

**FORM ADV PART 2A**

**Heffernan Advisory, Inc.  
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3.17.2026**

**This brochure provides information about the qualifications and business practices of Heffernan Advisory, Inc. If you have any questions about the contents of this brochure, please contact us at (928) 774-9598 and/or James D. Hoyt, CPWA®, CFS®, at [JDH@HeffernanFinancial.com](mailto:JDH@HeffernanFinancial.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.**

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

**Any references to Heffernan Advisory, Inc. (CRD # 116771/SEC#:801-67175) as a registered investment adviser or its related persons as registered advisory representatives does not imply a certain level of skill or training.**

## Item 2 - MATERIAL CHANGES

Since the Annual amendment, this disclosure brochure has been revised at Item 4 to clarify certain of our advisory services. Item 10 has been revised to disclose affiliation with a pension consulting service. As noted in item 4A, the Registrant's name was changed to Heffernan Advisory, Inc.

**ANY QUESTIONS:** Heffernan Advisory, Inc.'s Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client has about this Brochure.

At least annually, this section will discuss only specific material changes that are made to the brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this brochure will be provided.

The material changes discussed above are only those changes that have been made to this brochure since the firm's last annual update of the brochure.

Pursuant to SEC Rules, Heffernan Advisory will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year, which is December 31st. Heffernan Advisory may further provide other ongoing disclosure information about material changes, as necessary.

Heffernan Advisory will also provide you with a new brochure as necessary based on changes or new information without charge.

ANY QUESTIONS: Our Chief Compliance Officer, **James D. Hoyt, CPWA®, CFS®**, remains available to address any questions that a client or prospective client may have regarding the above or any other issue pertaining to this Brochure.

**Our brochure may be requested free of charge by contacting Tamara Kinney at (928) 774-9598 and/or TamaraK@HeffernanFinancial.com.** Additional information about Heffernan Advisory, Inc. is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The website also provides information about persons affiliated with Heffernan Advisory, Inc. who are registered, or are required to be registered, as investment adviser representatives of Heffernan Advisory, Inc.

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## Item 4 - ADVISORY BUSINESS

Heffernan Advisory, Inc. is an investment advisory firm offering a variety of advisory services customized to your individual needs. Heffernan Advisory was created in 1996 (fka Ascendant Financial Solutions, Inc.) and is owned by Heffernan Group. Michael F. Heffernan is the primary owner of Heffernan Group. James D. Hoyt, CPWA®, CFS® is Heffernan Advisory's President and Chief Compliance Officer.

Heffernan Advisory offers the following advisory services. Each of the services is more fully described below.

- Investment By Design™, an Asset Management Program
- Financial Planning and Consulting Services

Heffernan Advisory tailors the advisory services it offers to your individual needs. You may impose restrictions and/or limitations on investing in certain securities or types of securities.

### Investment By Design™

After evaluating the information that you provide, Heffernan Advisory will determine which of its model portfolio(s) is most suitable for you. Heffernan Advisory can customize your portfolio allocation by taking into consideration your limitations or restrictions, the market and economy at the time, and your financial situation, goals, and objectives.

Heffernan Advisory primarily uses open-ended mutual funds (no-load and load waived, or mutual funds purchased at net asset value [NAV]) and exchange traded funds (ETFs). However, managed accounts are not exclusively limited to mutual funds and ETFs and can include stocks and bonds which are typically transferred into your account or requested by you.

Except for IRA accounts, 403(b) accounts, and other qualified retirement accounts, transactions, account reallocations, and rebalancing may trigger a taxable event.

Before engaging Heffernan Advisory to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Heffernan Advisory setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from you. Once allocated, Heffernan Advisory provides continuous and ongoing management of your account. Heffernan Advisory will manage your accounts on a discretionary basis; this means Heffernan Advisory will make changes to the allocation as deemed appropriate by Heffernan Advisory. Heffernan Advisory will also determine the securities to be purchased and sold in the account and will alter the securities holdings without prior consultation with you. Heffernan Advisory may actively trade securities and hold them for periods of less than 30 days, or maintain positions for longer periods. Discretionary authority is granted by you to Heffernan Advisory by execution of the Investment Advisory Agreement.

As described in the Brokerage Practices Section, Heffernan Advisory has a relationship to offer you brokerage and custodial services through Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab") and on a limited basis with Fidelity Investments, LLC. ("Fidelity"). Services at Fidelity are limited to participants in specific workplace savings plans. There is no affiliation between Heffernan Advisory and Schwab or Fidelity.

If you select another brokerage firm for custodial and/or brokerage services, you will not be able to participate in Heffernan Advisory's Investment By Design™ program. Advisory representatives registered with Heffernan Advisory are dually registered with a broker/dealer, Gëneos Wealth Management, Inc., member FINRA and SIPC ("Gëneos"). Advisory Representatives must adhere to FINRA rules and regulations and the policies and procedures of Gëneos. Gëneos policies and procedures and FINRA have a rule that prohibits representatives from conducting transactions at a broker/dealer for which approval has not been obtained from Gëneos.

### Financial Planning and Consulting Services

Heffernan Advisory offers financial planning to help clients clarify and determine their financial goals through investments, retirement planning, asset allocation recommendations, estate planning, and other areas. We provide issue-specific financial planning such as retirement planning or asset allocation as well as comprehensive financial plans that focus on a client's overall financial situation. Heffernan Advisory does not serve as a law firm or accounting firm, and no portion of our services should be construed as legal or accounting services. Accordingly, Heffernan Advisory does not prepare estate-planning documents or tax returns.

As part of our financial planning services, and to the extent requested by a client, Heffernan Advisory may recommend the services of other professionals for implementation purpose (i.e., attorneys, accountants, insurance agents, etc.), including representatives of Heffernan Advisory in their separate capacities as registered representatives of Gëneos and as licensed insurance agents. Please see below and at Item 10 for further details regarding this arrangement and corresponding conflicts of interest. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Heffernan Advisory and/or its representatives.

### General Information

You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. You are advised that it is necessary to inform Heffernan Advisory promptly in writing with any changes in your financial situation and investment goals and objectives. Failure to notify Heffernan Advisory of any such changes could result in investment recommendations not meeting your needs.

### Miscellaneous

#### Limitations of Financial Planning and Non-Investment Consulting/Implementation Services

To the extent requested and engaged by the client, Heffernan Advisory will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. Heffernan Advisory will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions do occur based upon assets under management, special projects, stand-alone planning engagements, etc., for which Firm may charge a separate or additional fee-**see Financial Planning and Consulting Services Fees** at Item 5 below). **Please Note.** Heffernan Advisory believes that it is important for the client to address financial planning issues on an ongoing basis. Heffernan Advisory's percentage advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Heffernan Advisory.

**Please Also Note:** Heffernan Advisory **does not** serve as a law firm or accounting firm, and no portion of our services should be construed as same. Accordingly, Heffernan Advisory does not prepare legal

documents or prepare tax returns. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.), including representatives of Heffernan Advisory in their separate individual capacities as investment adviser representatives and/or registered representatives of Gēneos, an SEC registered and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Heffernan Advisory and/or its representatives.

**Please Further Note:** If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional(s), and not Heffernan Advisory, shall be responsible for the quality and competency of the services provided.

### Client Obligations

In performing our services, Heffernan Advisory 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, it remains each client's responsibility to promptly notify Heffernan Advisory if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

### Please Note: Conflict of Interest

The recommendation by a Heffernan Advisory representative that a client purchase a securities or insurance commission product from an Heffernan Advisory representative in his/her individual capacity as a representative of Gēneos and/or as an insurance agent, presents a conflict of interest, as the receipt of commissions provides an incentive to recommend products based on commissions to be received, rather than on a particular client's need. In addition, certain Heffernan Advisory representatives who are also registered representatives of Gēneos are eligible to receive paid travel and attendance at industry conferences, based on overall production. This presents a further conflict of interest, as the recommendation to purchase an investment product through a Heffernan Advisory representative could be made on the basis of increasing overall production level and obtaining these travel benefits, rather than basing such recommendation on a particular client's needs. No client is under any obligation to purchase any securities or insurance commission products from a Heffernan Advisory representative. Clients are reminded that they may purchase securities and insurance products recommended by Heffernan Advisory through other, non-affiliated broker-dealers and/or insurance agencies. **ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

### Please Note: Retirement Rollovers-Potential for Conflict of Interest

A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to a new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Heffernan Advisory recommends that a client roll over their retirement plan assets into an account to be

managed by Heffernan Advisory, such a recommendation creates a conflict of interest if Heffernan Advisory will earn new (or increase its current) compensation as a result of the rollover. If Heffernan Advisory provides a recommendation as to whether a client should engage in a rollover or not (whether it is from an employer's plan or an existing IRA), Heffernan Advisory is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to roll over retirement plan assets to an account managed by Heffernan Advisory, whether it is from an employer's plan or an existing IRA. Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, 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.**

#### Custodian Charges-Additional Fees

As discussed in Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Heffernan Advisory generally recommends that Schwab serve as the broker-dealer/custodian for client investment management assets. Heffernan Advisory may also recommend that Fidelity serve as the broker-dealer/custodian, primarily for participants in specific workplace savings plans. The specific broker-dealer/custodian recommended could depend upon the scope and nature of the services required by the client. Broker-dealers such as Schwab and Fidelity charge transaction fees for effecting certain securities transactions (i.e., including transaction fees for certain mutual funds, dealer spreads, 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. Schwab and Fidelity, generally charge fees on individual equity transactions (including ETFs). Please Note: there can be no assurance that Schwab and/or Fidelity will not change their transaction fee pricing in the future. Please Also Note: Fidelity and Schwab may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically. In addition to Heffernan Advisory's investment advisory fee referenced in Item 5 below, the client shall also incur transaction fees to purchase certain securities for the client's account (primarily mutual funds). **ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above.**

**Please Also Note:** In addition to Heffernan Advisory's investment advisory fee described below, and transaction and/or custodial fees discussed above, 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). **ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above, including DFA.**

#### Cybersecurity Risk

The information technology systems and networks that Heffernan Advisory and its third-party service providers use to provide services to Heffernan Advisory's clients employ various controls that are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Heffernan Advisory's operations and/or result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Heffernan Advisory are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur financial losses and/or other adverse consequences. Although Heffernan Advisory has established processes to reduce the risk of cybersecurity incidents, there is no guarantee that these efforts will always

be successful, especially considering that Heffernan Advisory does not control the cybersecurity measures and policies employed by third-party service providers, issuers of securities, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchanges and other financial market operators and providers.

**Client Privacy and Confidentiality.** Heffernan Advisory maintains policies and procedures designed to help protect the confidentiality and security of client nonpublic personal information (“NPPI”). NPPI includes, but is not limited to, social security numbers, state identification card numbers, driver’s license number, and account numbers. Heffernan Advisory maintains administrative, technical, and physical safeguards designed to protect such information from unauthorized access, use, loss, or destruction. These safeguards include controls relating to data access, information security, and incident response, and are reviewed to address changes in risk and business. Client information may be disclosed in response to regulatory requests, legal obligations, or as otherwise permitted by law, and any such disclosure is made in accordance with applicable privacy and confidentiality requirements.

Heffernan Advisory may engage non-affiliated service providers in connection with providing advisory services, and such providers may have access to client NPPI, as necessary, to perform their functions. Heffernan Advisory confirms that service providers maintain safeguards designed to protect client information from unauthorized access or use and provide notice to Heffernan Advisory in the event of a cybersecurity incident involving client information maintained by the service provider. While Heffernan Advisory maintains policies and procedures designed to protect client information, such measures cannot eliminate all risk. Heffernan Advisory will notify clients in the event of a data breach involving their NPPI as may be required by applicable state and federal laws.

**Artificial Intelligence.** Heffernan Advisory may use certain Artificial Intelligence (“AI”). Heffernan Advisory has adopted an AI Policy that governs the appropriate use of AI tools to ensure that Heffernan Advisory and its employees abide by their fiduciary duty and comply with all applicable regulations. AI tools are not used by Heffernan Advisory as a substitute for professional judgment by Heffernan Advisory or its employees, and all AI generated output is reviewed by Heffernan Advisory for accuracy. The use of AI tools does not guarantee the accuracy of analyses or the success of any investment strategy. Clients should not assume that reliance on AI tools results in better performance or reduces risk. AI tools involve limitations and risks that Heffernan Advisory monitors and manages. These risks include, but are not limited to, data security concerns, potential inaccuracies, and possible algorithmic biases. To mitigate these risks, Heffernan Advisory has implemented controls such as pre-approval requirements for AI tools, restrictions on providing nonpublic personal information to public AI systems, vendor due diligence, review of AI-generated materials, and employee training on appropriate AI usage.

**Independent Managers.** Heffernan Advisory may allocate a portion of the client’s investment assets among unaffiliated independent investment managers 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, Heffernan Advisory shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. Factors that Heffernan Advisory shall consider in recommending Independent Manager[s] include the client’s designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. Please Note. The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Heffernan Advisory’s investment advisory fee disclosed at Item 5 below. ANY QUESTIONS: Heffernan Advisory’s Chief Compliance Officer remains available to

address any questions that a client or prospective client may have regarding the allocation of account assets to an Independent Manager(s), including the specific additional fee to be charged by such Independent Manager(s).

### **Third-Party Investment Management Program**

In providing our discretionary management services, Heffernan Advisory may engage the services of Advyzon Investment Management LLC (“AIM”) to manage all or a portion of your assets through its turnkey asset management program (the “Program”). When Heffernan Advisory does so, Heffernan Advisory will provide you with a copy of AIM’s current Disclosure Brochure, Privacy Policy, and Form CRS (“AIM’s Disclosure Documents”). You should read these documents carefully to be sure you understand the Program. Using information Heffernan Advisory gathers from you, Heffernan Advisory evaluates your financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon. This information helps us determine whether your participation in the Program is appropriate for you, and if so, allows us to choose an appropriate Investment Strategy for the management of your assets. Once Heffernan Advisory chooses the Investment Strategy and allocates all or a portion of your assets to the Investment Strategy, AIM will provide ongoing discretionary management of your assets according to the mandate of the Investment Strategy.

Heffernan Advisory may also engage the services of AIM to provide additional administrative services for your account(s). If engaged, AIM may generate quarterly performance summaries for each Client Account.

Please note that if Heffernan Advisory engages AIM for these services, AIM will obtain access to your confidential information from us and/or from the custodian of your brokerage account. As stated in our Privacy Policy, Heffernan Advisory is authorized to share your personal information with third parties as necessary to service your account. Our agreement with AIM includes provisions requiring AIM to hold your information in strict confidence, and to maintain reasonable technological protections, precautions, and safeguards for your information.

Heffernan Advisory also participates in AIM’s Nucleus model marketplace. Through Nucleus, in addition to AIM’s model portfolios, Heffernan Advisory has access to model portfolios that are generated by third-party strategists to assist managing or advising our Client Accounts. If AIM and Nucleus are used for a Client Account, Heffernan Advisory is responsible for determining the suitability of the Nucleus model portfolio assigned to said Client Account. Once Heffernan Advisory selects the strategist and model portfolio for your Account, AIM will provide ongoing supervision of your Account. The strategist will provide allocations to AIM, as they may be periodically updated, and AIM will have discretion to make transactions within your Account, as necessary, to align with the updated model portfolio.

As part of its Program, Heffernan Advisory may also engage AIM to provide Tax Overlay Services, which offers enhanced tax management strategies to improve the tax efficiency of your portfolio. When appropriate for your investment account(s), AIM will model the tax impacts of trades specific to your situation to optimize after-tax returns and minimize the implication of taxes when allocating to an AIM or Nucleus model. Strategies may also include tax-loss harvesting when appropriate.

### **Portfolio Activity**

Heffernan Advisory has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, Heffernan Advisory 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 Heffernan Advisory determines that changes to a client's portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Heffernan Advisory will be profitable or equal any specific performance level(s).

#### 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 Heffernan Advisory) will be profitable or equal any specific performance level(s).

#### Please Note: Cash Positions

Heffernan Advisory continues to treat cash as an asset class. As such, unless determined to the contrary by Heffernan Advisory, all cash positions (including money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Heffernan Advisory's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Heffernan Advisory may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Heffernan Advisory's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above fee billing practice.**

#### Socially Responsible Investing Limitations

***Socially Responsible Investing*** involves the incorporation of **Environmental, Social, and Governance** considerations into the investment due diligence process ("ESG"). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including the potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Heffernan Advisory), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

#### Account Aggregation Platforms

Heffernan Advisory may provide its clients with access to one or more online account aggregation platforms, including the Advyzon platform. (the "Platforms"). The Platforms allow a client to view their complete asset allocation, including those assets that Heffernan Advisory does not manage (the "Excluded Assets"). Heffernan Advisory does not provide investment management, monitoring, or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, Heffernan Advisory's service relative to the Excluded Assets is limited to reporting only. Therefore, Heffernan Advisory shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their

adviser(s) that maintain management authority for the Excluded Assets, and not Heffernan Advisory, shall be exclusively responsible for such investment performance. Without limiting the above, Heffernan Advisory shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may choose to engage Heffernan Advisory to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Heffernan Advisory and the client. Certain of these Platforms also provide access to other types of information and applications including financial planning concepts and functionality, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Heffernan Advisory. Finally, Heffernan Advisory shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the Platforms without Heffernan Advisory's assistance or oversight.

#### Please Note: Use of DFA Mutual Funds

Heffernan Advisory utilizes the mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers approved by DFA. Thus, if the client were to terminate Heffernan Advisory's services, and transition to another adviser who has not been approved by DFA to utilize DFA funds, restrictions regarding additional purchases of, or reallocation among other DFA funds, will generally apply.

#### Please Note: Use of Mutual and Exchange Traded Funds

Heffernan Advisory utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Heffernan Advisory's investment advisory fee described below, and transaction and/or custodial fees discussed above, 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). 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 Heffernan Advisory independent of engaging Heffernan Advisory as an investment advisor. However, if a prospective client independently utilizes these funds, he/she will not receive Heffernan Advisory's initial and ongoing investment advisory services.

#### Trustee Directed Plans

Heffernan Advisory 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, Heffernan Advisory will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Heffernan Advisory will generally provide services on an "assets under management" fee basis per the terms and conditions of a written agreement between the Plan and the Firm.

#### Gěneos Investment Adviser Representatives

Heffernan Advisory investment adviser representatives also serve as investment adviser representatives of Gěneos, in Gěneos' separate registered capacity as an SEC investment adviser. When serving as investment adviser representatives of Gěneos (generally, with exceptions, for smaller accounts), the client will engage Gěneos (not Heffernan Advisory) as the investment adviser per the investment-related offerings and services provided and administered by Gěneos. The recommendation that a client engage Gěneos to serve as an investment adviser presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received by Heffernan Advisory representatives in their capacity as investment adviser representatives of Gěneos, rather than basing such recommendation on a particular client's need.

## Wrap Fee Program

Heffernan Advisory does not participate in a wrap fee program.

## Assets Under Management

As of December 31, 2025, Heffernan Advisory had \$409,585,443 in discretionary assets under management.

## Item 5 - FEES AND COMPENSATION

### Investment By Design™

Advisory Fees are charged per the following fee schedule:

<u>Portfolio Value</u>	<u>Client's Annual Fee</u>
0 - \$1,000,000	1.50%
Next \$1,000,001 - \$2,000,000	1.00%
Next \$2,000,001+	0.75%

Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Advisory fees will be charged in advance of each calendar quarter. The quarterly advisory fee will be calculated based on the value of your account on the last business day of the just completed calendar quarter. No fee adjustments are made during a quarter for inflows and outflows occurring in the account during a calendar quarter. Additionally, no fee adjustments will be made for account appreciation or depreciation.

Heffernan Advisory aggregates your managed accounts together by household to determine your quarterly fee (limited to a household). Heffernan Advisory's quarterly fee is determined using the following formula:

Quarter end account value x advisory fee / 365 (days) x number of days in the quarter = Quarterly fee.  
For example, if you have four managed accounts with a value as of the just completed calendar quarter of: \$101,569.40, \$355,498.46, \$675,879.50, and \$74,301.12 with a total value of \$1,207,248.48, your fee will be calculated as follows.

First \$1,000,000 x 1.5% =	\$15,000.00
Balance of \$207,248.48 x 1% =	<u>\$ 2,072.48</u>
Annual fee	\$17,072.48
Quarterly fee based on assets custodied at Schwab	
\$17,072.48 / 365 = \$46.77 per day x 92 days =	\$4,302.84

Heffernan Advisory may change the above fee schedule upon 30 days prior written notice to you.

**Fee Dispersion.** Heffernan Advisory, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, Heffernan Advisory professional providing the services, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.) **Please**

**Note:** As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Heffernan Advisory's Chief Compliance Officer, James Hoyt, remains available to address any questions that a client or prospective client may have regarding advisory fees.

**Third-Party Investment Management Program Fee.** If Heffernan Advisory engages AIM to manage all or a portion of your assets, AIM receives an annual Program Fee based upon a percentage of the client assets under management in the Program. This fee is more particularly set forth in the AIM Disclosure Brochure that is provided separately. The AIM Disclosure Brochure shall also set forth the manner in which AIM's fees are charged for Program participation.

If the Nucleus Program is adopted for use with client accounts, additional fees will be incurred, including a Strategist Fee, Administration Fee, and Trading fee. Such fees, as described in the AIM Disclosure Brochure, are in addition to the investment management fee described above. AIM will also earn additional fees if Tax Overlay Services are provided. These fees are also described in the AIM Disclosure Brochure.

In addition to the advisory fees above, you will pay transaction fees for certain securities transactions executed in your account (primarily mutual funds) in accordance with the custodian's transaction fee schedule. In addition to Heffernan Advisory's investment advisory fee described above and transaction fees discussed above, 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).

Advisory fees will generally be collected directly from your account, provided you have given Heffernan Advisory written authorization. You will be provided with an account statement reflecting the deduction of the advisory fee direct from the account custodian. If the account does not contain sufficient funds to pay advisory fees, Heffernan Advisory has limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. You may reimburse the account for advisory fees paid to Heffernan Advisory except for ERISA and IRA accounts.

Heffernan Advisory continues to treat cash as an asset class. As such, unless determined to the contrary by Heffernan Advisory, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Heffernan Advisory's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Heffernan Advisory may maintain cash and cash equivalent positions (such as money market funds, etc.) for defensive, liquidity, or other purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Heffernan Advisory's advisory fee could exceed the interest paid by the client's money market fund. All such cash positions are included as part of assets under management for purposes of calculating Heffernan Advisory's advisory fee.

Heffernan Advisory may utilize mutual funds that pay 12b-1 fees. 12b-1 fees are fees paid out of fund assets to cover the costs of marketing and selling fund shares. Mutual funds and/or share classes of mutual funds that pay 12b-1 fees generally have higher expense ratios than those that do not pay 12b-1 fees. These fees are assessed to each mutual fund investor. Neither Heffernan Advisory, nor any of its advisory representatives, receive any portion of the 12b-1 fees for mutual fund transactions conducted through Schwab or Fidelity. Heffernan Advisory will generally only select or recommend a mutual fund share class that pays 12b-1 fees when it is the least expensive share class available for which the client is eligible.

## Termination Provisions

You may terminate management services upon Heffernan Advisory's receipt of your written notice to terminate. Should you terminate investment advisory services during the calendar quarter, Heffernan Advisory will assess the amount of prepaid but unearned advisory fees, pro-rated for the number of days services were provided in the quarter until termination. Based on this calculation, Heffernan Advisory will issue refunds for prepaid but unearned advisory fees valued at \$250 or more. Refunds will not be issued for amounts less than \$250, unless otherwise agreed.

## Financial Planning and Consulting Services Fees

Fees for planning services are strictly for planning services. Therefore, you will pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance. The fees for financial planning services will be dependent on several factors including time spent, number of meetings, complexity of your situation, amount of research, services requested, and staff resources.

You will be provided a quote of the anticipated fee prior to the advisory contract being executed. One-half (1/2) of the balance is due upon execution of the advisory agreement with Heffernan Advisory and the balance due at the time of presentation of the plan, unless otherwise negotiated with you. The fee will range from \$250 to \$10,000.

## Termination Provisions for Financial Planning

You may terminate investment advisory services upon Heffernan Advisory's receipt of your written notice to terminate. You will be responsible for any time spent by Heffernan Advisory. Any refund of pre-paid fees will be calculated based upon work already completed and time spent on your case.

## Commission Transactions.

The client can engage certain of Heffernan Advisory's representatives, in their individual capacities as registered representatives of Gēneos to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through Gēneos, Gēneos will charge brokerage commissions to affect securities transactions, a portion of which commissions Gēneos shall pay to Heffernan Advisory's representatives, as applicable. The brokerage commissions charged by Gēneos may be higher or lower than those charged by other broker-dealers. In addition, Gēneos, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment. Because of the limited nature of Heffernan Advisory's commission business, Heffernan Advisory's securities commission services are not material to Heffernan Advisory's advisory business.

1. Conflict of Interest: The recommendation that a client purchase a commission product from Gēneos presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Gēneos. Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

2. Please note: Clients may purchase investment products recommended by Heffernan Advisory through other, non-affiliated broker dealers or agents.

3. Heffernan Advisory does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Heffernan Advisory recommends to its clients.

4. When Heffernan Advisory's representatives sell an investment product on a commission basis, Heffernan Advisory does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Heffernan Advisory's representatives do not also receive commission compensation for such advisory services. However, a client may engage Heffernan Advisory to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Heffernan Advisory's representatives on a separate commission basis. Neither Heffernan Advisory, nor its representatives, accept compensation from the sale of securities or other investment products.

## Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

This section is not applicable to Heffernan Advisory since Heffernan Advisory does not charge performance-based fees.

## Item 7 - TYPES OF CLIENTS

Heffernan Advisory primarily serves individuals and families, but has also been engaged by entities, including retirement plans. Heffernan Advisory does not maintain any minimum fee or minimum asset requirements. As indicated at Item 5 above, Heffernan Advisory, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, Heffernan Advisory professional providing the services, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As a result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Heffernan Advisory's Chief Compliance Officer, James Hoyt, remains available to address any questions that a client or prospective client may have regarding advisory fees.

## Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Generally, Heffernan Advisory follows modern portfolio theory as a guide to construct portfolios from asset class, risk, and diversification standpoints. If a custom portfolio is needed a fundamental approach is used. Custom portfolios are created under unique circumstances.

Heffernan Advisory rebalances when portfolios dictate that it is necessary to bring risk back to agreed upon parameters.

Heffernan Advisory does not represent, warrant, or imply that the services or methods of analysis used by Heffernan Advisory can or will predict future results, successfully identify market tops or bottoms, or insulate a client from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that a client's goals or objectives will be achieved.

Further, no promises or assumptions can be made that the advisory services offered by Heffernan Advisory will provide a better return than other investment strategies.

As stated above in Item 5, Heffernan Advisory primarily uses mutual funds and exchange traded funds (ETFs). The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers, and a fund straying from its objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Mutual fund fees are described in the fund's prospectus, which is provided by the custodian or Heffernan Advisory, following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's website. At any time, Heffernan Advisory will direct the client to the appropriate web page to access the prospectus or send a copy using email or the United States Postal Service.

ETFs trade on an auctionable market. Therefore, there is more price fluctuation with ETFs than with mutual funds since ETFs trade throughout the day, whereas mutual funds are priced once a day. Also, since many ETFs only mirror a market index, such as the S&P 500, they won't outperform the index.

Heffernan Advisory may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market.

Heffernan Advisory may also utilize liquid alternative funds. Liquid alternatives refer to daily liquid open-end funds, such as mutual funds and ETFs, which invest across a broad range of alternative investment strategies. When considering the use of liquid alternatives, investors should have clear expectations of its purpose. Certain strategies may be better portfolio diversifiers, while others may provide return enhancement potential. Diversification does not eliminate the risk of experiencing investment losses. Investing in liquid alternatives may involve the use of options or other derivatives which may incur additional risk, including the risk of a complete loss of investment.

**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 Heffernan Advisory) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

Investors generally face the following types of investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Heffernan Advisory's method of analysis does not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Heffernan Advisory must have access to current/new market information. Heffernan Advisory has no control over the dissemination rate of market information; therefore, unbeknownst to Heffernan Advisory, certain analyses may be compiled with outdated market information, severely limiting the value of Heffernan Advisory's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

## Item 9 - DISCIPLINARY INFORMATION

There is no reportable disciplinary information required for Heffernan Advisory or its management persons that is material to your evaluation of Heffernan Advisory, its business, or its management persons.

## Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Heffernan Advisory **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, Heffernan Advisory **does not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, Heffernan Advisory may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.), including representatives of Heffernan Advisory in their separate individual capacities as representatives of Gēneos, an SEC registered and FINRA member broker-dealer, and as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Heffernan Advisory 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 unaffiliated licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** Heffernan Advisory, shall be responsible for the quality and competency of the services provided.

**Please Also Note-Conflict of Interest:** The recommendation by Heffernan Advisory representative that a client purchase a securities or insurance commission product from an Heffernan Advisory representative in his/her individual capacity as a representative of Gēneos and/or as an insurance agent, **presents a conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. In addition,

certain Heffernan Advisory representatives who are also registered representatives of Gēneos are eligible to receive paid travel and attendance at industry conferences, based on overall production. This presents a further conflict of interest, as the recommendation to purchase an investment product through a Heffernan Advisory representative could be made on the basis of increasing overall production level and obtaining these travel benefits, rather than basing such recommendation on a particular client's needs. No client is under any obligation to purchase any securities or insurance commission products from Heffernan Advisory representative. Clients are reminded that they may purchase securities and insurance products recommended by Heffernan Advisory through other, non-affiliated broker-dealers and/or insurance agencies. **ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

### Gēneos Investment Adviser Representatives

Heffernan Advisory investment adviser representatives also serve as investment adviser representatives of Gēneos, in Gēneos' separate registered capacity as an SEC investment adviser. When serving as investment adviser representatives of Gēneos (generally, with exceptions, for smaller accounts), the client will engage Gēneos (not Heffernan Advisory) as the investment adviser per the investment-related offerings and services provided and administered by Gēneos. The recommendation that a client engage Gēneos to serve as an investment adviser presents a conflict of interest, as the recommendation could be made on the basis of compensation to be received by Heffernan Advisory representatives in their capacity as investment adviser representatives of Gēneos, rather than basing such recommendation on a particular client's need.

### Heffernan Insurance Brokers

Heffernan Advisory's affiliate, Heffernan Insurance Brokers ("Heffernan Insurance"), in its separate capacity as a licensed insurance agency, offers insurance-related advice and products on a commission compensation basis. Heffernan Advisory's representatives do not serve as licensed agents of Heffernan Insurance. The commission compensation earned by Heffernan Insurance and its agents is separate from, and in addition to, Heffernan Advisory's investment advisory fee. Please Note-Conflict of Interest: The recommendation by Heffernan Advisory that a client consider the purchase of an insurance product from Heffernan Insurance presents a conflict of interest, as the potential receipt of an insurance commission compensation by Heffernan Insurance and its agent(s) may provide an incentive for Heffernan Advisory to recommend insurance products based on compensation to be received by its affiliated entity and also by Heffernan Advisory representative who referred the client to Heffernan Insurance, rather than on a particular client's needs. Additionally, Heffernan Insurance makes available certain sales contests wherein representatives submit qualified insurance referrals and may qualify for prizes or other economic benefits. No client is under any obligation to purchase any insurance product from Heffernan Insurance. Clients can purchase insurance products through other non-affiliated insurance agencies and agents. ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

### Heffernan Financial Services.

Heffernan Advisory is affiliated with Heffernan Financial Services through common ownership. Heffernan Financial Services, in its separate capacity, provides pension consulting services to clients. Heffernan Advisory's representatives do not serve as pension consultants with Heffernan Financial Services. Please Note-Conflict of Interest: The recommendation by Heffernan Advisory that a client consider obtaining pension consulting services from Heffernan Financial Services presents a conflict of interest, as the

potential receipt of consulting compensation by Heffernan Financial Services and its agent(s) may provide an incentive for Heffernan Advisory to recommend pension consulting based on compensation to be received by its affiliated entity rather than on a particular client's needs. No client is under any obligation to purchase any consulting services from Heffernan Financial Services. Clients can purchase insurance products through other non-affiliated pension consultants.

## Item 11 – CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Heffernan Advisory has a fiduciary duty to you to act in your best interest and always place your interests first. Heffernan Advisory takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Heffernan Advisory's policies and procedures. Heffernan Advisory strives to handle your non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides you with Heffernan Advisory's Privacy Policy.

Heffernan Advisory maintains a code of ethics for its advisory representatives, supervised persons, and staff. The Code of Ethics contains provisions for standards of business conduct to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Heffernan Advisory's Code of Ethics establishes Heffernan Advisory's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

Neither Heffernan Advisory nor its associated persons recommend to clients, or buys or sells for client accounts, any securities in which Heffernan Advisory have a material financial interest.

Heffernan Advisory and its associated persons may personally buy or sell securities identical to those securities recommended to you. Therefore, Heffernan Advisory and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. Heffernan Advisory and its associated persons will not put their interests before your interest.

Heffernan Advisory is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Associated persons are prohibited from trading on non-public information or sharing such information.

You have the right to decline any investment recommendation. Heffernan Advisory and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

## Item 12 - BROKERAGE PRACTICES

In the event that the client requests that Heffernan Advisory recommend a broker-dealer/custodian for execution and/or custodial services, Heffernan Advisory generally recommends that investment advisory accounts be maintained at Schwab and Fidelity. Services at Fidelity are limited to participants in specific workplace savings plans. Prior to engaging Heffernan Advisory to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Heffernan

Advisory setting forth the terms and conditions under which Heffernan Advisory shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Heffernan Advisory considers in recommending Schwab, Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Heffernan Advisory, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees [to the extent that any commissions or transactions fees are payable] paid by Heffernan Advisory's clients shall comply with Heffernan Advisory's duty to obtain best execution, a client may pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Heffernan Advisory 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 Heffernan Advisory will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. The transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Heffernan Advisory's investment advisory fee.

**Research and Benefits:** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Heffernan Advisory can receive from Schwab (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Heffernan Advisory to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Heffernan Advisory can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by Heffernan Advisory in furtherance of its investment advisory business operations.

Heffernan Advisory's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as the result of this arrangement. There is no corresponding commitment made by Heffernan Advisory to Schwab, 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 result of the above arrangement.

**ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.**

**Brokerage for Client Referrals.** Heffernan Advisory does not receive referrals from broker-dealers.

**Directed Brokerage.** Heffernan Advisory recommends that its clients utilize the brokerage and custodial services provided by Schwab and Fidelity. Services at Fidelity are limited to participants in specific workplace savings plans. The Firm does not accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer/custodian).

**Order Aggregation.** Transactions for each client account generally will be affected independently unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. Firm may (but is not obligated to) combine or block such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Firm's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Firm shall not receive any additional compensation or remuneration as the result of such aggregation.

## Item 13 – REVIEW OF ACCOUNTS

If you are participating in the Investment By Design™ program, you will be invited to participate in not less than an annual review. More frequent reviews will be conducted at your request. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Heffernan Advisory will monitor changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

If you are participating in Financial Planning and Consulting Services, reviews will be conducted upon your request. Heffernan Advisory suggests you participate in a review at least annually. It is important to update your financial plan or analysis to take into account any changes.

Reviews are conducted by the advisory representative or promoter you have selected.

- The following advisory representatives participate in reviews: Davis Hoyt, James D. Hoyt, Jason Dittberner, Keith Todhunter-Schaafsma, and Eric Souders.
- The following promoters participate in reviews: Doug Rader.

You are advised that you must notify your advisory representative or promoter promptly of any changes to your financial goals, objectives, or financial situation as such changes may require a review of the portfolio allocation and recommendations for changes.

You will be provided statements at least quarterly direct from the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from the account custodian. At least quarterly a consolidated report of your managed accounts custodied at Schwab and/or Fidelity is available. The report is available electronically or may be sent through the mail. You should compare the report with statements received direct from the account custodian. Should there be any discrepancy the account custodian's report will prevail. You may request more frequent reports from Heffernan Advisory.

## Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION

As indicated at Item 12 above, Heffernan Advisory can receive from Schwab (and others) without cost (and/or at a discount), support services and/or products. Heffernan Advisory's clients do not pay more for investment transactions effected and/or assets maintained at Schwab (or any other institution) as a result of this arrangement. There is no corresponding commitment made by Heffernan Advisory to Schwab, or to 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. **ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.**

**Referral Fees.** Heffernan Advisory has entered into arrangements whereby unaffiliated third-party investment advisers, and their representatives may place client assets into Heffernan Advisory-managed investment models or strategies. In these engagements, the client's primary adviser is responsible for determining the initial and ongoing suitability of a particular investment model or strategy, based on the client's individual circumstances and investment objectives. Heffernan Advisory is responsible for managing the particular model or strategy pursuant to the model or strategy's investment mandate. Heffernan Advisory is compensated by the client in the form of an asset-based management fee.

If such a client is placed into a Heffernan Advisory-managed model or strategy, Heffernan Advisory will generally pay the referring adviser a portion of the collected management fee in accordance with Rule 206(4)-1 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Heffernan Advisory's investment management fee and shall not result in any additional charge to the client. If referring primary adviser is unaffiliated with Heffernan Advisory, then, at the time of the referral, the primary adviser shall disclose the nature of its relationship with Heffernan Advisory and shall provide each referred client with a copy of this Firm Brochure and a separate written disclosure statement, disclosing the terms of the referral arrangement between Heffernan Advisory and the primary adviser, including the compensation to be received by referring adviser from Heffernan Advisory.

**Please Note:** The primary adviser shall generally maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for Heffernan Advisory's designated investment strategies.

## Item 15 – CUSTODY

Heffernan Advisory shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, etc.) at least quarterly. **Please Note:** To the extent that Heffernan Advisory provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Heffernan Advisory with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Heffernan Advisory's advisory fee calculation.

Heffernan Advisory provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from Heffernan Advisory to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017, Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

## Item 16 – INVESTMENT DISCRETION

You grant Heffernan Advisory authorization to manage your account on a discretionary basis when the advisory agreement is executed. If you elect to terminate discretionary authorization at any time, Heffernan Advisory will terminate management services. Clients who engage Heffernan Advisory on a discretionary basis may, at any time, impose restrictions, in writing, on Heffernan Advisory'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 Heffernan Advisory's use of margin, etc.).

Additionally, you are advised that:

- If you elect to implement recommendations through your advisory representative, Heffernan Advisory requires the use of the broker/dealer with which your advisory representative is registered for sales in commissionable mutual funds or variable annuities.
- Heffernan Advisory's discretionary authority is limited to conducting transactions and does not extend to removing funds or securities from your account, with the exception of payment of our advisory fees.
- Heffernan Advisory does not have the authority to determine the commission rates a client may pay.
- 

#### **Discretion of Third-Party Investment Manager**

When Heffernan Advisory engage AIM to provide investment management of all or a portion of your assets, Heffernan Advisory has the discretion to choose the Investment Strategy. Once the Investment Strategy is selected, AIM has discretionary authority over the management of your account.

## Item 17 – VOTING CLIENT SECURITIES

Heffernan Advisory does not vote your securities. Securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact Heffernan Advisory about questions you may have and opinions on how to vote the proxies, but the decision to vote and how to vote proxies is solely yours.

#### **Proxy Voting by Third-Party Investment Manager**

When Heffernan Advisory engages AIM to provide investment management of all or a portion of your assets, AIM does not exercise proxy voting authority over securities in your account.

## Item 18 – FINANCIAL INFORMATION

Heffernan Advisory will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service.

Heffernan Advisory 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.

Heffernan Advisory has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Heffernan Advisory's Chief Compliance Officer, James D. Hoyt, CPWA®, CFS®, remains available to address any questions regarding this Part 2A.**