



Heritage Investors

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March 22, 2021

FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Heritage Investors. If you have any questions about the contents of this brochure, contact us at (865) 690-1155. 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. Heritage Investors is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Heritage Investors is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Heritage Investors is: 290292.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

On March 22, 2021, we submitted our annual updating amendment for fiscal year 2020. There were no material changes to report.

If you have questions about these changes, or if you would like a copy of our disclosure brochure at any time, free of charge, please contact us at (865) 690-1155.

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Item 4 Advisory Business

Description of Firm

Heritage Investors, LLC ("Heritage Investors") is a registered investment adviser based in Knoxville, Tennessee. We are organized as a limited liability company ("LLC") under the laws of the State of Tennessee. We have been providing investment advisory services since October 2017. We are owned by Justin Goodbread, Managing Member.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Heritage Investors and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services

We offer discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investing objectives. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is granted in the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

As part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios developed by an unaffiliated investment manager. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

Clients who have engaged us for portfolio management services may receive complimentary financial planning at no additional cost.

Financial Planning Services and Consulting Services

We offer financial planning and consulting services, which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. The areas we address may include, but are not limited to: education planning, asset allocation, debt management, distribution planning, tax planning, business succession planning, accumulation goals, financial planning, retirement planning, estate planning, budget, and cash flow analysis. These services are offered on a stand-alone basis or on an ongoing basis.

In limited circumstances, some clients might prefer to engage us for consultations regarding one or more topics, where a written plan is not provided. Consulting topics may include one or more of the following: income analysis/cash flow/budget analysis, investment analysis/asset allocation, education needs analysis/planning, retirement needs analysis/planning, retirement plan review, life insurance review, disability insurance reviews and policy analyses, estate analysis and planning, charitable giving, employee benefit analysis, investment counseling, etc.

Our recommendations are based on your stated goals, objectives, time horizon, and financial information you provide to our firm. You have the right to accept or reject our recommendations, and you may choose any firm to assist you with implementing our recommendations. While we endeavor at all times to offer our clients specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by our firm.

Retainer Services

We offer the above described financial planning and consulting services on an on-going basis that may include periodic meetings with clients to review their progress towards stated goals, a review of asset performance, implementation services, and updates to the existing plan, and day-to-day consulting as required.

Note: Information related to tax or legal consequences that is provided as part of a plan is for informative purposes only. Clients are instructed to contact their tax professionals or attorneys for tax or legal advice.

Retirement Plan Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting.

Where contracted, we will also provide discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintaining the plans' investments according to the goals and investment objectives of the plan. Otherwise, pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

These engagements are typically regulated under the Employee Retirement Income Securities Act ("ERISA"). All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and shall be consistent with the parameters set forth in the plan documents.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan. There is no separate fee arrangement for educational seminars.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Wrap Fee Program(s)

We do not manage or sponsor any wrap fee programs. Our advisory fees are exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses, which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 5 below for information regarding additional fees and Item 12 below for further information on brokerage practices, fees, and transaction costs.

Types of Investments

We primarily offer advice on exchange traded funds ("ETFs"), mutual funds, and individual stocks. Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception

of our advisory relationship. Refer to the Methods of Analysis, Investment Strategies and Risk of Loss below for additional disclosures on this topic.

Assets Under Management

As of February 18, 2021, we provided continuous management services for approximately \$65,994,535 in client assets under management on a discretionary basis. We did not have any non-discretionary client assets under management. Additionally, we provided advice on approximately \$13,873,036 on 401(k) plan assets.

Item 5 Fees and Compensation

Portfolio Management Services

Our fee for portfolio management services is based on a percentage of the assets in your account as set forth in the following blended fee schedule:

Assets Under Management	Annual Fee
First - \$250,000	1.20%
Next \$350,000	1.10%
Next \$900,000	1.00%
Next \$2,000,000	0.90%
Next \$1,500,000	0.75%
Over \$5,000,001	negotiable

Our annual portfolio management fee is billed and payable, quarterly in advance, based on the balance at end of the previous billing period. For example, if your account balance is \$350,000 at the end of the calendar quarter, your fee for the next quarter would be equal to $(\$250,000 \times 1.20\% / 4) + (\$100,000 \times 1.10\% / 4) = \$1,025$. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

In general, we require a minimum of \$5,000 in investable assets to open and maintain a portfolio management account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

For portfolio management accounts with values up to \$250,000, we charge a minimum annual fee in the amount of 1.20%. The minimum fee is not in addition to the fee schedule stated above. For example, if the value of your portfolio management account is \$100,000 at the end of the calendar quarter, your quarterly fee would be calculated as follows: $\$100,000 \times 1.20\% / 4$ (or \$300) for that quarter.

At our discretion we may waive the minimum fee. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

There is an additional, required, non-negotiable, Quarterly Technology Fee of \$12.50 per account linked to ORION for technology and quarterly performance reporting. This fee is deducted quarterly beginning on the account opening anniversary from a TD Ameritrade account of our choosing. There is a maximum of \$500.00 per household annually.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, call our main office number located on the cover page of this brochure.

If you did not receive our disclosure brochure document(s) at least 48 hours prior to signing a portfolio management agreement with our firm, you will have five (5) business days in which to cancel the agreement without penalty. Thereafter, either party may terminate the portfolio management agreement upon 30 days written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, including any pre-paid minimum portfolio management fees, you will receive a prorated refund of those fees. The fixed technology fee is non-negotiable and non-refundable.

Financial Planning and Consulting Services

Our fees are negotiable depending upon the complexity and scope of the services rendered and the individual providing the services. You will be required enter into a written advisory agreement with our firm. The agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided and the fees you will pay.

We offer stand-alone financial planning services for a fixed fee generally ranging between \$3,600 and \$8,500. The fee is payable in advance and is due upon execution of the agreement. The agreement terminates upon completion of the contracted services. You will incur a pro rata charge for services rendered prior to the termination of the agreement. However, if you have prepaid, advisory fees that we have not yet earned, you will receive a prorated refund of those fees. We do not require you to pay fees in excess of \$500 for six or more months in advance. Should the engagement last longer than six months between acceptance of the financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

We offer consulting services either on an hourly basis or on a fixed fee basis. For hourly consulting, we generally charge between \$100 and \$500 per hour. Generally, we require a prepayment of 50% of the estimated fee with the remaining balance due upon completion of the agreed upon services. In limited circumstances, the time/cost could potentially exceed the initial estimate. In such cases, the advisor will notify the client and may request that the client pay an additional fee.

If you choose to engage us for ongoing retainer services for financial planning or consulting, the annual fixed fee, generally ranging between \$3,600 and \$8,500, is payable monthly or quarterly in advance as agreed upon with the client and as set forth in the financial planning or consulting agreement. Either party may terminate the agreement by providing written notice in accordance with the terms of the agreement. You will incur a pro rata charge for services rendered prior to the termination of the agreement. However, if you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Other fee paying arrangements may be negotiated based on individual client circumstances or request. Under no circumstances will we require prepayment of a fee in excess of \$500 for services not performed within six months of the receipt of the advance payment.

All terms of our engagement will be evidenced in the agreement that you sign with our firm. If you did not receive our disclosure brochure document(s) at least 48 hours prior to signing a financial planning or consulting agreement with our firm, you will have 5 business days in which to cancel the agreement without penalty. Thereafter, either party may terminate the agreement by providing written notice in accordance with the terms of the specific agreement.

Retirement Plan Services Fees

Fees for plan assets up to \$5,000,000 are not negotiable; fees for plan assets over \$5,000,000 are negotiable based on the specific services requested by the plan and the number of participants, among other needs and circumstances of the plan and plan sponsor.

Our fee for pension consulting and investment management is based on a percentage of the plan assets as follows:

<u>Pension Consulting Fees*</u>	
Plan Assets	Annual Fee
Up to \$5,000,000	0.75%
Over \$5,000,000	negotiable

*The record-keeper (or other custodian of the plan's assets) will calculate the fee and remit it to us quarterly in arrears. As the fees are charged in arrears, we do not offer refunds as services have already been performed. For the first quarter that you engage us, or if the Parties' terminate the Agreement during the quarter, the fees will be prorated for only those days that we rendered our services. Your custodian/record-keeper will send statements, to you, at least quarterly, that will reflect the fees paid to us, but you should verify the accuracy of fees paid. If you did not receive our disclosure brochure document(s) at least 48 hours prior to signing a pension consulting agreement with our firm, you will have 5 business days in which to cancel the agreement without penalty. Thereafter, either party may terminate the Agreement upon thirty (30) days prior written notice to the other party. The fees shall be prorated to the date of termination. Any pre-paid, unearned fees will be promptly refunded.

<u>Investment Management Fees**</u>	
Plan Assets	Annual Fee
First - \$250,000	1.20%
Next \$350,000	1.10%
Next \$900,000	1.00%
Next \$2,000,000	0.90%
Next \$1,500,000	0.75%
Over \$5,000,001	negotiable

**For investment management accounts, there is a Quarterly Technology Fee of \$12.50 per account linked to ORION for technology and quarterly performance. This fee is deducted quarterly on the account opening anniversary from a TD Ameritrade account of our choosing. The annual fee is prorated for the initial quarter, and paid quarterly in advance based upon the balance at end of billing period of Client's account(s). If you did not receive our disclosure brochure document(s) at least 48 hours prior to signing a pension consulting or investment management agreement with our firm, you will have 5 business days in which to cancel the agreement without penalty. Thereafter, either party may terminate the agreement upon thirty (30) days prior written notice to the other party. The fee will be prorated for the quarter that the termination notice is given, and any unearned, prepaid fees, including any pre-paid

minimum investment management fees, will be refunded to the account. The fixed technology fee is non-negotiable and non-refundable.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons associated with the firm are licensed as independent insurance agents. They will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to: individuals, high net worth individuals, pension and profit sharing plans, and corporations or other businesses.

In general, we require a minimum of \$5,000 in investable assets to open and maintain a portfolio management account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

For portfolio management accounts with values up to \$250,000, we charge a minimum annual fee in the amount of 1.20%. At our discretion we may waive the minimum fee. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

For portfolio management and investment management accounts there is a required Quarterly Technology Fee of \$12.50 per account linked to ORION for technology and quarterly performance reporting. This fee is deducted quarterly beginning on the account opening anniversary from the account custodian. For portfolio management accounts, there is a maximum technology fee of \$500.00 per household annually.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index, or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Modern Portfolio Theory- a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

Risk: Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Risk: If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Moreover, custodians and broker-dealers must report the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

- Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.
- Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.
- Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worthless and may reduce the purchasing power of a client's future interest payments and

principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

- **Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities

We primarily recommend exchange traded funds ("ETFs"), mutual funds, and individual stocks. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or your entire principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government but it is also possible for the rate of inflation to exceed the returns.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders;

when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into or sell out of the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match the Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Real Estate: Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to

be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Options Contracts: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier. The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).

- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Massachusetts Residents - Pursuant to 950 CMR12.205 (8)(d), the disciplinary history, if any, of all investment advisors and their representatives may be obtained by calling The Massachusetts Securities Division at (617) 727-3548.

Item 10 Other Financial Industry Activities and Affiliations

Neither our firm nor its associated persons, including Mr. Goodbread, are registered as, or have pending applications to register as, a broker/dealer or representative of a broker/dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or are currently an associated person of any of the foregoing types of entities.

Licensed Insurance Agents

Persons associated with the firm are licensed as an independent insurance agent. They will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. Insurance products and services will only be offered in states in which agents are properly licensed.

Other Affiliations

Justin Goodbread is the owner of Financially Simple, LLC, a company that offers general financial education through its website (www.financiallysimple.com). Mr. Goodbread is also an author. His books may be purchased through outside vendors, such as Amazon.com. Advisory clients are not obligated to utilize the educational services of Financially Simple, LLC or to purchase books authored by Mr. Goodbread.

Mr. Goodbread is also the owner of Heritage Business Advisors, LLC ("Heritage Business Advisors"), a business consulting company. Some advisory clients are expected to become clients of Heritage Business Advisors and vice versa. The services offered through Heritage Business Advisors are separate and distinct from the security advisory services offered through and the financial advisory fees paid to Heritage Investors. You are under no obligation, contractually or otherwise, to purchase the services offered through Heritage Business Advisors or any affiliated company or individual associated with our firm.

It is anticipated that he will spend less than 10% of his professional time in these capacities with these outside businesses. The majority of his professional time is spent in his capacities with Heritage Investors.

Refer to Requirements for State-Registered Advisers and the Part 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested.

Our firm or persons associated with our firm may buy or sell securities for you at the same time we, or persons associated with our firm, buy or sell such securities for our own account.

A conflict of interest exists in cases where we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities. Our firm and persons associated with our firm will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. In the unlikely event that a conflict should occur because of materiality (e.g., a thinly traded stock), disclosure would be made to the client(s) at the time of trading. Incidental trading not deemed to

be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

We may, however, combine our orders to purchase securities with your orders to purchase securities ("block trading"). However, our accounts will not be given preferential treatment as the price per share would be prorated across all participating accounts and partial fills would be allocated among participating clients before being allocated to any personal accounts. Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

Item 12 Brokerage Practices

We recommend the brokerage and custodial services of TD Ameritrade (whether one or more "Custodian"). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, the most favorable compared to other available providers and their services.

We consider various factors, including:

- Capability to buy and sell securities for your account itself or to facilitate such services.
- The likelihood that your trades will be executed.
- Availability of investment research and tools.
- Overall quality of services.
- Competitiveness of price.
- Reputation, financial strength, and stability.
- Existing relationship with our firm and our other clients.

Economic Benefits

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

TD Ameritrade Institutional

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading(which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely require that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Block Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment as the price per share would be prorated across all participating accounts and partial fills would be allocated among participating clients before being allocated to any personal accounts.

Item 13 Review of Accounts

Portfolio Management Reviews

Justin Goodbread, Managing Member and Chief Compliance Officer of Heritage Investors, will monitor your accounts on an ongoing basis and will conduct account reviews at least annually, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to: contributions and withdrawals; year-end tax planning; market moving events; security specific events, and/or, changes in your risk/return objectives.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Financial Planning Reviews

Justin Goodbread, Managing Member and Chief Compliance Officer of Heritage Investors, will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates may be subject to our then current hourly rate. Written updates to the financial plan will be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from your account custodian.

Item 14 Client Referrals and Other Compensation

TD Ameritrade Institutional Customer Program: As disclosed above under Item 12 Brokerage Practices, we participate in TD Ameritrade's Institutional Customer Program ("Institutional Program") and we recommend TD Ameritrade to clients for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading(which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our Associated Persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by our Firm or our Associated Persons through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our Associated Persons in and of themselves creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your

funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We will also provide statements to you reflecting the amount of the advisory fee deducted from your account. You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.

Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice that is not already disclosed above.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Refer to the *Performance-Based Fees and Side-By-Side Management* section above for additional information on this topic.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

Material Disciplinary Disclosures for Management Persons of this Firm

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. Our firm or a management person has been involved in the event(s) described below.

Justin Goodbread (CRD # 4746495), Managing Member of Heritage Investors was formerly a registered representative with Securian Financial Services, Inc., a registered broker-dealer and FINRA member (hereafter "Securian") (CRD# 15296) until 01/2009. Subsequent to his termination with Securian in 2009, on 9/26/2011, Securian was the named respondent in a client initiated arbitration seeking monetary damages in the amount of \$725,000 (FINRA Case No: 11-02637). The complaint alleged negligent and unsuitable investment recommendations relating the purchase of life insurance and annuity products, the sale of securities holdings, and the borrowing of money to pay for the insurance and annuities. Although Mr. Goodbread was not the writing or advising representative of record for the client's account and although he was not involved in the financial planning services or investment recommendations to the client, at the time the OSJ for whom Mr. Goodbread was employed required an assisting advisor to be assigned to the client account whether or not the assisting advisor was involved in the services provided to the client. Subsequently, on 09/06/2012, Securian entered into a settlement agreement with the clients ("Claimants"), in which both Mr. Goodbread and the representative of record were referred to as "third party respondents." Without admitting or denying the allegations, Securian settled with the client and agreed to a settlement sum of \$400,000, of which Securian paid \$150,000 and the insurer for Mr. Goodbread and the representative of record, as third party respondents, paid the remaining \$250,000. The settlement agreement further provided that the Claimants shall not oppose an expungement request by Mr. Goodbread.

Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

For Residents of Massachusetts: We will not share your non-public personal information with non-affiliates either for them to market to you or for joint marketing without your written authorization.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

IRA Rollover Considerations

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
 - a. Employer retirement plans generally have a more limited investment menu than IRAs.

- b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
 - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
 - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
 - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses, or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.



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March 22, 2021

FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Justin Goodbread that supplements the Heritage Investors brochure. You should have received a copy of that brochure. Contact us at (865) 690-1155 if you did not receive Heritage Investors' brochure or if you have any questions about the contents of this supplement.

Additional information about Justin Goodbread (CRD # 4746495) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Justin Goodbread, CFP®, CEPA®

Year of Birth: 1979

Formal Education After High School:

- University of Phoenix, BS Business Administration, 4/2007 - 4/2009
- Abraham Baldwin Agricultural College, AA Horticulture, 1/1998 - 4/2000

Business Background:

- Heritage Investors, Managing Member/Owner, 05/2009 – Present; Chief Compliance Officer and Investment Adviser Representative, 10/2017 – Present
- Heritage Business Advisors, LLC, Managing Member/Owner, 07/2019 – Present
- Financially Simple, LLC, Managing Member/Owner, 08/2017 – Present
- Summit Brokerage Services, Inc., Registered Representative, 7/2014 – 12/2017
- Summit Financial Group Inc., Investment Adviser Representative, 07/2014 – 12/2017

Certifications: CFP®, CEPA, CVGA

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP® (with flame design)marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 63,000 individuals have obtained CFP® certification in the United States. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- **Experience** - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** - Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

The CERTIFIED EXIT PLANNING ADVISOR, CEPA conferred by the Exit Planning Institute, the CEPA program is designed for business advisors who work closely with owners of privately-held companies. CEPA advisors help business owners exit their companies while achieving their personal, business, and financial goals. Using an executive MBA style format, the program is designed around a central case study and uses a combination of lectures, group discussions, case studies, and individual exercises to introduce participants to concepts and to reinforce skills. To receive the CEPA designation, candidates complete a rigorous 5-day program consisting of approximately 100 hours of pre-course study, 33 hours of classroom instruction, and successful completion of a 3.5 hour proctored examination.

The CERTIFIED VALUE GROWTH ADVISOR™, CVGA conferred by Corporate Value Metrics **provides the ONLY platform, process, and certification program in Value Growth Services.**

To receive the CVGA designation, candidates complete a rigorous 5-day program consisting of 33 hours of classroom instruction, oral and written competence assessment, and successful completion of a 3.0 hour examination. The CVGA certification program is like no other offered in the advisory industry. Participants will find themselves ready and confident to deliver a new advisory practice of a higher level and with greater value. The CVGA provides substance and credibility to deliver value growth services that will result in a visible impact to the growth, profits, and enterprise value of their clients. The CVGA, along with the VOP platform, will accelerate firm growth with a distinguishable competitive advantage to produce services that deliver significant ROI. Corporate Value Metrics, LLC, is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education (CPE) on the National Registry of CPE Sponsors.

Item 3 Disciplinary Information

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or

revocation of a professional attainment, designation, or license. Mr. Justin Goodbread has no required disclosures under this item.

Item 4 Other Business Activities

Licensed Insurance Agents

Justin Goodbread is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Goodbread for insurance related activities. This presents a conflict of interest because Mr. Goodbread may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Other Business Activities

Justin Goodbread and Emily Goodbread are the owners and managers of rental property. Mr. Goodbread spends approximately one (1) hour per month in this capacity and receives compensation. The services provided by Mr. Goodbread are separate and distinct from any advisory services provided by Heritage Investors.

Justin Goodbread is the owner of Financially Simple, LLC, a company that offers general financial education through its website (www.financiallysimple.com). Mr. Goodbread is also an author. His books may be purchased through outside vendors, such as Amazon.com. Advisory clients are not obligated to utilize the educational services of Financially Simple, LLC or to purchase books authored by Mr. Goodbread.

Additionally, Mr. Goodbread is also the owner of Heritage Business Advisors, LLC (“Heritage Business Advisors”), a business consulting company. Some advisory clients are expected to become clients of Heritage Business Advisors and vice versa. The services offered through and the fees paid to Heritage Business Advisors are separate and distinct from the advisory services offered through and the advisory fees paid to Heritage Investors. You are under no obligation, contractually or otherwise, to purchase the services offered through Heritage Business Advisors or any affiliated company or individual associated with our firm.

It is anticipated that he will spend less than 10% of his professional time in these capacities with these outside businesses. The majority of his professional time is spent in his capacities with Heritage Investors.

Item 5 Additional Compensation

Refer to the *Other Business Activities* section above for disclosures on Mr. Goodbread's receipt of additional compensation as a result of his other business activities.

Also, refer to the *Fees and Compensation, Client Referrals and Other Compensation, and Other Financial Industry Activities and Affiliations* section(s) of Heritage Investors' firm brochure for additional disclosures on this topic.

Item 6 Supervision

As the Managing Member and Chief Compliance Officer of Heritage Investors, Justin Goodbread supervises the advisory activities of our firm. Justin Goodbread can be reached at (865) 690-1155.

Item 7 Requirements for State Registered Advisers

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. Our firm or a management person has been involved in the event(s) described below.

Mr. Goodbread was a registered representative with Securian Financial Services, Inc., a registered broker-dealer and FINRA member (hereafter "Securian") (CRD# 15296) until 01/2009. Subsequent to his termination with Securian in 2009, on 9/26/2011, Securian was the named respondent in a client initiated arbitration seeking monetary damages in the amount of \$725,000 (FINRA Case No: 11-02637). The complaint alleged negligent and unsuitable investment recommendations relating the purchase of life insurance and annuity products, the sale of securities holdings, and the borrowing of money to pay for the insurance and annuities. Although Mr. Goodbread was not the writing or advising representative of record for the client's account and although he was not involved in the financial planning services or investment recommendations to the client, at the time the OSJ for whom Mr. Goodbread was employed required an assisting advisor to be assigned to the client account whether or not the assisting advisor was involved in the services provided to the client. Subsequently, on 09/06/2012, Securian entered into a settlement agreement with the clients ("Claimants"), in which both Mr. Goodbread and the representative of record were referred to as "third party respondents." Without admitting or denying the allegations, Securian settled with the client and agreed to a settlement sum of \$400,000, of which Securian paid \$150,000 and the insurer for Mr. Goodbread and the representative of record, as third party respondents, paid the remaining \$250,000. The settlement agreement further provided that the Claimants shall not oppose an expungement request by Mr. Goodbread.

Justin Goodbread has not been the subject of a bankruptcy petition.



Jeffrey S. Jeter

jjeter@heritageinvestor.com

Heritage Investors

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Suite 100

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March 22, 2021

FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Jeffrey S. Jeter that supplements the Heritage Investors brochure. You should have received a copy of that brochure. Contact us at (865) 690-1155 if you did not receive Heritage Investors' brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffrey S. Jeter (CRD # 6421272) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Jeffrey S. Jeter

Year of Birth: 1968

Formal Education After High School:

- Armstrong State University, B.S. Chemistry, December 1996
- Embry-Riddle Aeronautical University, B.S. Aeronautics, January 1993

Business Background:

- Heritage Investors, Investment Adviser Representative, 11/2019 - Present
- Allstate Insurance Company, Agent, 10/2018 – Present
- Humana, Agent, 10/2016 – Present
- Allstate Financial Advisors, LLC, Investment Adviser Representative, 10/2018 – 11/2019
- OneAmerica Securities, Inc., Registered Representative, 03/2016 – 09/2018
- American United Life, Agent, 03/2016 – 09/2018
- Unemployed, 02/2016 – 03/2016
- AIG FN, Financial Representative, 10/2014 – 01/2016

Item 3 Disciplinary Information

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Mr. Jeter has no required disclosures under this item.

Item 4 Other Business Activities

Licensed Insurance Agent

Mr. Jeter is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Jeter for insurance related activities. This presents a conflict of interest because Mr. Jeter may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Director/Consultant BNI Knox

Mr. Jeter is a compensated Director/Consultant for the Knoxville franchisee of Business Networking International (BNI). In this capacity, he provides consultation and education to local networking chapters. In this capacity, Mr. Jeter is compensated for growth and retention for professional membership.

Finance Committee Member – Fairview United Methodist Church

Mr. Jeter is a member of the Church Finance Committee.

Item 5 Additional Compensation

Refer to the *Other Business Activities* section above for disclosures on Mr. Jeter's receipt of additional compensation as a result of his other business activities.

Also, refer to the *Fees and Compensation, Client Referrals and Other Compensation, and Other Financial Industry Activities and Affiliations* section(s) of Heritage Investors' firm brochure for additional disclosures on this topic.

Item 6 Supervision

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Heritage Investors, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

My supervisor is: Justin Goodbread, Chief Compliance Officer

Supervisor phone number: (865) 690-1155

Item 7 Requirements for State Registered Advisers

This disclosure is required by state securities authorities. As such, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Jeter.

- A. Mr. Jeter has NOT been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;

- d) bribery, forgery, counterfeiting, or extortion; or
- e) dishonest, unfair, or unethical practices.

B. Mr. Jeter has NOT been the subject of a bankruptcy.

Information regarding Mr. Jeter's history can be found online at www.adviserinfo.sec.gov. His individual CRD number is 6421272.



Amy L. Ahrens

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March 22, 2021

FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Amy L. Ahrens that supplements the Heritage Investors brochure. You should have received a copy of that brochure. Contact us at (865) 690-1155 if you did not receive Heritage Investors' brochure or if you have any questions about the contents of this supplement.

Additional information about Amy L. Ahrens (CRD # 7292429) is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Amy L. Ahrens

Year of Birth: 1975

Formal Education After High School:

- Liberty University, Bachelor of Arts, History, 1996

Business Background:

- Heritage Investors, Investment Adviser Representative, 09/2020 – Present; Executive Director of Operations, 08/2019 – Present
- Mary Kay, Inc., Independent Beauty Consultant, 03/2007 – Present
- Lynnea Tate, National Area Manager/Executive Assistant/Event Coordinator, 03/2014 – 04/2019
- Mary Kay, Inc, Independent Sales Director, 10/2012-11/2013

Item 3 Disciplinary Information

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Ms. Ahrens has no required disclosures under this item.

Item 4 Other Business Activities

Ms. Ahrens does not have any outside business activities to report in this section.

Item 5 Additional Compensation

Ms. Ahrens does not receive additional compensation or economic benefits from third party sources in connection to her advisory activities.

Also, refer to the *Fees and Compensation, Client Referrals and Other Compensation, and Other Financial Industry Activities and Affiliations* section(s) of Heritage Investors' firm brochure for additional disclosures on this topic.

Item 6 Supervision

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Heritage Investors, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

My supervisor is: Justin Goodbread, Chief Compliance Officer
Supervisor phone number: (865) 690-1155

Item 7 Requirements for State Registered Advisers

This disclosure is required by state securities authorities. As such, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ms. Ahrens.

- A. Ms. Ahrens has NOT been involved in any of the events listed below.
 - 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 - 2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

- B. Ms. Ahrens has NOT been the subject of a bankruptcy.

Information regarding Ms. Ahrens' history can be found online at www.adviserinfo.sec.gov. Her individual CRD number is 7292429.