

FEES & COMPENSATION

Heritage is compensated for its investment advisory services based on (i) hourly charges (**for Hourly Clients only**) or (ii) a percentage of assets under management (**for Wrap Fee Clients only**).

Hourly Compensation

Hourly charges are assessed and due at the close of the meeting (or upon delivery of the service). Charges are based upon the hourly rate of the individual providing the service. Patrick Shinn is billed at \$200/hour, and all other investment advisory personnel at \$100/hour. Hourly Clients are responsible for any brokerage transaction, margin, wire, and custodial costs and fees. Additional information about brokerage fees is provided in the ‘Brokerage Practices’ section of this brochure.

Wrap Fee Compensation

Clients in the Wrap Fee Program pay an annualized fee for participation in the Program (the “Program Fee”) ranging between 0.75% and 1.50% of the market value of the assets being managed by Heritage professionals under the Program (see table below). The Program Fee may be negotiable under certain circumstances.

Assets Under Management	Annual Wrap Program Fee
\$0 to \$625,000	1.5%
\$625,001 to \$1,000,000	1.25%
\$1,000,001 to \$3,000,000	1.0%
Greater than \$3,000,000	0.75%

The Program Fee is payable quarterly, in advance, based upon the market value of the assets in the client’s account (the “Account”) as reported by the account custodian on the last day of the previous quarter. Additional deposits and withdrawals of funds and/or securities to the Program may be made to the Account at any time. Program Fees are calculated *pro rata* for partial billing periods (and additions or withdrawals of assets totaling \$10,000 or greater) based upon the value of the assets in the Account and the number of days in the calendar quarter. If the Client terminates their agreement with Heritage, the Program Fee will be assessed *pro rata* and refunded to the Client in a timely manner.