



## **Heim-Young & Associates, Inc.**

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***Broker Dealer Firm Brochure***

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## Heim-Young & Associates, Inc. Introduction

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Heim-Young & Associates, Inc. is a Broker Dealer registered with the Securities and Exchange Commission (SEC) & Financial Industry Regulatory Authority (FINRA). A registered representative is any person who, for compensation serves as a representative assisting clients in the trading of investment products such as stocks, bonds, mutual funds and complex products such as leveraged ETF's and variable annuities. Registered representatives are also known as brokers and engage in primarily transaction based services. Registration with the SEC, FINRA or the state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Heim-Young & Associates, Inc. (HYA). If you have any questions about the contents of this brochure, please contact us at (417) 882-7283. The information in this brochure has not been approved or verified by the SEC, FINRA or by any state securities authority.

**Additional information about Heim-Young & Associates, Inc. also is available on the FINRA's website at <https://brokercheck.finra.org/> The firm's CRD # is 38993**

This firm disclosure document is effective as of September 1, 2022 in accordance with the SEC's Regulation Best Interest.

Pursuant to SEC / FINRA rules and regulations, we will ensure that you receive a summary of any material changes to this and subsequent Brochures annually or when you engage in a new relationship with us, open a new account or initiate a transaction in a manner consistent with our regulatory obligation to provide this notice to you. We may further provide other disclosure information about material changes as necessary.

We will further provide you with a new Brochure as requested at any time, without charge. Our Brochure may be requested by contacting (417) 882-7283 or by emailing [plan@heimyoung.com](mailto:plan@heimyoung.com).

Additional information about Heim-Young & Associates Inc. is also available via the FINRA's website <https://brokercheck.finra.org/>. FINRA's website also provides information about any persons affiliated with Heim-Young & Associates, Inc. who are registered as a general securities representative.

# 1. Brokerage Business

Heim-Young & Associates, Inc. (the “Firm” or “HYA”) has been operating since 1995. Our Firm offers investment portfolio services to our clients, you and your family. Our Registered Representatives (sometimes referred to as “brokers”) are those people who provide a professional standard of care and recommendations to you. Our registered representatives will perform an initial interview with you to conduct a data-gathering process to determine your individual needs, gathering data such as (but not limited to) objectives, time horizon and your risk tolerance. After an analysis of the personal and financial information, your representative will discuss a range of topics such as the types of accounts that may work for your particular situation, investments and investment strategies, as well as give you an overview of expenses and costs of each. You will work with your representative to develop a strategy that meets your needs and that you are comfortable with. Our representatives do not receive compensation directly or indirectly from the purchase of various products.

The recommendations and allocations we make are intended to be in the clients’ best interest and to be made in a manner that is consistent with each client’s goals and objectives, while considering overall market conditions. The firm and its representatives generally do not provide advice on investment products that are fixed or static in nature or those that are not considered securities by federal and state securities laws. While the firm does not provide ongoing monitoring of brokerage accounts, you may request to have a review of your accounts to determine if any changes or reallocations need to be made. You, our client, are responsible for promptly notifying the firm if you have changes to your personal situation including any lifestyle and financial conditions that may alter stated goals and objectives and subsequently, the investment advice we may provide.

Our firm does not provide tax advice and is not responsible for the tax consequences borne by you as a result of account transactions. We encourage you to talk with your tax advisor about tax consequences resulting from transactions or any particular investment that may be held within your account(s).

## 2. Investment Strategies & Risk of Loss

Heim-Young & Associates, Inc. builds portfolios that reflect the objectives and risk tolerance of each individual client. Throughout our process, we focus on the clients' best interests, their objectives and an emphasis on quality of earnings. Generally, research and analysis is conducted through third-party providers such as Morningstar, Inc., Money Guide Pro, Riskalyze, Envestnet and various other reporting agencies.

Investment portfolios may contain a mix of stocks, corporate or government bonds, exchange traded fund positions, mutual funds and/or sub-accounts within variable contract with core holdings within established companies or entities. When appropriate, core positions may be complemented with smaller commitments to emerging and early-stage growth companies.

For income or asset allocation purposes we may also add a fixed-income component to certain client portfolios. Fixed-income investments generally contain U.S. Treasuries, Agencies, Preferred Shares, Certificates of Deposits and Corporate and / or Municipal bonds.

*Investing in securities involves risk of loss that you should be prepared to bear.*

Past performance is not a guarantee of future returns. Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Heim-Young & Associates, Inc. will assist clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Some material risks that the client may encounter (but not all) are described below.

### Material Risk Examples

**General Investment Risk-** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments you intend to invest in.

**Loss of Value-** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and government, economic or monetary policies.

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**Mutual Funds-** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity Investment-** Generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds-** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Stocks & Exchange Traded Funds (ETF)-** Investing in stocks & ETF’s carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

**Foreign Investment Risk–** Investments in securities of foreign issuers may involve risks including adverse fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection. These risks may be more pronounced for investments in developing countries.

**Interest Rate Risk–** When interest rates increase, the value of the account’s investments may decline and the account’s share value may decrease. This effect is typically more pronounced for intermediate and longer term obligations. This effect is also typically more pronounced for mortgage and other asset-backed securities, since value may fluctuate more significantly in response to interest rate changes. When interest rates decrease, the account’s current income may decline.

**Liquidity Risk–** Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at less than desired prices.

**Management Risk–** Client accounts are actively managed portfolios. The accounts’ value may decrease if manager pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers comprising the accounts.

**Market and Economic Risk –** An account’s investment value may decline due to changes in general economic and market conditions. A security’s value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

**Real Estate Risk–** An account’s investments in Real Estate Investment Trusts (“REITs”) are subject to risks affecting real estate investments generally (including market conditions, competition, property obsolescence, changes in interest rates and casualty to real estate), as well as risks specifically affecting REITs (the quality and skill of REIT management and the REIT’s internal expenses).

**Risks Affecting Specific Issuers–** The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected.

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These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

**Credit Risk** – If debt obligations held by an account are downgraded by ratings agencies, go into default, or if management action, legislation or other government action reduces the issuers' ability to pay principal and interest when due, the obligations' value may decline and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly "junk" or "high yield" bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, ratings downgrades, and liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

**Smaller Company Risk** – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

**Margin Transactions-** The use of leverage that is borrowed from a brokerage firm as collateral. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain the necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of our Investment Management Services and held by your broker-dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker-dealer can force the sale of securities or other assets in your account.
- The broker-dealer can sell your securities or other assets without contacting you.
- You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
- The broker-dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- You may not be entitled to an extension of time on a margin call.

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**\*\*\*THE MAJORITY OF THE INVESTMENT RECOMMENDATIONS MADE BY THE FIRM INVOLVE RISK, INCLUDING LOSS OF PRINCIPAL RISK. YOU SHOULD BE PREPARED TO BEAR THE RISK OF LOSS WHEN INVESTING \*\*\***

### 3. Conflicts of Interest

#### Personal Trading

Our firm has adopted a Code of Ethics (see additional information at [www.heimyoung.com](http://www.heimyoung.com)). The policy is provided to employees at the time of hire and is available to you upon request. The code of ethics contains a trading policy that requires employees to report all personal securities transactions to us for review, or provide duplicate statements and confirmations providing the same information.

From time to time, registered representatives may buy or sell securities for themselves that they also recommend to clients. Such transactions may create a conflict of interest. Before placing a trade, employees are expected to consider whether a personal transaction will affect the price or market for the security or otherwise be detrimental to your and other client accounts. Depending on prevailing market conditions, an employee transaction may receive a better or worse per-share price than a transaction placed on behalf of a client. At any time, our firm or our representatives may or may not have a position in individual securities recommended to you.

It is the express policy of the Firm that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, the Firm and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

It is important that you understand that we take actions for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for our own accounts.

The firm endeavors to be in compliance with applicable state and federal rules and regulations. To mitigate conflicts of interest that can occur when supervised persons manage their personal accounts at the same time the Firm manages client accounts, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.



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- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of the Firm.

*Any associated person not observing our policies is subject to sanctions up to and including termination.*

### Services Recommendations

#### **Affiliated Advisory Services**

Our firm has an affiliated registered investment advisor, Mercer Global Advisors, Inc. As such, our registered representatives will also act in the capacity of an investment advisor. Heim-Young & Associates, Inc. offers their clients a choice on how they wish to establish their accounts based on their desired services, client experience and fees. Our registered representative's work with our clients to determine which of our services best fit your needs, desired goals and objectives. Because our registered representatives are compensated differently based on the type of service you select, there is an inherent conflict of interest in recommending one type of service over another. It is the express policy of the firm for our registered representatives and anyone associated with our firm to place your best interest ahead of their own and the firms.

To mitigate this conflict of interest, our firm has developed internal procedures and supervisory reviews to ensure that the services offered and selected by you meet your stated goals and objectives and are appropriate for your situation. The firm regularly conducts internal reviews and training of the staff to ensure that the clients' interests are placed ahead of the individual registered representatives and the firms.

#### **Insurance Services**

Individuals serving as registered representative of the Firm may also be licensed as insurance agents. A client of the Firm is not obligated in any manner to purchase insurance or annuity products through such individuals. If a client elects to purchase an insurance or annuity product through such individual in his or her separate capacity as an insurance agent, the firm will receive a commission. As a result, the registered representative has a conflict of interest depending on the client situation when recommending insurance or annuity products, and the objectivity of such advice rendered by the registered representative is biased. The Firm has taken steps to manage this conflict of interest by requiring that each registered representative only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of the Firm and its registered representative.

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### Execution Services

We recognize our responsibility for best execution for our clients, and our recommendation of services is based on numerous factors. This does not solely mean the achievement of the best price on a given transaction. Rather it is a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and specific needs of the client. It is our intent to capture for our clients the maximum value of pricing, investment ideas and support for you when we execute transactions on your behalf. To this end, in order to take advantage of lower costs and technology advances, Heim-Young & Associates uses a variety of platforms to meet the client's needs. The firm uses primarily National Financial Services (Fidelity) to offer a brokerage platform, but dependent on a client specific situation may use a direct mutual fund company. National Financial Services provides additional disclosures regarding their obligation for best execution that can be found on their website (<https://www.fidelity.com/trading/execution-quality/overview>).

Our registered representatives will review the various platforms and work with you to select an option that best fits your needs and desired goals. Our representatives will review the various fees and expenses with you to ensure that you have a clear understanding of the costs of your accounts. Each client will also receive, direct from the custodian, additional information on fees & expenses in the form of account disclosure documents, prospectuses and additional disclosure documents provided on a routine basis.

While the registered representatives do not receive compensation, each custodial platform compensates the firm differently based on services provided and share class purchased. Our registered representatives have an inherent conflict of interest to choose one platform over another. The firm requires its registered representative to place a client's best interest over its own and the firm's. The firm has developed internal procedures and supervisory practices designed to ensure that the client's interests have been placed ahead of the registered representatives and the firms.

### Product Type Recommendations

While providing brokerage services to a client, the Firm and/or its registered representatives recommends investments in specific investment, annuity or insurance products through the broker-dealer or as an insurance agent of an insurance company.

In this capacity, registered representatives do not receive a commission from the product sponsor. The Firm does however, receive a commission and rates can vary among types of products and specific product sponsors and is based on the amount the client invests. Consequently, the registered representative of the Firm has an economic incentive to recommend types of products and specific product sponsors with a higher commission rate, which is a conflict of interest.

The Firm has taken steps to manage this conflict of interest by requiring that each registered representative only recommend insurance and annuities when in the best interest of the client and without regard to the financial interest of the Firm and its registered representative.

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### Compensation Arrangements

#### **Commissions & Trailing Fees**

Registered representatives in the capacity of a broker do not receive compensation on recommended products under the broker dealer in the form of commissions or sales charges on certain products or 12(b)(1) fees. Commissions represent the compensation provided by the product sponsors and is in the form of a percentage of the amount invested. The percentage compensated is determined by each custodian and share class type. The Firm does receive compensation in the form of commissions, fees, sales charges or 12(b)(1) fees.

Because each custodian has a different compensation structure, registered representatives have an inherent conflict when recommending specific investments. In this instance, our representatives are required to act in the client's best interest. The firm has specific policies in place to ensure that recommended investments align with a client's stated goals and objectives and to ensure that registered representatives are placing your interest above themselves and the firms.

#### **Sponsored Registered Representative Education**

Custodians or mutual fund companies occasionally will offer educational conferences on various products, industry insights, or financial planning topics. Our representatives may accept an offer of attendance, with proper review and approval from the CCO. Expenses covered are generally limited to conference attendance admittance, hotel and travel. No representative may accept any compensation other than direct reimbursement of travel expenses or conference fees.

The firm monitors representatives activities to ensure that recommendations are not influenced based on the receipt of these conferences. The firm does not offer any incentives or bonuses related to the sales of specific products.

#### **Sponsored Client Education**

Custodians or mutual fund companies will occasionally offer educational funds, either in the form of upfront marketing dollars or reimbursement for expenses occurred. These marketing funds must be reviewed by the firm and approved in advance. They may only be used in support of client and educational events.

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### Rollover Recommendations

When recommending that a client rollover his or her account from current retirement plan or other qualified plan to an IRA, the Firm and its registered representatives have a conflict of interest. The Firm can earn brokerage commissions, and 12b1 fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, the Firm will not earn any commissions or 12b1 fees if client does not rollover the funds in the retirement plan. Thus, the Firm and its representatives has an economic incentive to recommend a rollover of the retirement plan account, which is a conflict of interest. The Firm has taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and has adopted written policies and procedures whereby the Firm and its registered representatives will disclose the advantages/disadvantages of the retirement plan/IRA rollover options available to the client and will only recommend rollover if in the best interest of the client.

## 4. Fees & Compensation

### Ongoing Account & Maintenance Fees

Depending on the custodian and type of account you choose, you will incur various account and transaction fees. Some material fees that the client may encounter (but not all) are described below.

**Account Fees-** Each custodian assesses various fees related to the maintenance of the account. These fees support the ongoing regulatory and compliance requirements of servicing the account. These may be in the form of annual maintenance or assessment fees. Additional information can be found in the account agreement, prospectus and additional disclosure documents. In addition, Heim-Young & Associates, Inc. assesses an annual maintenance fee in the amount of \$25.00 for all account holders at National Financial Services.

**Account Transaction Fees-** You may incur various charges when executing a transaction (buys/sells/exchanges/periodic investments etc.). Each custodian details their charges with various account disclosure documents. Depending on the custodian, ticket charges and exchange fees may be in addition to a sales charge. The firm will receive a portion of these fees. Registered representatives will help Clients understand these fees, and inform them of any additional fees when requested to execute a transaction.

**Asset Transfer Fees-** Each custodian may have a fee related to various types of transfers to include EFT and wire fees.

**Misc. Fee's-** In some limited circumstances, custodians may charge additional fees to hold certain types of investments. Registered representatives will help the Client to understand these fees and determine if the investment is appropriate for their situation.

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**Investment Advisory Fees-** If your registered representative works with you to determine that affiliated investment advisory services are in your best interest, and if they recommend investment advisory services while acting as an investment advisor, you will incur a management fee based on the amount of assets you have. They will work with you to understand the fees and determine if the service is appropriate for your situation.

### 5. Privacy

Heim-Young & Associates, Inc. views protecting its customers' private information as a top priority. The firm has instituted policies and procedures to ensure that customer information is kept private and secure. The firm does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, the firm may share some information with its affiliate and service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Heim-Young & Associates, Inc. restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. We maintain physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality.

As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law. A copy of the firm's privacy policy notice will be provided to each new client, and annually thereafter. The privacy policy can also be found on Heim-Young & Associates, Inc. website [www.heimyoung.com](http://www.heimyoung.com) as well.

### 6. Disciplinary Information

Registered representatives are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. You may find additional information about our firm and its registered representatives on FINRA's website <https://brokercheck.finra.org/>.

### 7. Custody of Assets

Heim-Young & Associates, Inc. is an introducing broker dealer and is subject to the "Customer Protection Rule". The firm utilizes a custodian for all client assets. The Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from the Firm.

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When clients have questions about their account statements, they should contact the Firm or the qualified custodian preparing the statement. Registered representatives are required to obtain your permission to execute transactions, initiate transfers and withdrawals, and make any other account changes you may wish. The firm does not offer discretionary authority.

### 8. Financial Industry & Affiliations

Heim-Young & Associates, Inc. has an affiliation with and is under common ownership with Mercer Global Advisors Inc., under which investment advisory services are provided.

The Firm is **not** and does **not** have a related person that is an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another broker-dealer or financial planner (other than the disclosed Mercer Global Advisors Inc.), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, or a sponsor or syndicator of limited partnerships.

We are an independent broker-dealer, registered with the Securities and Exchange Commission and Financial Industry Regulatory Authority and only provides broker-dealer services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. Our Firm does not provide compensation to individuals (Solicitors) for referring business to you.

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