 15 - CUSTODY

The firm's qualified custodians, Charles Schwab and Fidelity, hold client assets and send monthly account statements directly to the firm's clients. Heritage encourages its clients to carefully review the statement and confirmations sent to them by their custodian, and to compare the information on their quarterly report prepared by Heritage against the information provided by the custodian.

As previously disclosed under "Fees and Compensation," Heritage may deduct fees directly from the client's brokerage or custodial account, pursuant to the written agreement between Heritage and the client. Clients will receive a statement directly from either Schwab or Fidelity itemizing the fees deducted from their accounts. The invoice will also state that the fee was not independently calculated or verified by Schwab or Fidelity.

We assist clients with the transfer of their assets between two or more of a client's accounts maintained at the client's custodian or maintained with multiple custodians. This ability to transfer a client's assets between the client's accounts, provided the client has authorized the adviser in writing to make such transfers, causes Heritage to exercise limited custody over these funds or securities.

With respect to third party standing letters of authorization ("SLOA"), where a client may grant Heritage the authority to direct custodians to disburse funds to one or more third party accounts, including taxing authorities for certain tax payments, we are deemed to have limited custody. However, we are not required to comply with the surprise examination requirement of the Custody Rule on these specific transactions if we are otherwise in compliance with the seven representations noted in the February 21, 2017, no-action letter.

Heritage offers a bill-paying service to certain clients and is subject to an annual surprise audit by a PCAOB independent public accountant in accordance with SEC regulations. Certain estimated quarterly tax payments Heritage makes on behalf of its clients are also subject to an annual surprise audit in accordance with SEC regulations.

ITEM 16 - INVESTMENT DISCRETION

The client can determine to engage Heritage to provide investment advisory services on a discretionary basis. Prior to Heritage assuming discretionary authority over a client's account, the client shall be required to execute a Financial Planning and Investment Advisory Agreement or Investment Advisory Agreement, naming the Adviser as the client's attorney and agent in fact, granting the Adviser full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Adviser on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Adviser's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Adviser's use of margin, etc.).

ITEM 17 - VOTING CLIENT SECURITIES

A. It is the policy of Heritage not to vote proxies on behalf of clients. Heritage will allow contracted third party portfolio managers to vote proxies for clients. In the event a third party portfolio manager votes proxies for clients, a summary of the manager's proxy voting policy is included in the manager's disclosure brochure, Form ADV Part 2. For individually held positions, clients will receive proxies by mail or email from the custodian holding the securities. Clients are able to vote on these proxies on their own behalf. Clients may wish to have their proxies voted by an independent third party or other named fiduciary or agent, at the client's cost.

B. Heritage will provide a copy of the full Proxy Voting Policy to clients or prospective clients upon request.

ITEM 18 - FINANCIAL INFORMATION

A. Heritage does not solicit fees of more than $1,200, per client, six months or more in advance.

B. Heritage is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts

C. Heritage has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Heritage's Chief Compliance Officer, John G Jordan, III, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements